

**TOWNSHIP OF MONROE
SCHOOL DISTRICT
COUNTY OF GLOUCESTER**

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

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

TOWNSHIP OF MONROE SCHOOL DISTRICT
Auditor's Management Report on Administrative
Findings - Financial, Compliance and Performance

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

The Honorable President and
Members of the Board of Education
Township of Monroe School District
County of Gloucester, 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 basic financial statements of the Board of Education of the Township of Monroe Township School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2023, which were separately issued in the Annual Comprehensive Financial Report dated February 21, 2024.

As part of our audit, we also 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 issued in conjunction with the Annual Comprehensive Financial Report of the Board of Education of the Township of Monroe School District, for the fiscal year ended 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,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael P. Cragin, Jr.
Certified Public Accountant
Public School Accountant No. CS 00255100

Voorhees, New Jersey
February 21, 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 Board Designee's Records, 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 School District's Annual Comprehensive Financial Report ("ACFR").

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Lisa Schultz	Board Secretary / School Business Administrator	\$ 446,000.00
Bonnie Biddick	Board Designee	446,000.00

There is a Public Employees' Faithful Performance Blanket Position Bond with School Alliance Insurance Fund covering all other employees with multiple coverage of \$500,000.00.

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 under audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by the School District.

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

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The School District 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

Sampled claims paid during the fiscal year under audit did not indicate any reportable noncompliance with respect to signatures, certification, or supporting documentation.

Payroll Account

The net salaries of sampled employees of the School District were deposited in the net payroll account. Employees' payroll deductions and the employer's share of fringe benefits were deposited in the payroll agency account.

FINANCIAL PLANNING, ACCOUNTING, AND REPORTING (CONT'D)

Payroll Account (Cont'd)

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

Sampled salary withholdings were promptly remitted to the proper agencies, including health benefit premium withholdings due to the general fund.

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

Employee Position Control Roster

A sample of the Employee Position Control Roster indicated that it was in satisfactory condition and was approved by the county office submission with the 2022-2023 budget review checklist.

Encumbrances and Accounts Payable

A sample of outstanding issued purchase orders was made as of June 30 for proper classification of orders as encumbrances and accounts payable. Our sample did not indicate any reportable noncompliance with respect to classification of orders.

Travel

Our procedures performed on travel expenditures during the fiscal year under audit did not indicate any reportable noncompliance.

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 randomly sampled expenditure transactions. We also tested the coding of all expenditures included in our compliance and single audit sampling procedures. In addition, a sample was selected that specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. Our samples did not indicate any reportable noncompliance with respect to classification of expenditures.

Board Secretary's Records

Our audit of the financial and accounting records maintained by the Board Secretary indicated that they were in satisfactory condition.

Board Designee's Records

Our audit of the financial and accounting records maintained by the Board Designee indicated that they were in satisfactory condition.

Pupil Transportation

Our audit procedures included a sample of on-roll status reported in the 2022-23 District Report of Transported Resident Students (DRTRS). The information that was reported on the DRTRS was verified to the DRTRS Eligibility Summary Report with minor exceptions. The results of our procedures are presented in the schedule of audited enrollments.

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

FINANCIAL PLANNING, ACCOUNTING, AND REPORTING (CONT'D)

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 and IIA of the Every Student Succeeds Act.

The audit of compliance for E.S.E.A. indicated the following reportable noncompliance.

Finding No. 2023-001 (ACFR Finding 2023-001)

The School District failed to maintain proper time and activity reports for employees charged to the Title I grant.

Recommendation

That the School District ensure proper time records for Federal supported salaries are being maintained as required by the Appendix to 2 CFR Part 225.

Other Special Federal and / or State Projects

The School District's other special projects were approved as listed on exhibits K-3 and K-4 located in the ACFR.

Our audit of the federal and state funds on a sample 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 other special projects.

The audit of compliance for other special projects did not indicate any reportable noncompliance.

TPAF Reimbursement

Our audit procedures included a sample of the biweekly reimbursements filed with the Department of Education for School 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 reports for all federal awards for the School District to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the School District for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90-day grant liquidation period required by the Office of Grants Management and N.J.S.A. 18A:66-90. The expenditure was inspected 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 the school contracts in general, are available on the following website:

<https://www.state.nj.us/dca/divisions/dlgs/programs/lpcl.html>

SCHOOL PURCHASING PROGRAMS (CONT'D)

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

Current statute is posted on the New Jersey Legislature website at:

<http://www.njleg.state.nj.us/>

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$44,000.00 (with a Qualified Purchasing Agent) and \$32,000.00 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is \$20,200.00 for 2022-23.

