

Auditor's Management Report

for the

*Matawan Aberdeen Regional
School District*

in the

*County of Monmouth
New Jersey*

for the

*Fiscal Year Ended
June 30, 2023*

**AUDITOR'S MANAGEMENT REPORT OF ADMINISTRATIVE
FINDINGS FINANCIAL AND COMPLIANCE**

TABLE OF CONTENTS

| | <u>Page</u> |
|---|--------------------|
| Independent Auditor's Report | 1 |
| Scope of Audit | 2 |
| Administrative Practices and Procedures | |
| Insurance | 2 |
| Official Bonds | 2 |
| Financial Planning, Accounting and Reporting | |
| P.L. 2020, c 44 | 2 |
| Examination of Claims | 2 |
| Payroll Accounts | 3 |
| Position Control Roster | 3 |
| Reserve for Encumbrances and Accounts Payable | 3 |
| Classification of Expenditures | 3 |
| Board Secretary's Records | 3 |
| Treasurer's Records | 4 |
| Elementary and Secondary Education Act (E.S.E.A) as Amended by the Every Student Succeeds Act (ESSA) | 4 |
| Other Special Federal and/or State Projects | 4 |
| T.P.A.F. Reimbursement | 4 |
| T.P.A.F. Reimbursement to the State for Federal Salary Expenditures | 4 |
| School Purchasing Programs | |
| Contracts and Agreements Requiring Advertisement for Bids | 5-6 |
| Food Service Fund | 6-7 |
| Student Body Activities | 7 |
| Pupil Transportation | 7 |
| Application for State School Aid | 8 |
| Facilities and Capital Assets | 8 |
| Miscellaneous | 8 |
| Follow-Up on Prior Year's Audit Finding | 9 |
| Application for State School Aid Summary Enrollment | 10-12 |
| Excess Surplus Calculation | 12-13 |
| Net Cash Resources Schedule | 14 |
| Schedule of Meal Count Activity | 15 |
| Recommendations | 16 |

Tax ID Number 21-6000241



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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Matawan-Aberdeen Regional School District
County of Monmouth
Aberdeen, New Jersey 07747

We have audited, in accordance with U.S. generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Matawan Aberdeen Regional School District in the County of Monmouth for the year ended June 30, 2023, and have issued our report dated January 22, 2024.

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

This report is intended solely for the information of the Matawan Aberdeen Regional School District, County of Monmouth, New Jersey, the New Jersey Department of Education and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

CERTIFIED PUBLIC ACCOUNTANTS

PUBLIC SCHOOL ACCOUNTANT NO. 948

January 22, 2024

Independent Auditor's Management Report of Administrative Findings Financial and Compliance

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, the activities of the Matawan-Aberdeen Regional School District Board of Education, and the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Insurance coverage was carried in the amounts as detailed in the District's ACFR. (See Exhibit J-20)

Official Bonds

| <u>NAME</u> | <u>POSITION</u> | <u>AMOUNT OF BOND</u> |
|---------------|---|-----------------------|
| Sean Boyce | Treasurer of School Monies | \$350,000.00 |
| Lindsey Case | Board Secretary/ School Business Administrator | \$150,000.00 |
| All Employees | Blanket Position Bond | \$1,000,000.00 |

Adequacy of insurance coverage is the responsibility of the Board of Education.

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 included all health benefit plans offered by the district. The district's school project data certification was completed by the chief school administrator.

The district's project Chapter 44 data was submitted timely.

Financial Planning, Accounting and Reporting

Examination of Claims

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

**Independent Auditor's Management Report of Administrative
Findings Financial and Compliance**

Payroll Accounts

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

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

Payrolls were delivered to the secretary of the board with a warrant made to her order for the full amount of each payroll.

Payrolls were delivered to the treasurer of school monies with a warrant made to his order for the full amount of each payroll.

