

**QUINTON TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
Salem, New Jersey**

Auditor's Management Report on Administrative
Findings – Financial, Compliance, and Performance
For The Year Ended June 30, 2023

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

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REPORT OF INDEPENDENT AUDITORS

Honorable President and Members
of the Board of Education
Quinton Township School District
8 Robinson Street
Quinton, New Jersey 08072

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 Quinton Township School District in the County of Salem, for the year ended June 30, 2023, and have issued our report thereon dated December 5, 2023.

As part of our audit, we performed procedures required by the Division 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 Quinton 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,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915
December 5, 2023

Administrative Findings – Financial, Compliance, and Performance

Scope of Audit

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

Administrative Practices and Procedures

Insurance

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

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Karen Stoms	Board Secretary/Business Administrator	\$175,000

There is a Public Employees' Faithful Performance Blanket Position Bond covering all other employees with multiple coverage of \$100,000.

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.

Financial Planning, Accounting, and Reporting

Examination of Claims

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

Payroll Account

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.

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

Salary withholdings were promptly remitted to the proper agencies including health benefits withholding due the General Fund.

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

Payroll Account (Continued)

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

The certifying officer maintained documentation of their analysis of the District's decision to classify a professional service provider (defined at NJSA 18A:18A-2(h)) as an employee of the School District.

The Board of Education made merit bonus payments after prior confirmation from the Executive County Superintendent that a quantitative merit criterion or a qualitative merit criterion has been satisfied and with prior approval by the District Board of Education and Executive County Superintendent, as required by NJAC 6A:23A-3.1(e)10.iv.

Employee Position Control Roster

An inquiry and subsequent review of the Position Control Roster found no inconsistencies between the payroll records, employee benefit records (e.g. pension reports and health benefit coverage reports), the general ledger accounts to where wages are posted (administrative versus instruction), and the Position Control Roster.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable without exception.

School personnel performed an analysis of outstanding purchase orders at June 30 and prepared the separate listings of purchase orders comprising the balance sheet account balances for accounts payable and reserve for encumbrances.

Travel

The Board of Education has adopted a travel policy that complies with NJSA 18A:11-12.

Payments for travel by an employee were approved prior to the travel event as required.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with NJAC 6A:23-16.2(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 NJAC 6A:23A-8.3. As a result of the procedures performed, a transaction error rate of 0.0% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

Our review of the financial and accounting records maintained by the Board secretary disclosed the following items.

The Board Secretary's and Treasurer's reports were presented monthly to the Board and were submitted to the Executive County Superintendent as prescribed (N.J.S.A. 18A:17-9 and 18A:17-36).

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

Budgetary line accounts were not over-expended during the fiscal year or at June 30. Payments to vendors were made after the receipt of goods.

Board Secretary's Records (Continued)

The capital asset records were updated for the additions and disposals of capital assets made during the year. See Facilities and Capital section.

The District is not required to maximize its efforts under the Special Education Medicaid Initiative (SEMI) Program for obtaining federal funding for special education services since a waiver was approved by the County Superintendent of Schools.

The District made Board approved line-item transfers during the year and maintained monthly transfer reports and year-to-date transfers in a format prescribed by the Commissioner or approved by the Executive County Superintendent.

The District does not have a potential liability or loss contingency relating to the ongoing labor contract negotiations.

Monthly bank reconciliations were prepared for the general operating account, payroll account, and payroll agency account (NJSA 18A-17-9).

The Board Secretary deposited all funds of the District in a timely manner in accordance with NJSA 18A:17-34.

Elementary and Secondary Education Act (ESEA), as Amended by Every Student Succeeds Act (ESSA)

The ESEA financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for ESEA indicated no areas of noncompliance and/or questionable costs.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the Single Audit Section of the District's 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 the special projects indicated no areas of noncompliance and/or questionable costs.

TPAF Reimbursement

Our audit procedures included a test of the biweekly reimbursement (electronic, but districts can print out the DOENET screen) 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 (or Charter School or Renaissance School project) to reimburse the state for the TPAF/FICA payments made by the state on-behalf of the School District (or Charter School or Renaissance School project) 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

NJSA 18A:18A-3 states:

- a. When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefore, except that the Board of Education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to Subsection b. of Section 9 of P.L. 1971, c.198 (C40A:11-9), the Board of Education may establish that the bid threshold may be up to \$29,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this Section.
- b. Commencing in the fifth year after the year in which P.L. 1999, c.440 takes effect, and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in Subsection a. of this Section or the threshold amount resulting from any adjustment under this Subsection, in direct proportion to the rise or fall of the index rate as that term is defined, in NJSA 18A:18A-2 and shall round the adjustment to the nearest \$1,000. The governor shall notify all local school districts of the adjustment no later than June 1st of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made.