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

Based on the results of our audit, 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 provision of N.J.S.A. 18A:18A-4.

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

SCHOOL FOOD SERVICE

The financial transactions and statistical records of the school food service fund were audited. The financial accounts, meal count records, and eligibility applications were tested on a sample basis. No exceptions were noted.

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

The School 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 cost reimbursable or fixed price or non-competitive emergency procurement contract / addendum were inspected and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$2,500.00. 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 sampled 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.

Net cash resources did not exceed three months average expenditures.

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 submitted / certified in a timely manner.

SCHOOL FOOD SERVICE (CONT'D)

Sampled applications for free and reduced price meals were tested for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications and / 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 inspected for uniform administration throughout the school system. The required verification procedures for free and reduced price applications were completed and available for audit.

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 position (ACFR exhibit B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

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

STUDENT BODY ACTIVITIES

Our audit of the financial and accounting records for student activities indicated that they were in satisfactory condition.

APPLICATION FOR STATE SCHOOL AID

Our audit procedures included a sample of information reported in the October 14, 2022 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low-income, and bilingual. We also performed an inspection of the School District procedures related to its completion. The information on the A.S.S.A. was compared to the School District workpapers without exception. The information that was included on the workpapers was verified with minor exceptions. The results of our procedures are presented in the schedule of audited enrollments.

The School District maintained workpapers on the prescribed State forms or their equivalent.

The School District has adequate written procedures for the recording of student enrollment data.

FACILITIES AND CAPITAL ASSETS

Our audit of the financial and accounting records for facilities and capital assets indicated that they were in satisfactory condition.

MISCELLANEOUS

Continuing Disclosure Agreements

The School District complied with its most recent continuing disclosure agreements made in relation to prior year bond issuances.

Testing for Lead of All Drinking Water in Education Facilities

The School District complied with all the requirements of N.J.A.C. 6A: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).

FOLLOW-UP ON PRIOR YEAR'S FINDINGS

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

There were no Office of Fiscal Accountability and Compliance audit reports issued during the fiscal year ended June 30, 2023.

ACKNOWLEDGMENT

We received the complete cooperation of all of the officials of the School District and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael P. Cragin, Jr.
Certified Public Accountant
Public School Accountant No. 20CS00255100

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Meal Count Activity
 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 Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>Estimated (Over) / Under Claim</u>
National School Lunch (Regular Rate)	Paid	205,968	2,158	2,158	-	\$ 0.77	\$ -
	Reduced	38,904	401	401	-	3.93	-
	Free	<u>161,708</u>	<u>1,626</u>	<u>1,626</u>	<u>-</u>	4.33	<u>-</u>
	Total	<u>406,580</u>	<u>4,185</u>	<u>4,185</u>	<u>-</u>		<u>-</u>
National School Lunch	HHFKA - PB Lunch Only	<u>406,580</u>	<u>4,185</u>	<u>4,185</u>	<u>-</u>	0.08	<u>-</u>
School Breakfast (Severe Rate)	Paid	39,988	442	442	-	0.50	-
	Reduced	14,656	161	161	-	2.37	-
	Free	<u>64,639</u>	<u>678</u>	<u>678</u>	<u>-</u>	2.67	<u>-</u>
	Total	<u>119,283</u>	<u>1,281</u>	<u>1,281</u>	<u>-</u>		<u>-</u>
Total Net Underclaim / (Overclaim)							<u>\$ -</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Net Cash Resources
 Net Cash Resources Did Not Exceed Three Months of Expenditures
 Proprietary Funds - Food Service Fund
 For the Fiscal Year Ended June 30, 2023

<u>Net Cash Resources:</u>	Food Service B - 4/5	
CAFR	Current Assets	
B-4	Cash & Cash Equivalents	\$ 732,595.41
B-4	Due from Other Governments	88,199.81
B-4	Due from Other Funds	
B-4	Accounts Receivable	22,819.22
CAFR	Current Liabilities	
B-4	Less Accounts Payable	(141,332.98)
B-4	Less Accruals	
B-4	Less Due to Other Funds	
B-4	Less Unearned Revenue	(30,814.68)
	Net Cash Resources	\$ 671,466.78 (A)
<u>Net Adjusted Total Operating Expense:</u>		
B-5	Total Operating Expenditures	\$ 2,759,882.33
B-5	Less Depreciation	(64,492.95)
	Adjusted Total Operating Expense	\$ 2,695,389.38 (B)
<u>Average Monthly Operating Expense:</u>		
	B / 10	\$ 269,538.94 (C)
<u>Three Times Monthly Average:</u>		
	3 X C	\$ 808,616.81 (D)

TOTAL IN BOX A	\$ 671,466.78
LESS TOTAL IN BOX D	808,616.81
NET	\$ (137,150.03)
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.	

