

**BOARD OF EDUCATION**  
**TOWNSHIP OF MANNINGTON SCHOOL DISTRICT**  
**COUNTY OF SALEM**  
**AUDITOR'S MANAGEMENT REPORT ON**  
**ADMINISTRATIVE FINDINGS-**  
**FINANCIAL, COMPLIANCE AND PERFORMANCE**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2023**

# TOWNSHIP OF MANNINGTON SCHOOL DISTRICT

## TABLE OF CONTENTS

	<u>Page</u>
Report of Independent Auditors	1
Scope of Audit	2
Administrative Practices and Procedures:	
Insurance	2
Official's Bonds	2
Tuition Charges	2
District Internal Control Policies	2
Financial Planning, Accounting and Reporting:	
Examination of Claims	3
Certification of Income Tax Compliance	3
Payroll Account and Position Control Roster	3
Reserve for Encumbrances and Accounts Payable	3
Obligations of federal grant awards and requests for reimbursement of expenditures against those federal grants awards	4
Classification of Expenditures	4
General Classifications	4
Administrative Classification	4
Board Secretary's Records	4
Treasurer's / Board Designee Records	4
Elementary and Secondary Education Act as amended by the Every Student Succeeds Act (ESSA)	4-5
Other Special Federal and/or State Projects	5
T.P.A.F. Reimbursement	5
TPAF Reimbursement to the State for Federal Salary Expenditures	5
School Purchasing Programs:	
Contracts and Agreements Requiring Advertisement for Bids	5-6
School Food Service	6-7
Student Body Activities	7
Unemployment Compensation Insurance Trust Fund	7
Application for State School Aid	7
Pupil Transportation	8
Facilities and Capital Assets	8
Testing for Lead of all Drinking Water in Educational Facilities	8
Follow-up on Prior Year Findings	8
Acknowledgment	9
Net Cash Resource Schedule	10
Schedule of Meal Count Activity	11-12
Schedule of Audited Enrollments	13-15
Excess Surplus Calculation	16-17
Audit Recommendation Summary	18-19

# NIGHTLINGER, COLAVITA & VOLPA

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## REPORT OF INDEPENDENT AUDITORS

Honorable President and  
Members of the Board of Education  
Township of Mannington School District  
County of Salem  
Salem, New Jersey 08079

We have audited, in accordance with generally accepted audit 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 Township of Mannington School District in the County of Salem for the year ended June 30, 2023 and have issued our report thereon dated November 27, 2023.

As part of our audit, we performed procedures required by the District of Administration and Finance, New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is issued in conjunction with the Annual Comprehensive Financial Report of the Board of Education of the Township of Mannington School District for the fiscal year ending June 30, 2023 and is intended for the information of the School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**

Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915  
November 27, 2023

**ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and District personnel entrusted with duties formally under the auspices of the Treasurer of School Monies, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

**Administrative Practices and Procedures**

**Insurance**

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

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Karen Stoms	School Board Administrator/Board Secretary	\$160,000

**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 school district.

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

**Tuition Charges**

These charges represent payments from parents of students not residing in the School District. In addition, there were no tuition students from billings to sending Districts for the year under audit per N.J.A.C. 6A:23A-17.1(f) 3.

**District Internal Control Policies**

District boards of education and administration are responsible for developing internal controls policies and procedures and maintaining a strong internal control environment. N.J.A.C. 6A:23A-6.4 requires that the District's internal control policies include specific requirements at N.J.A.C. 6A:23A-6.5 through 6.13. All Internal Control Policies were found in accordance with N.J.A.C.6A:23A-6.5 through 6.13.

## **Financial Planning, Accounting and Reporting**

### **Examination of Claims**

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

### **Certification of Income Tax Compliance**

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (Superintendent and Business Administrator) to the N.J. Department of Treasury was filed by the March 15 due date.

### **Payroll Account**

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

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

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

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

### **Employee Position Control Roster**

An inquiry and subsequent review of the Position Control Roster did not find any discrepancies 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, 2023 for goods not yet received or services not yet rendered, and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for proprietary and to determine that goods were received and services were rendered as of June 30, 2023.

### **Finding 2023-1**

The purchase order for TPAF/FICA reimbursement was recorded as an encumbrance rather than an accounts payable.

### **Recommendation**

The purchase order for TPAF/FICA Reimbursement should be classified as accounts payable rather than an open encumbrance at June 30, 2023 since the cost was incurred by year end.

## **Financial Planning, Accounting and Reporting (Continued)**

### **Obligations of Federal Grant Awards and Requests for Reimbursement of Expenditures Against Those Federal Grants Awards** - No exceptions were noted.