NJSA 18A:18A-4 states, "Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the Board of Education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law."

Effective July 1, 2015, and thereafter, the bid thresholds in accordance with NJSA 18A:18A-3 (as amended) and 18A:39-3 is \$44,000 with a Qualified Purchasing Agent and \$20,200 for student transportation. The District has a Qualified Purchasing Agent.

The 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 questions arise as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

Contracts and Agreements Requiring Advertisement for Bids (Continued)

Based on the results of our examination, I did not note any individual payments, contracts, or agreements were 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 NJSA 18A:18A-4, amended.”

Resolutions were adopted authorizing the awarding of contracts or agreements for “Professional Services” per NJSA 18A:18A-5.

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.

The school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State support for its Child Nutrition Program. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. Exceptions were not noted.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA’s expenditures of school food service revenues were limited to allowable direct and indirect costs. Exceptions were not noted.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (ACFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

We inquired of management about the public health emergency procedures/practices that the SFA instituted to provide meals to all students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations.

Finding 2023-1

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 in the Food Service Fund through capital expenditure or otherwise.

Student Body Activities

During our review of the Student Activity Funds, the following items were noted:

The Board has a policy that clearly established the regulation of Student Activity Funds.

Cash receipts were deposited in a timely manner. Cash disbursements contained proper supporting documentation. The cash journals were reconciled to the bank accounts on a monthly basis.

Application for State School Aid

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

The District maintained work papers on the prescribed state forms or their equivalent and 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 without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District did comply with proper bidding procedures and award of contracts.

Miscellaneous

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

Testing for Lead of All Drinking Water in Educational Facilities

The School District adhered to all the requirements of 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 NJAC 6A:26-12.4(g).

Facilities and Capital Assets

As part of the GASB 34 reporting format, fixed assets were recorded in accordance with GAAP including a provision for depreciation expense.

The amount of additions to fixed capital during the 2022-2023 school-year was \$158,614 and the balance in Fixed Assets was \$3,335,181, as of June 30, 2023.

Finding 2023-2

Adjustments to the fixed asset record were required to be reflected as part of the audit, in order to provide updated information for inclusion in the financial statements.

Recommendation

Procedures to update the fixed asset records need to be reviewed and revised, in order to assure that all appropriate additions and deletions are reflected in the report supporting the financial statements.

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, with the exception of the following:

Finding 2022-2

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

Finding 2022-3 (ACFR 2022-2)

Adjustments to the fixed asset record were required to be reflected as part of the audit, in order to provide updated information for inclusion in the financial statements.

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

Proprietary Funds - Food Service Quinton Township School District FYE 2023

<u>Net Cash Resources:</u>		Food Service G - 1/2	
CAFR	*	Current Assets	
G-1		Cash & Cash Equiv.	\$ 107,295
G-1		Due from Other Gov'ts	5,157
G-1		Accounts Receivable	3,465
G-1		Investments	
CAFR		Current Liabilities	
G-1		Less Accounts Payable	
G-1		Less Accruals	
G-1		Less Due to Other Funds	
G-1		Less Deferred Revenue	(2,137)
		Net Cash Resources	<u>\$ 113,780</u> (A)

Net Adj. Total Operating Expense:

G-2	Tot. Operating Exp.	\$ 177,428	
G-2	Less Depreciation	<u>\$ (1,696)</u>	
	Adj. Tot. Oper. Exp.	<u>\$ 175,732</u>	(B)

Average Monthly Operating Expense:

	B / 10	<u>\$ 17,573</u>	(C)
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Three times monthly Average:

	3 X C	<u>\$ 52,720</u>	(D)
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TOTAL IN BOX A	\$ 113,780
LESS TOTAL IN BOX D	<u>\$ 52,720</u>
NET	<u>\$ 61,060</u>
From above:	
A is greater than D, cash exceeds 3 X average monthly operating expenses.	
D is greater than A, cash does not exceed 3 X average monthly operating expenses.	