Position Control Roster

The Position Control Roster was reviewed and compared to payroll records, employee benefit records and charges made to the general ledger to ensure proper and consistent financial reporting and that employee benefits are only offered to current employees.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, 2023 for proper classification of orders as reserve for encumbrances and accounts payable.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, 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, no errors were noted and no additional procedures were deemed necessary to the test the propriety of expenditure classification.

Board Secretary's Records

The records maintained by the Board Secretary were maintained in satisfactory condition.

**Independent Auditor's Management Report of Administrative
Findings Financial and Compliance**

Treasurer's Records

The records maintained by the Treasurer of School Monies were maintained in satisfactory condition.

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 CAFR. This section of the ACFR documents the financial position pertaining to the projects under Title I, Title II, and Title III of the Elementary and Secondary Education Act.

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.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements (electronic, but districts/charter schools/renaissance school projects can print out the DOENET screen for an auditor) filed with the Department of Education for district/charter school/renaissance school project 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 60 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement. No exceptions were noted.

**Independent Auditor's Management Report of Administrative
Findings Financial and Compliance**

SCHOOL PURCHASING PROGRAMS

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-1, et seq. 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 \$32,000, 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 therefor, 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 (C.40A:11-9) the board of education may establish that the bid threshold may be up to \$44,000.00. 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 \$1,000.00. 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 every year in which it is made. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection a. of N.J.S.A. 18A:18A-5 may be awarded for a period not exceeding 12 consecutive months."

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 therefor, except as is provided otherwise in this chapter or specifically by any other law."

The board of education may, by resolution approve by the majority of the board of education and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the board of education finds that it has had negative prior experience with the bidder."

Effective July 1, 2020, the bid threshold in accordance with N.J.S.A. 18A:18A-3(a) and (c) is \$32,000.00. In accordance with N.J.S.A. 40A:11-9 (b) the bid threshold for all purchases made by the District's qualified purchasing agent is \$44,000.00. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18:39-3 is currently \$20,200.00.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal 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.

**Independent Auditor's Management Report of Administrative
Findings Financial and Compliance**

SCHOOL PURCHASING PROGRAMS (CONTINUED)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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 provisions 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.

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.

FOOD SERVICE FUND

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

The 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. No exceptions were noted.

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

Expenditures were 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. 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 non-profit status of the school food service.

Net cash resources did exceed three months average expenditures.

Finding 2023-001- Net cash resources exceeded three months average expenditures.

Recommendation 2023-001 That appropriate action be taken to ensure that net cash resources of the Food Service Account do not exceed (3) months average expenditures.

**AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS – FINANCIAL AND COMPLIANCE**

School Food Service (Continued)

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

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Service employees. No exceptions were noted.

The number of meals claimed for reimbursement was verified against sales and meal count records. As part of the claims review process the edit check worksheet was completed. Reimbursement claims were submitted 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 did not exceed the number of valid applications on file, times the number of operating days, on a school by school basis. The free and reduced priced meal policy is uniformly administered throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions were noted.

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.

Student Body Activities

The records for the Student Body Activities were maintained in satisfactory condition.

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 with no exceptions. 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. No exceptions were noted in our review of transportation related purchases of goods and services.

**Independent Auditor's Management Report of Administrative
Findings Financial and Compliance**

Application for State School Aid

Our audit procedures included a test of information reported in the October 14, 2022 Application for State School Aid (A.S.S.A.) for onroll, private schools for the disabled, 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 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 procedures included a review of the SDA grant agreements for consistency with recording of SDA revenue, transfer of local funds from the general or capital reserve account, and awarding of contracts for eligible facilities construction.

MISCELLANEOUS

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

**Independent Auditor's Management Report of Administrative
Findings Financial and Compliance**

Follow-Up Prior Year's Audit Findings

In accordance with *Government Auditing Standards*, our procedures included a review of the prior year audit recommendations. Corrective action had been taken on all prior year findings with the exception of the following, which are repeated in this year's recommendations noted as the following current year findings:

Recommendation 2022-001: That the District implement controls to insure timely posting of the financial records.

Current Status: The Finding has been corrected.