#### **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, our sample selection specifically targeted 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 0.00% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

**A. General Classification Findings - NONE**

**B. Administrative Classification Findings - NONE**

#### **Board Secretary's Records**

Our review of the financial and accounting records maintained by the Board Secretary were in satisfactory condition.

Acknowledgment of the Board's receipt of the Board Secretary's monthly financial reports was included in the minutes.

Monthly financial certificates of the Board Secretary and Board of Education for positive line item account status certifications (N.J.A.C. 6:2-2.13) were performed. Budgetary line item account transfers were approved monthly to cover any anticipated deficits.

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

#### **Treasurer's / Board Designee Records**

The Board Designee prepared cash reconciliations for the general operating account, payroll account and payroll agency account per N.J.S.A.18A:17-9.

All cash receipts were promptly deposited (N.J.S.A.18A:17-34, 18A:17-9.1).

The Board Designee filed her reports in a timely manner.

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

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the projects under Titles I-A, II-A, and IV of the Elementary and Secondary Education Act as amended and reauthorized. Our audit of the E.S.E.A. 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.

## **Financial Planning, Accounting and Reporting (Continued)**

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

The study of compliance for E.S.E.A. indicated that all E.S.E.A. programs were in compliance.

### **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 special projects indicated no areas of noncompliance.

### **T.P.A.F. Reimbursement**

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

### **TPAF Reimbursement to the State for Federal Salary Expenditures**

The amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

## **School Purchasing Programs**

### **Contracts and Agreements Requiring Advertisement for Bids**

N.J.S.A. 18A:18A-1 et seq. (Public School Contracts Law), the associated rules and related information on the statute, and school contracts in general are available on the website: <http://www.state.nj.us/dca/divisions/dlgs/programs/lpcl.html>.

Current statute is posted on the New Jersey Legislature (<http://www.njleg.state.nj.us/>) website.

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.

## **School Purchasing Programs (Continued)**

### **Contracts and Agreements Requiring Advertisement for Bids (Continued)**

The District Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

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 our examination, we did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the 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.

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977; therefore, the extent of such purchases could not reasonably be ascertained. Our examination revealed purchases made through the use of State contracts for the following:

Office Supplies      Classroom Supplies

The review of contracts and agreements did not disclose any areas of statutory noncompliance.

Although a particular contract is exempt from the formal requirements of public advertising and competitive bidding, N.J.S.A. 18A:18A-37 requires that quotations be obtained, whenever practical, for any contract over the statutory threshold amount of \$6,600, except for contracts for professional services. All contracts and agreements, which are subject to quotations, shall be awarded on the basis of the lowest responsible quotation received, which is most advantageous to the Board of Education, price and other factors considered. Our examination indicated that the Board of Education complied with these provisions.

### **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.



### **School Food Service (Continued)**

The school food service program was not selected as a major federal or State program and expended less than \$100,000 in Federal and/or State Support for its Child Nutrition Program.

### **Finding 2023-2**

Net cash resources in the Food Service Fund exceeded three months average expenditures.

### **Recommendation**

The Board should implement a corrective action plan to effectively reduce the net cash resources on hand through capital expenditure or otherwise.

### **Student Body Activities**

The Board has a policy, which clearly established the regulation of student activity funds.

All receipts were promptly deposited.

A monthly report of student activity funds is being submitted to the Board.

Cash receipts and disbursements books were maintained in good condition.

Receipts appeared to be deposited promptly in the bank.

Vouchers and supporting invoices were maintained for the student activity fund purchases. All disbursements appeared to be supported by appropriate documentation.

### **Unemployment Compensation Insurance Trust Fund**

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund.

### **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 Enrollment.

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

### **Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2022-2023 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report. The DRTRS Eligibility Summary Report was compared to the County Summary Report. All items were in agreement. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures 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 District does not bid on busses. They contract all bus routes that 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**

A Fixed Asset Report was provided by an outside vendor. It included changes that were supported by expenditures in the accounting records and depreciation charges.

Our procedures included a review of the EDA grant agreements, if any, for consistency with recording EDA revenue, transfer of local funds from the general fund or from the capital reserve account and awarding of contracts for eligible facilities construction. There were no EDA grant agreements for the fiscal year ending June 30, 2023.

### **Testing for Lead of all Drinking Water in Educational Facilities**

The school district adhered to all the requirements of NJAC 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 test results were put on the district's website as well as available at the school facility.