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

SCHEDULE OF MEAL COUNT ACTIVITY

QUINTON 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	13,020	13,020	13,020	\$	0.77	
	Reduced	1,560	1,560	1,560		3.93	
	Free	13,996	13,996	13,996		4.33	
	Total	<u>28,576</u>	<u>28,576</u>	<u>28,576</u>		\$	
National School Lunch	HHFKA - PB Lunch Only	<u>28,576</u>	<u>28,576</u>	<u>28,576</u>	\$	0.07	\$
School Breakfast	Paid	5,348	5,348	5,348	\$	0.50	
	Reduced	1,153	1,153	1,153		2.37	
	Free	7,815	7,815	7,815		2.67	
	Total	<u>14,316</u>	<u>14,316</u>	<u>14,316</u>		\$	
TOTAL NET OVERCLAIM							\$

SCHEDULE OF MEAL COUNT ACTIVITY

QUINTON 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	13,020	13,020	13,020		\$ 0.06	\$
	Reduced	1,560	1,560	1,560		0.47	
	Free	13,996	13,996	13,996		0.07	
	TOTAL	<u>28,576</u>	<u>28,576</u>	<u>28,576</u>			<u>\$</u>
State Reimb. - National School Breakfast	Reduced	<u>1,560</u>	<u>1,560</u>	<u>1,560</u>		\$ 0.30	\$
	TOTAL	<u>1,560</u>	<u>1,560</u>	<u>1,560</u>			<u>\$</u>
TOTAL NET OVERCLAIM							<u>\$</u>

SCHEDULE OF AUDITED ENROLLMENTS

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

	2023-2024							PRIVATE SCHOOLS FOR HANDICAPPED							
	APPLICATION FOR STATE SCHOOL AID					SAMPLE FOR VERIFICATION					FOR HANDICAPPED				
	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			
	Full	Shared	Full	Shared		Full	Shared	Full	Shared	Full	Shared	Private Schools	Sample for Verification	Sample Verified	Sample Errors
Full Day Preschool 3 Year Olds	15		15				8		8						
Full Day Preschool 4 Year Olds	10		10				5		5						
Full Day Kindergarten	22		22				11		11						
One	27		27				14		14						
Two	30		30				16		16						
Three	24		24				12		12						
Four	29		29				15		15						
Five	17		17				9		9						
Six	21		21				11		11						
Seven	25		25				13		13						
Eight	33		33				17		17						
Nine															
Ten															
Eleven															
Twelve															
Subtotal	253	0	253		0	0	132		132		0				
Special Ed - Elementary	17		17		0		9		9						
Special Ed - Middle	13		13		0		7		7			1			
Special Ed - High															
Subtotal	30	0	30		0		16		16		0	1	0	0	0
Totals	283	0	283		0	0	148		148		0	1	0	0	0
Percentage Error					0.00%	0.00%					0.00%	0.00%			0.00%

SCHEDULE OF AUDITED ENROLLMENTS

**QUINTON TOWNSHIP 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>		
	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected From Workpapers	Verified per Registers On Roll	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 per Registers On Roll	Sample Errors
Full Day Preschool 3 Year Olds												
Full Day Preschool 4 Year Olds												
Full Day Kindergarten	8	8		6	6							
One	11	11		8	8							
Two	12	12		9	9		1	1				
Three	7	7		5	5							
Four	11	11		8	8							
Five	6	6		5	5							
Six	5	5		4	4							
Seven	10	10		8	8		1	1		1	1	
Eight	13	13		10	10		1	1				
Nine												
Ten												
Eleven												
Twelve												
Subtotal	83	83	0	63	63	0	3	3	0	1	1	0
Special Ed - Elementary	3	3		2	2							
Special Ed - Middle	2	2		2	2							
Special Ed - High												
Subtotal	5	5	0	4	4	0	0	0	0	0	0	0
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	88	88	0	67	67	0	3	3	0	1	1	0
Percentage Error			0.00%			0.00%			0.00%			0.00%

TRANSPORTATION

	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors	Avg. Mileage - Regular including Grade PK students	Reported	Re-Calculated
Reg. - Public Schools	234	234		122	122	0		6.1	
Reg. - Special Ed.	19	19		10	10	0		6.1	
AIL-Non Public	3	3		2	2	0		11.8	
Transported - Non-Public									
Special Needs - Public	9	9		5	5	0			
Totals	265	265	0	139	139	0			
Percentage Error						0.00%			