Recommendation 2022-002: That the District's Custodians, Payroll Agency and Net Payroll Bank Reconciliations be accurately reconciled on a monthly basis and that a Treasurer of School Moneys report be filed monthly with the Board of Education as required by 18A:17-36.

Current Status: The Finding has been corrected.

MATAWAN - ABERDEEN REGIONAL SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2022

| | 2023-24 Application for State School Aid (10/14/22 data) | | | | Sample for Verification | | | | Private School for Disabled | | | | | | |
|--------------------------------|--|--------|--------------------------------|--------|-------------------------|--------|---------------------------------|--------|-----------------------------|--------|------------------------------|--------|---|--------|----|
| | Reported as on Roll | | Reported on Workpapers on Roll | | Errors | | Sample Selected from Workpapers | | Registers Verified per | | Errors per Registers on Roll | | Reported on A.S.S.A. as Private Schools | | |
| | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Full | Shared | |
| Full Day Preschool 3 years old | 101 | | 101 | | | | 10 | | 10 | | | | | | |
| Full Day Preschool 4 years old | 137 | | 137 | | | | 12 | | 12 | | | | | | |
| Full Day Kindergarten | 238 | | 238 | | | | 18 | | 18 | | | | | | |
| One | 245 | | 245 | | | | 18 | | 18 | | | | | | |
| Two | 231 | | 231 | | | | 19 | | 19 | | | | | | |
| Three | 236 | | 236 | | | | 18 | | 18 | | | | | | |
| Four | 217 | | 217 | | | | 17 | | 17 | | | | | | |
| Five | 229 | | 229 | | | | 18 | | 18 | | | | | | |
| Six | 228 | | 228 | | | | 18 | | 18 | | | | | | |
| Seven | 198 | | 198 | | | | 14 | | 14 | | | | | | |
| Eight | 263 | | 263 | | | | 22 | | 22 | | | | | | |
| Nine | 219 | | 219 | | | | 16 | | 16 | | | | | | |
| Ten | 240 | | 240 | | | | 18 | | 18 | | | | | | |
| Eleven | 238 | 19 | 238 | 19 | | | 18 | 2 | 18 | 2 | | | | | |
| Twelve | 226 | 13 | 226 | 13 | | | 18 | 1 | 18 | 1 | | | | | |
| Subtotal | 3246 | 32 | 3246 | 32 | | | 254 | 3 | 254 | 3 | | | | | |
| Sp. Ed. - Elementary | 225 | | 225 | | | | 16 | | 16 | | | 6 | | 5 | |
| Sp. Ed. - Middle School | 160 | | 160 | | | | 12 | | 12 | | | 6 | | 5 | |
| Sp. Ed. - High School | 217 | 23 | 217 | 23 | | | 16 | 2 | 16 | 2 | | 31 | | 27 | |
| Subtotal | 602 | 23 | 602 | 23 | | | 44 | 2 | 44 | 2 | | 43 | | 37 | |
| Co. Voc. - Regular | | | | | | | | | | | | | | | |
| Co. Voc. Fl. Post Sec. | | | | | | | | | | | | | | | |
| Totals | 3848 | 55 | 3848 | 55 | | | 298 | 5 | 298 | 5 | | 43 | | 37 | |
| Percentage Error | | | | | | | | | | | | | | | 0% |

MATAWAN - ABERDEEN REGIONAL SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2022