### **Follow-up on Prior Years' Findings**

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. All prior year findings were resolved with the exception of the following:

#### **Finding 2022-1**

Net cash resources in the Food Service Fund exceeded three months average expenditures.

**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,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**

Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915

# NET CASH RESOURCE SCHEDULE

Net cash resources did exceed three months of expenditures  
Proprietary Funds - Food Service  
FYE 2023  
Mannington Township Board of Education

		Food Service B - 4/5	
<b><u>Net Cash Resources:</u></b>			
<b>ACFR</b>	<b>Current Assets</b>		
B-4	Cash & Cash Equiv.	\$ 78,614	
B-4	Due from Other Gov'ts	2,275	
B-4	Accounts Receivable	534	
B-4	Investments		
<b>ACFR</b>	<b>Current Liabilities</b>		
B-4	Less Accounts Payable		
B-4	Less Accruals		
B-4	Less Due to Other Funds	(20,895)	
B-4	Less Deferred Revenue	(1,089)	
	<b>Net Cash Resources</b>	<b><u>\$ 59,439</u></b>	<b>(A)</b>

**Net Adj. Total Operating Expense:**

B-5	Tot. Operating Exp.	91,959	
B-5	Less Depreciation	(2,136)	
	<b>Adj. Tot. Oper. Exp.</b>	<b><u>\$ 89,823</u></b>	<b>(B)</b>

**Average Monthly Operating Expense:**

B / 10	<b><u>\$ 8,982</u></b>	<b>(C)</b>
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**Three times monthly Average:**

3 X C	<b><u>\$ 26,947</u></b>	<b>(D)</b>
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TOTAL IN BOX A	\$ 59,439
LESS TOTAL IN BOX D	\$ 26,947
<b>NET</b>	<b><u>\$ 32,492</u></b>
From above:	
<b>A is greater than D, cash exceeds 3 X average monthly operating expenses.</b>	
<b>D is greater than A, cash does not exceed 3 X average monthly operating expenses.</b>	

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

SOURCE - USDA resource management comprehensive review form

SCHEDULE OF MEAL COUNT ACTIVITY

MANNINGTON SCHOOL DISTRICT  
FOOD SERVICE FUND  
NUMBER OF MEALS/MILKS SERVED AND OVER/UNDERCLAIM-FEDERAL  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>(Over)/Under Difference</u>	<u>Rate</u>	<u>(Over)/Under Claim</u>
National School Lunch	Paid	6,139	6,139	6,139	\$	0.77	
	Reduced	675	675	675		3.93	
	Free	4,613	4,613	4,613		4.33	
	Total	<u>11,427</u>	<u>11,427</u>	<u>11,427</u>		\$	
National School Lunch	HHFKA - PB Lunch Only	<u>11,427</u>	<u>11,427</u>	<u>11,427</u>	\$	0.08	\$
School Breakfast	Paid	2,917	2,917	2,917	\$	0.50	
	Reduced	193	193	193		2.37	
	Free	1,557	1,557	1,557		2.67	
	Total	<u>4,667</u>	<u>4,667</u>	<u>4,667</u>		\$	
TOTAL NET OVERCLAIM							\$

SCHEDULE OF MEAL COUNT ACTIVITY

MANNINGTON SCHOOL DISTRICT  
FOOD SERVICE FUND  
NUMBER OF MEALS/MILKS SERVED AND OVER/UNDERCLAIM-STATE  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>(Over)/Under Difference</u>	<u>Rate</u>	<u>(Over)/Under Claim</u>
State Reimb. - National School Lunch	Paid	6,139	6,139	6,139		\$ 0.06	\$
	Reduced	675	675	675		0.47	
	Free	4,613	4,613	4,613		0.07	
	TOTAL	<u>11,427</u>	<u>11,427</u>	<u>11,427</u>			\$
State Reimb. - National School Breakfast	Reduced	193	193	193		\$ 0.30	\$
	TOTAL	<u>193</u>	<u>193</u>	<u>193</u>			\$
TOTAL NET OVERCLAIM							\$

SCHEDULE OF AUDITED ENROLLMENTS

MANNINGTON SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 14, 2022

	2023-2024						SAMPLE FOR VERIFICATION						PRIVATE SCHOOLS FOR DISABLED			
	APPLICATION FOR STATE SCHOOL AID												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 Verification	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Full Day PS (3 Yr. Olds)	10		10				6		6							
Full Day PS (4 Yr. Olds)	13		13				8		8							
Full Day Kindergarten	14		14				9		9							
One	20		20				12		12							
Two	17		17				11		11							
Three	9		9				6		6							
Four	13		13				8		8							
Five	11		11				7		7							
Six	12		12				7		7							
Seven	11		11				7		7							
Eight	16		16				10		10							
Nine																
Ten																
Eleven																
Twelve																
Subtotal	146	0	146	0	0	0	91	0	91	0	0	0	0	0	0	0
Special Ed - Elementary	18		18				11		11							
Special Ed - Middle	7		7				4		4							
Special Ed - High																
Subtotal	25	0	25	0	0	0	15	0	15	0	0	0	0	0	0	0
Totals	171	0	171	0	0	0	106	0	106	0	0	0	0	0	0	0
Percentage Error					0.00%	0.00%				0.00%	0.00%					0.00%