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Application for State School Aid Summary
 Schedule of Audited Enrollments
 Enrollment as of October 14, 2022

	2023-2024 Application for State School Aid						Sample for Verification						Private Schools for the Disabled			
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Veri-fication	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool																
Full Day Preschool	158		158				51		51							
Half Day Kindergarten																
Full Day Kindergarten	325		325				93		93							
One	363		363				69		69							
Two	322		322				74		74							
Three	313		313				78		78							
Four	329		329				109		109							
Five	322		322				322		322							
Six	370		370				370		370							
Seven	387		387				387		387							
Eight	401		401				401		401							
Nine	329		329				329		329							
Ten	393		393				393		393							
Eleven	385		385				385		385							
Twelve	354		354				354		354							
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14CR.)																
Subtotal	4,751	---	4,751	---	---	---	3,415	---	3,415	---	---	---	---	---	---	---
Special Ed - Elementary	383		383				24		24				19	16	16	
Special Ed - Middle School	269		269				269		269				9	8	7	1
Special Ed - High School	324		324				324		324				15	13	13	
Subtotal	976	---	976	---	---	---	617	---	617	---	---	---	43	37	36	1
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Subtotal	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Totals	5,727	---	5,727	---	---	---	4,032	---	4,032	---	---	---	43	37	36	1
Percentage Error					<u>0.0%</u>	<u>0.0%</u>							<u>0.0%</u>	<u>0.0%</u>		<u>2.78%</u>

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Application for State School Aid Summary
 Schedule of Audited Enrollments
 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 Application, Test Score and Register	Sample Errors
Half Day Preschool												
Full Day Preschool	35	35		5	5							
Half Day Kindergarten												
Full Day Kindergarten	117	117		9	9		6	6		4	4	
One	122	122		6	6		16	16		10	10	
Two	89	89		7	7		7	7		6	6	
Three	91	91		8	8		9	9		8	8	
Four	110	110		5	4	1	6	6		5	5	
Five	94	94		22	21	1	1	1		1	1	
Six	114	114		27	27		3	3		3	3	
Seven	96	96		23	21	2	1	1				
Eight	106	106		25	23	2	1	1		1	1	
Nine	81	81		19	18	1						
Ten	88	88		20	19	1	2	2		2	2	
Eleven	86	86		20	19	1	3	3		1	1	
Twelve	77	77		18	15	3						
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14CR.)												
Subtotal	1,306	1,306	---	214	202	12	55	55	---	41	41	
Special Education-Elementary	149	149		3	2	1	2	2		2	2	
Special Education-Middle School	106	106		25	24	1						
Special Education-High School	130	130		30	27	3	1	1		1	1	
Subtotal	385	385	---	58	53	5	3	3	---	3	3	---
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Subtotal	---	---	---	---	---	---	---	---	---	---	---	---
Totals	1,691	1,691	---	272	255	17	58	58	---	44	44	
Percentage Error			0.0%			6.67%			0.0%			
Transportation												
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors				Reported	Re-Calculated	
Reg. - Public Schools, Col. 1	2,505	2,505		217	221		(4) Reg. Avg. (Mileage) = Regular Including Grade PK students (Part A)			4.4	4.4	
Reg. - SpEd, Col. 4	584	584		51	45		6 Reg. Avg. (Mileage) = Regular Excluding Grade PK students (Part B)			4.4	4.4	
Transported - Non-Public, Col. 3	319	319		28	23		5 Spec. Avg. (Mileage) = Special Ed. with Special Needs			14.3	14.3	
Special Needs, Col. 6	79	79		10	9	1						
Totals	3,487	3,487	---	306	298	8						
Percentage Error			0.0%			2.6%						

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Application for State School Aid Summary
 Schedule of Audited Enrollments
 Enrollment as of October 14, 2022