| | Resident Low Income | | | Sample for Verification | | | Resident LEP Low Income | | | Sample for Verification | | |
|--------------------------------|------------------------------------|--------------------------------------|--------|---------------------------------|--------------------------------------|---------------|--|--|--------|---------------------------------|-------------------------------------|---------------|
| | Reported on A.S.S.A. as Low Income | Reported on Workpapers as Low Income | Errors | Sample Selected from Workpapers | Verified to Application and Register | Sample Errors | Reported on A.S.S.A. as LEP low Income | Reported on Workpapers as LEP low Income | Errors | Sample Selected from Workpapers | Verified to Test Score and Register | Sample Errors |
| Full Day Preschool 3 years old | 55 | 55 | | 14 | 14 | | 6 | 6 | | 4 | 4 | |
| Full Day Preschool 4 years old | 60 | 60 | | 14 | 14 | | 7 | 7 | | 4 | 4 | |
| One | 58 | 58 | | 14 | 14 | | 4 | 4 | | 3 | 3 | |
| Two | 54 | 54 | | 14 | 14 | | 8 | 8 | | 5 | 5 | |
| Three | 45 | 45 | | 14 | 14 | | 3 | 3 | | 2 | 2 | |
| Four | 47 | 47 | | 14 | 14 | | 1 | 1 | | 1 | 1 | |
| Five | 49 | 49 | | 14 | 14 | | 3 | 3 | | 3 | 3 | |
| Six | 49 | 49 | | 14 | 14 | | 1 | 1 | | 1 | 1 | |
| Seven | 49 | 49 | | 14 | 14 | | 1 | 1 | | 1 | 1 | |
| Eight | 61 | 61 | | 18 | 18 | | 1 | 1 | | 1 | 1 | |
| Nine | 50 | 50 | | 14 | 14 | | 1 | 1 | | 1 | 1 | |
| Ten | 53 | 53 | | 14 | 14 | | 1 | 1 | | 1 | 1 | |
| Eleven | 36 | 36 | | 10 | 10 | | 1 | 1 | | 1 | 1 | |
| Twelve | 54 | 54 | | 14 | 14 | | 3 | 3 | | 3 | 3 | |
| Subtotal | 671.0 | 671.0 | | 182 | 182 | | 40 | 40 | | 31 | 31 | |

| | | | | | | | | | | | | |
|--------------------------|--------------|--------------|----|------------|------------|--|-----------|-----------|----|-----------|-----------|----|
| Special Ed - Elementary | 68 | 68 | | 18 | 18 | | 9 | 9 | | 6 | 6 | |
| Special Ed - Middle | 60 | 60 | | 14 | 14 | | 1 | 1 | | 1 | 1 | |
| Special Ed - High School | 76 | 76 | | 18 | 18 | | 1 | 1 | | 1 | 1 | |
| Subtotal | 204 | 204 | | 50 | 50 | | 11 | 11 | | 7 | 7 | |
| Totals | 875.0 | 875.0 | | 232 | 232 | | 51 | 51 | | 38 | 38 | |
| Percentage Error | | | 0% | | | | | | 0% | | | 0% |

Transportation

| | Reported on DRTS by DOE/county | | | Reported on DRTS by District | | | Transportation | | | Reported | Re-Calculated |
|-----------------------|--------------------------------|-------------|-----------|------------------------------|-------------|------------|----------------|------------|------------|----------|---------------|
| | 990 | 80 | 1 | 990 | 80 | 1 | Errors | Tested | Verified | | |
| Reg - Public Schools | 990 | 80 | 1 | 990 | 80 | 1 | | 216 | 216 | 3.7 | 3.7 |
| Reg - Sp Ed | 80 | 80 | 1 | 80 | 80 | 1 | | 17 | 17 | 3.7 | 3.7 |
| Nonpublic Transported | 1 | 1 | 1 | 1 | 1 | 1 | | 1 | 1 | 5.0 | 5.0 |
| Special Ed Spec | 89 | 89 | 20 | 89 | 89 | 20 | | 20 | 20 | | |
| Totals | 1160 | 1160 | 20 | 1160 | 1160 | 254 | | 254 | 254 | | |
| Percentage Error | | | | | | | 0% | | | | |

Avg. Mileage - Regular Including Grade PK students
 Avg. Mileage - Regular Excluding Grade PK students
 Avg. Mileage - Special Ed with Special Needs