SCHEDULE OF AUDITED ENROLLMENTS

MANNINGTON SCHOOL DISTRICT  
APPLICATION OR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 14, 2022

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported On A.S.S.A. as Low Income</u>	<u>Reported On Workpapers as Low Income</u>	<u>Errors</u>	<u>Sample Selected From Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>	<u>Reported on A.S.S.A. as LEP Low Income</u>	<u>Reported on Workpapers as LEP Low Income</u>	<u>Errors</u>	<u>Sample Selected From Workpapers</u>	<u>Verified to Test Score and Register</u>	<u>Sample Errors</u>
Full Day PS (3 Yr. Olds)												
Full Day Kindergarten	1	1		1	1							
One	3	3		3	3							
Two	2	2		2	2							
Three		0		0	0							
Four	2	2		2	2							
Five	2	2		2	2							
Six	3	3		3	3							
Seven	3	3		3	3							
Eight	2	2		2	2							
Nine	2											
Ten	1											
Eleven	1											
Twelve												
Subtotal	22	18	0	15	15	0	0	0	0	0	0	0
Special Ed - Elementary	6	6		5	5							
Special Ed - Middle	2	2		2	2							
Special Ed - High												
Subtotal	8	8	0	7	7	0	0	0	0	0	0	0
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	30	26	0	22	22	0	0	0	0	0	0	0
Percentage Error			0.00%			0.00%						

TRANSPORTATION

	<u>Reported on DRTRS by DOE/County</u>	<u>Reported on DRTRS by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>		
							<u>Reported</u>	<u>Re-Calculated</u>
Reg. - Public Schools	99	99		68	68			
Reg. - Special Ed.	17	17		12	12			
Transported - Non-Public Aid in Lieu - Non Public								
Special Needs - Public	2	2		1	1			
Totals	118	118	0	81	81	0		
Percentage Error						0.00%		
							Avg. Mileage - Regular Including Grade PK students	5.3
							Avg. Mileage - Regular Excluding Grade PK students	5.3
							Avg. Mileage - Special Ed with Special Needs	6.4



**SCHEDULE OF AUDITED ENROLLMENTS**

**MANNINGTON SCHOOL DISTRICT**  
**APPLICATION OR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 14, 2022**

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Report On A.S.S.A. as NOT Low Income</u>	<u>Report On Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected From Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Full Day Preschool						
Full Day Kindergarten						
One						
Two						
Three						
Four						
Five						
Six						
Seven						
Eight						
Subtotal	0	0	0	0	0	0
Special Ed - Elementary						
Special Ed - Middle						
Special Ed - High						
Subtotal	0	0	0	0	0	0
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	0	0	0	0	0	0
Percentage Error		<u>0.00%</u>			<u>0.00%</u>	

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**EXCESS SURPLUS CALCULATION**

**SECTION 1**

**A. 2% Calculation of Excess Surplus**

2022-2023 Total General Fund Expenditures per the ACFR, Ex C-1	\$ <u>4,187,195</u> (B)	
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	<u>                    </u> (B1a)	
Transfer from Capital Reserve to Capital Projects Fund	<u>31,600</u> (B1b)	
Transfer from General Fund to SRF for PreK-Regular	<u>                    </u> (B1c)	
Transfer from General Fund to SRF for PreK-Inclusion	<u>47,775</u> (B1d)	
Decreased by:		
On-Behalf TPAF Pension & Social Security	<u>830,974</u> (B2a)	
Assets Acquired Under Capital Leases	<u>                    </u> (B2b)	
 Adjusted 2022-2023 General Fund Expenditures [(B)+(B1s)-(B2s)]	 <u>3,435,596</u> (B3)	
 2% of Adjusted 2022-2023 General Fund Expenditures [(B3) times .02]	 <u>68,712</u> (B4)	
Enter Greater of (B4) or \$250,000	<u>250,000</u> (B5)	
Increased by: Allowable Adjustment*	<u>205,052</u> (K)	
 Maximum Unassigned Fund Balance[(B5)+(K)]		\$ <u>455,052</u> (M)