SCHEDULE OF AUDITED ENROLLMENTS

QUINTON TOWNSHIP 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 3 Year Olds						
Full Day Preschool 4 Year Olds						
Full Day Kindergarten						
One						
Two		1	1			
Three						
Four						
Five		1	1	1	1	
Six						
Seven						
Eight		1	1			
Subtotal	3	3	0	1	1	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	3	3	0	1	1	0
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

EXCESS SURPLUS CALCULATION

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2022-2023 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ <u>7,176,881</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	\$ <u>0</u> (B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ <u>0</u> (B1b)
Transfer from General Fund to SRF for Pre-K - Regular	\$ <u>0</u> (B1c)
Transfer from General Fund to SRF for Pre-K - Inclusion	\$ <u>0</u> (B1d)
Decreased by:	
On-Behalf TPAF Pension & Social Security	\$ <u>1,301,195</u> (B2a)
Assets Acquired Under Capital Leases	\$ <u>0</u> (B2b)
Adjusted 2022-2023 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ <u>5,875,686</u> (B3)
2% of Adjusted 2022-2023 General Fund Expenditures [(B3) times .02]	\$ <u>117,514</u> (B4)
Enter Greater of (B4) or \$250,000	\$ <u>250,000</u> (B5)
Increased by: Allowable Adjustment *	\$ <u>335,200</u> (K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]	\$ <u>585,200</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-2023 (Per ACFR Budgetary Comparison Schedule C-1)	\$ <u>2,494,118</u> (C)
Decreased by:	
Year-end Encumbrances	\$ <u>9,293</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ <u>0</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>656,521</u> (C3)
Other Restricted Fund Balances****	\$ <u>486,975</u> (C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ <u>78,268</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C-6)]	\$ <u>1,263,061</u> (U1)

SECTION 3

Restricted Fund Balance - Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0- \$ 677,861 (E)

Recapitulation of Excess Surplus as of June 30, 2023

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures** \$ 656,521 (C3)

Reserved Excess Surplus*** [(E)] \$ 677,861 (E)

Total [(C3)+(E)] \$ 1,334,382 (D)

* (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	\$ <u>42,566</u>	(J1)
Additional Nonpublic School Transportation Aid	\$ <u>936</u>	(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	\$ <u>291,698</u>	(J5)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]	\$ <u>335,200</u>	(K)

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

*** Amounts must agree to the June 30, 2023, ACFR and must agree to Audit Summary Worksheet 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 Finance prior to September 30.

Detail of Other Restricted Fund Balance

Statutory Restrictions:	
Approved Unspent Separate Proposal	\$ _____
Capital Outlay for a District with a Capital Outlay Cap Waiver	\$ _____
Sale/Lease-back Reserve	\$ _____
Capital Reserve	\$ <u>306,545</u>
Maintenance Reserve	\$ <u>151,526</u>
Emergency Reserve	\$ _____
Waiver Offset Revenue	\$ _____
Tuition Reserve	\$ _____
School Bus Advertising 50% Fuel Offset Reserve - Current Year	\$ _____
School Bus Advertising 50% Fuel Offset Reserve - Prior Year	\$ _____
Other State/Government Mandated Reserve	\$ _____
Reserve for Unemployment Fund	\$ <u>28,904</u>
[Other Restricted Fund Balance not Noted Above]****	\$ _____
Total Other Restricted Fund Balance	\$ <u>486,975</u> (C4)



SIGNATURE OF PUBLIC SCHOOL ACCOUNTANT - No. 915

QUINTON TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
PURSUANT TO NJSA 18A:23-4
AUDIT RECOMMENDATIONS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting, and Reporting

None

3. School Purchasing Programs

None

4. School Food Service

Finding 2023-1

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

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

Finding 2023-2

Procedures to update the fixed asset records need to be reviewed and revised, in order to assure that all appropriate additions and deletions are reflected in the report supporting the financial statements.

9. Miscellaneous

None

10. 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 2022-2:

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

Finding 2022-3 (ACFR 2022-2)

Procedures to update the fixed asset records need to be reviewed and revised, in order to assure that all appropriate additions and deletions are reflected in the report supporting the financial statements.