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low <u>Income</u>	Reported on Workpapers as NOT Low <u>Income</u>	<u>Errors</u>	Sample Selected from <u>Workpapers</u>	Verified to Application, Test Score and Register	Sample <u>Errors</u>
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten	4	4		2	2	
One	9	9		4	4	
Two	6	6		4	4	
Three	4	4		2	2	
Four	2	2		1	1	
Five	3	3		1	1	
Six	1	1				
Seven	4	4		3	3	
Eight	4	4		2	2	
Nine	3	3		2	2	
Ten						
Eleven						
Twelve	1	1		1	1	
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14CR.)						
Subtotal	41	41	---	22	22	---
Special Education-Elementary	5	5		4	4	
Special Education-Middle School	2	2		2	2	
Special Education-High School						
Subtotal	7	7	---	6	6	---
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Subtotal	---	---	---	---	---	---
Totals	48	48	---	28	28	---
Percentage Error			0.0%			0.0%

TOWNSHIP OF MONROE SCHOOL DISTRICT
Application for State School Aid Summary
Schedule of Audited Enrollments
Enrollment as of October 14, 2022

<u>Military Connected Students</u>			
<u>Reported on A.S.S.A. as Military Connected Students</u>	<u>Sample for Verification</u>	<u>Sample Verified</u>	<u>Sample Errors</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

EXCESS SURPLUS CALCULATION

REGULAR DISTRICT / CHARTER SCHOOL / RENAISSANCE SCHOOL PROJECT

SECTION 1

2% Calculation of Excess Surplus

2022-23 Total General Fund Expenditures Reported on ACFR Exhibit C-1	\$ 127,964,700.58 (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	_____ (B1a)
Transfer from Capital Reserve to Capital Projects Fund	4,189,789.40 (B1b)
Transfer from General Fund to SRF for PreK-Regular	_____ (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	175,617.00 (B1d)
Decreased by:	
On-Behalf TPAF Pension & Social Security	21,482,864.04 (B2a)
Assets Acquired Under Leases & SBITA's	2,127,728.60 (B2b)
Adjusted 2022-23 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ 108,719,514.34 (B3)
2% of Adjusted 2022-23 General Fund Expenditures [(B3) times .02]	\$ 2,174,390.29 (B4)
Enter Greater of (B4) or \$250,000	2,174,390.29 (B5)
Increased by: Allowable Adjustment *	814,742.00 (K)
Maximum Unassigned Fund Balance [(B5) + (K)]	\$ 2,989,132.29 (M)

SECTION 2

Total General Fund - Fund Balances at June 30, 2023 (Per ACFR Budgetary Comparison Schedule, Ex. C-1)	\$ 19,947,051.85 (C)
Decreased by:	
Year-End Encumbrances	546,915.48 (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	_____ (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	6,542,505.75 (C3)
Other Restricted Fund Balances ****	2,438,574.36 (C4)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	2,424,284.25 (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ 7,994,772.01 (U1)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER -0-	\$ 5,005,639.72 (E)
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Recapitulation of Excess Surplus as of June 30, 2023

Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 6,542,505.75 (C3)
Restricted - Excess Surplus *** [(E)]	5,005,639.72 (E)
Total Excess Surplus [(C3)+(E)]	\$ 11,548,145.47 (D)

EXCESS SURPLUS CALCULATION (CONT'D)

REGULAR DISTRICT / CHARTER SCHOOL / RENAISSANCE SCHOOL PROJECT

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 and 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

Detail of Allowable Adjustments

Federal Impact Aid	_____ (H)
Sale & Lease-back	_____ (I)
Extraordinary Aid	\$ 743,294.00 (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	_____ (J5)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]	 \$ 814,742.00 (K)

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

*** Amounts must agree to the June 30, 2023 ACFR and must agree to Audit Summary Line 90030.

**** Amount for Other Restricted Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by another type of government, such as the judicial branch of government, must have departmental approval. District requests should be submitted to the Division of Administration and Finance prior to September 30.

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal	_____
Sale/lease-back reserve	_____
Capital reserve	\$ 1,937,650.20
Maintenance reserve	100,017.40
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 8002 and 8003)	_____
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	_____
Other state/government mandated reserves	_____
Restricted for Unemployment	400,906.76
[Other Restricted Fund Balance not noted above]****	_____
 Total Other Restricted Fund Balance	 \$ 2,438,574.36 (C4)

TOWNSHIP OF MONROE SCHOOL DISTRICT
Audit Recommendations Summary
For the Fiscal Year Ended June 30, 2023

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

That the District ensure proper time records for Federally supported salaries are being maintained as required by the Appendix to 2 CFR Part 225.

3. School Purchasing Programs

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

None

7. Facilities and Capital Assets

None

8. Miscellaneous

None

9. Follow-Up on Prior Year Findings

A review was performed on the prior year recommendations and corrective action was taken on all prior year findings.