**SECTION 2**

Total General Fund - Fund Balances at June 30, 2023 (Per ACFR Budgetary Comparison Schedule C-1)	\$ <u>2,890,497</u> (C)	
Decreased by:		
Year-end Encumbrances	<u>640</u> (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>                    </u> (C2)	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	<u>613,558</u> (C3)	
Other Restricted Fund Balances****	<u>1,315,858</u> (C4)	
Assigned Fund balance Unreserved - Designated for Subsequent Year's Expenditures	<u>                    </u> (C5)	
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		\$ <u>960,441</u> (U1)

**SECTION 3**

Section 1 Restricted Fund Balance- Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0-		\$ <u>505,389</u> (E)
 <b><u>Recapitulation of Excess Surplus as of June 30, 2023</u></b>		
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures**	<u>613,558</u> (C3)	
Reserved Excess Surplus ***[(E)]	<u>505,389</u> (E)	
 Total Excess Surplus [(C3) + (E)]		\$ <u>1,118,947</u> (D)

**MANNINGTON TOWNSHIP SCHOOL DISTRICT**  
**EXCESS SURPLUS CALCULATION**

**Footnotes:**

- \* Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:
  - (H) Federal Impact Aid. The passage of P.L. 2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve-General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
  - (I) Sale & Lease-Back (Refer to the Audit Program Section II, Chapter 10);
  - (J1) Extraordinary Aid;
  - (J2) Additional Nonpublic School Transportation Aid;
  - (J3) Recognized current year School Bus Advertising Revenue; and
  - (J4) Family Crisis Transportation Aid.
  - (J5) Supplemental Stabilization Aid received April 2023 & Maintenance of Equity Aid received July 2023

Notes to auditor: Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid, and Additional Nonpublic School Transportation Aid.

**Detail of Allowable Adjustments**

Impact Aid	\$ _____	(H)
Sale & Lease-Back	_____	(I)
Extraordinary Aid	_____	(J1)
Additional Nonpublic School Transportation Aid	_____	(J2)
Current Year School Bus Advertising Revenue Recognized	_____	(J3)
Family Crisis Transportation Aid	_____	(J4)
Supplemental Stabilization Aid received April 2023 & Maintenance of Equity Aid received July 2023	205,052	(J5)
Total Adjustments [(H) + (I) + (J1) + (J2) + (J3) + (J4) + (J5)]	\$ 205,052	(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 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 another type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Division of Administration and Finance prior to September 30.

**Detail of Other Restricted Fund Balance**

Statutory restrictions:		
Approved unspent separate proposal	\$ _____	
Sale/lease-back reserve	_____	
Capital reserve	1,158,495	
Maintenance reserve	157,363	
Emergency Reserve	_____	
Tuition reserve	_____	
School Bus Advertising 50% Fuel Offset Reserve - Current Year	_____	
School Bus Advertising 50% Fuel Offset Reserve - Prior Year	_____	
Impact Aid General Fund Reserve (Sections 8007 and 8008)	_____	
Impact Aid General Fund Reserve (Sections 8002 and 8003)	_____	
Other state/government mandated reserve	_____	
Reserve for Unemployment Fund	_____	
[Other Restricted Fund Balance not noted above] ****	_____	
Total Other Restricted Fund Balance	\$ 1,315,858	(C4)

**AUDIT RECOMMENDATIONS SUMMARY**  
**For the Fiscal Year Ended June 30, 2023**  
**Township of Mannington School District**

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

**Finding 2023-1**

**Recommendation**

The purchase order for TPAF/FICA Reimbursement should be classified as accounts payable rather than an open encumbrance at June 30, 2023 since the cost was completed by year end.

3. School Purchasing Programs

None

4. School Food Service

**Finding 2023-2**

**Recommendation**

The Board should implement a corrective action plan to effectively reduce the net cash resources on hand in the Food Service Fund through capital expenditure or otherwise.

5. Student Body Activities

None

6. Application for State School Aid

None

7. Charter School Enrollment System(CHE) (Applicable to audits of charter schools)

None

8. Pupil Transportation

None

9. Facilities and Capital Assets

None

10. Miscellaneous

None

11. Status of Prior Year Audit Findings/Recommendations

A review was performed on the prior year recommendations and corrective action was taken on all prior year findings, with the exception of the following:

**Finding 2022-1:**

The Board should implement a corrective action plan to effectively reduce the net cash resources on hand through capital expenditure or otherwise.

**Status:** Unresolved