MATAWAN - ABERDEEN REGIONAL SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2022

| | Resident LEP NOT Low Income | | Sample for Verification | | |
|--------------------------------|--|--|---------------------------------|--------------------------------------|---------------|
| | Reported on A.S.S.A. as NOT Low Income | Reported on Workpapers as NOT Low Income | Sample Selected from Workpapers | Verified to Application and Register | Sample Errors |
| Full Day Preschool 3 years old | | | | | |
| Full Day Preschool 4 years old | | | | | |
| Full Day Kindergarten | | | | | |
| One | 10 | 10 | 7 | 7 | |
| Two | 13 | 13 | 9 | 9 | |
| Three | 7 | 7 | 5 | 5 | |
| Four | 13 | 13 | 9 | 9 | |
| Five | 9 | 9 | 6 | 6 | |
| Six | 3 | 3 | 3 | 3 | |
| Seven | 2 | 2 | 2 | 2 | |
| Eight | 2 | 2 | 2 | 2 | |
| Nine | 5 | 5 | 4 | 4 | |
| Ten | 2 | 2 | 2 | 2 | |
| Eleven | 5 | 5 | 3 | 3 | |
| Twelve | 5 | 5 | 4 | 4 | |
| Subtotal | 77 | 77 | 57 | 57 | |
| Special Ed - Elementary | 3 | 3 | 3 | 3 | |
| Special Ed - Middle | | | | | |
| Special Ed - High | | | | | |
| Subtotal | 3 | 3 | 3 | 3 | |
| Co. Voc. - Regular | | | | | |
| Co. Voc. Ft. Post Sec. | | | | | |
| Totals | 80 | 80 | 60 | 60 | |
| Percentage Error | | | | | 0% |

EXCESS SURPLUS CALCULATION

SECTION 1

| | | |
|---|------------------|------------------------------|
| General Fund Expenditures: | | |
| Fiscal Year Ended June 30, 2023 | | \$94,261,015.32 |
| Increased by: | | |
| Transfer from Capital Outlay to Capital Projects Fund | | 572,460.02 |
| Transfer from General Fund to SFR- Inclusion | | 581,994.00 |
| Less: On-Behalf TPAF Pension & Social Security | | <u>(16,605,725.94)</u> |
| Adjusted General Fund Expenditures | | 78,809,743.40 |
| Excess Surplus Percentage | | <u>2.00%</u> |
| Subtotal | | 1,576,194.87 |
| Increased by: | | |
| Extraordinary Aid (Unbudgeted) | \$25,703.00 | |
| Non-Public Transportation Aid (Unbudgeted) | <u>24,468.00</u> | |
| | | <u>50,171.00</u> |
| Maximum Unreserved/ Undesignated Fund Balance | | <u><u>\$1,626,366.00</u></u> |

SECTION 2

| | | |
|---|-------------------|---------------------|
| Total General Fund Balance | | \$9,087,370.28 |
| Decreased by: | | |
| Assigned: | | |
| Year End Encumbrances | \$2,711,449.21 | |
| Designated for Subsequent Year's Expenditures | 1,061,799.00 | |
| Restricted: | | |
| Capital Reserve | 1,983,546.85 | |
| Maintenance Reserve | 1,506,067.64 | |
| Emergency Reserve | <u>198,141.58</u> | |
| | | <u>7,461,004.28</u> |
| Total Unassigned fund Balance | | <u>1,626,366.00</u> |
| Reserved Fund Balance-Excess Surplus | | <u><u>-0-</u></u> |

SECTION 3

| | | |
|--|--|-------------------|
| Recapitulation of Excess Surplus as of June 30, 2023 | | |
| Restricted Excess Surplus-Designated for Subsequent Years Expenditures | | -0- |
| Restricted Excess Surplus | | <u>-0-</u> |
| Total | | <u><u>-0-</u></u> |

**MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT
NET CASH RESOURCE SCHEDULE - FOOD SERVICE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

A School Food Authority is required to maintain a nonprofit School Food Service. The nonprofit status of the School Food Service is determined by evaluating net cash resources. Net cash resources may not exceed three months average expenditures.

As illustrated in the schedule below, the Districts Net Cash Resources (\$1,177,485.26) do exceed three months average expenditures (\$612,482.57).

| <u>Net Cash Resources:</u> | | Food Service B - 4/5 |
|---|----------------------------|----------------------------------|
| ACFR | Current Assets* | |
| B-4 | Cash & Cash Equivalents | \$1,080,830.25 |
| B-4 | Accounts Receivable | 178,742.19 |
| | | |
| ACFR | Current Liabilities | |
| B-4 | Less Accounts Payable | (47,317.35) |
| B-4 | Less Due to Other Funds | 0.00 |
| B-4 | Less Unearned Revenue | <u>(34,769.83)</u> |
| Net Cash Resources | | <u>\$1,177,485.26</u> (A) |
| | | |
| <u>Net Adj. Total Operating Expense:</u> | | |
| B-5 | Tot. Operating Exp. | \$2,065,218.55 |
| B-5 | Less Depreciation | <u>(23,610.00)</u> |
| Adj. Tot. Oper. Exp. | | <u>\$2,041,608.55</u> (B) |
| | | |
| <u>Average Monthly Operating Expense:</u> | | |
| B / 10 | | <u>\$204,160.86</u> (C) |
| | | |
| <u>Three times monthly Average:</u> | | |
| 3 X C | | <u>\$612,482.57</u> (D) |

| | | |
|---|----------------------------|-----------------------|
| TOTAL IN BOX A | \$1,177,485.26 | |
| LESS TOTAL IN BOX D | <u>(\$612,482.57)</u> | |
| NET | <u>\$565,002.70</u> | <--- Excess |
| <p>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.</p> | | |

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

MATAWAN ABERDEEN REGIONAL SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM- FEDERAL
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| <u>PROGRAM</u> | <u>MEAL</u> <u>CATEGORY</u> | <u>MEALS</u> <u>CLAIMED</u> | <u>MEALS</u> <u>TESTED</u> | <u>MEALS</u> <u>VERIFIED</u> | <u>DIFFERENCE</u> | <u>RATE (a)</u> | <u>(OVER)</u> <u>UNDER</u> <u>CLAIM (b)</u> |
|--|--------------------------------|--------------------------------|-------------------------------|---------------------------------|-------------------|-----------------|---|
| National School Lunch | Paid | 15,103 | 15,103 | 15,103 | - | 0.77 | - |
| National School Lunch | Reduced | 1,534 | 1,534 | 1,534 | - | 4.33 | - |
| National School Lunch | Free | 6,328 | 6,328 | 6,328 | - | 4.35 | - |
| | TOTAL | 22,965 | 22,965 | 22,965 | | | |
| School Breakfast (Severe Rate) | Paid | 33,306 | 33,306 | 33,306 | - | 0.50 | - |
| School Breakfast (Regular Rate) | Paid | 6,493 | 6,493 | 6,493 | - | 0.50 | - |
| School Breakfast (Severe Rate) | Reduced | 4,763 | 4,763 | 4,763 | - | 2.37 | - |
| School Breakfast (Regular Rate) | Reduced | 923 | 923 | 923 | - | 1.96 | - |
| School Breakfast (Severe Rate) | Free | 23,827 | 23,827 | 23,827 | - | 2.67 | - |
| School Breakfast (Regular Rate) | Free | 4,541 | 4,541 | 4,541 | - | 2.26 | - |
| | TOTAL | 73,853 | 69,312 | 69,312 | | | |
| Total Net Overclaim (Underclaim) | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

**Independent Auditor's Management Report of Administrative
Findings Financial and Compliance**

RECOMMENDATIONS

Administrative Practices and Procedures

None

Financial Planning, Accounting and Reporting

None

School Purchasing Program

None

School Food Service

Recommendation 2023-001 That appropriate action be taken to ensure that net cash resources of the Food Service Account do not exceed (3) months average expenditures.

Student Body Activities

None

Application for State School Aid

None

Pupil Transportation

None

Capital Assets and Facilities

Miscellaneous

None