

**TOMS RIVER REGIONAL SCHOOLS**

Toms River, New Jersey  
County of Ocean

**Auditor's Management Report on Administrative Findings -  
Financial, Compliance and Performance  
YEAR ENDED JUNE 30, 2023**

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**MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

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

Honorable President and Members  
of the Board of Education  
Toms River Regional Schools  
County of Ocean  
Toms River, NJ 08753

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 Toms River Regional School District in the County of Ocean for the year ended June 30, 2023, and have issued our report thereon dated December 4, 2023.

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

This report is intended 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,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty  
Certified Public Accountant  
Public School Accountant, No. 2470

Lakewood, New Jersey  
December 4, 2023

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

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator, 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 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>
Mathew K. Varley	Treasurer	\$ 800,000.00

At June 30, 2023 the treasurer's surety bond coverage was not sufficient to meet the minimum requirements set forth in N.J.S.A 18A:17-32.

**Chapter 44 (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 the School District.

The School District data certification was completed by the Business Administrator/Board Secretary. The School District's 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 cost in accordance with *N.J.A.C.6A:23A-17.1(f)3*.

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

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

**Payroll Account**

The net salaries of sampled employees of the board were deposited in the Payroll Account. Employee's payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

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

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

Payrolls were delivered to the School Business Administrator/Board Secretary who then deposited with warrants in separate bank accounts for net payroll and withholdings.

### **Employee Position Control Roster**

A sample 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 sample of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable. No exceptions were noted.

### **Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23 A-16.29(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of a sample of expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. As a result of the procedures performed, a transaction error rate of 1.90 percent overall 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 were found to be in satisfactory condition.

### **Treasurer's Records**

Our review of the financial and accounting records maintained by the Treasurer of School Monies were found to be in satisfactory condition.

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

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 VI of the Elementary and Secondary Education Act as amended and reauthorized. Note to auditor: Refer to Section II-SA of this Audit Program for E.S.E.A. flexibility waiver information that may affect requirements that school districts would otherwise implement during the school year under audit and the previous school year.

### **Other Special Federal and/or State Projects**

The district's/charter school's/renaissance school project's Special Projects were approved as listed on Schedule A (K-3) and Schedule B (K-4) 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 sample test of the biweekly reimbursements forms filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

### **T.P.A.F. Reimbursement to the State for Federal Salary Expenditures**

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

### **School Purchasing Programs**

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

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

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

Based on the results of our tests on sample basis, 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 reviewed. The financial accounts, meal count records were reviewed on a test-check basis. No exceptions noted.

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

Expenditures should be separately recorded as food, labor and other costs. Vendor invoices were reviewed, and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used. No exceptions noted.

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

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. No exceptions noted.

The SFA recorded and maintained separate supporting documentation for additional costs (food, supplies, transportation, etc.) applicable to the implementation of the COVID-19 meal service under SSO or SFSP program requirements. No exceptions noted.

### **Finding No. 2023-001**

The School District should create a plan to reduce the net cash resources below its three month average expenditures.

### **Recommendation:**

The District should not have net cash resources that exceed three months average expenditures.

Time sheets were reviewed, and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education. No exceptions were noted.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications /or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions 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.

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

### **Student Body Activities**

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

### **Application for State School Aid (ASSA)**

Our audit procedures included a sample test of information reported in the October 14, 2022 Application for State School Aid (A.S.S.A.) for on-roll, private schools for students with disabilities, low-income, and bilingual. We also performed a review on a sample basis of the School District's procedures related to its completion. The information on the ASSA was compared to the School 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 School District maintained workpapers on the prescribed state forms of their equivalent.

The School District written procedures appear to be adequate for the recording of student enrollment data.

### **Pupil Transportation**

Our audit procedures included a sample 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 sample of transportation contracts and purchases. Based on our sample, the School District complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our sampling of transportation related purchases of goods and services.

### **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 Findings**

In accordance with audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, our procedures included a review of all prior year findings reported in the prior year's Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance. Corrective Action has been taken on all prior year findings.

### **Office of Fiscal Accountability and Compliance (OFAC) Findings**

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

### **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,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty  
Certified Public Accountant  
Public School Accountant, No. 2470

Lakewood, New Jersey  
December 4, 2023

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**ADDITIONAL INFORMATION**

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**TOMS RIVER REGIONAL SCHOOLS  
SCHEDULE OF AUDITED ENROLLMENTS  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 14, 2022**

	2023-2024 Application for State School Aid						Sample for Verification						Private Schools for Disabled													
	Reported on A.S.S.A. On Roll			Reported on Workpapers On Roll			Errors			Reported on Selected from Workpapers			Verified per Registers On Roll			Errors per Registers On Roll			Reported on A.S.S.A. as Private Schools			Sample for Verification				
	Full	Shared		Full	Shared		Full	Shared		Full	Shared		Full	Shared		Full	Shared		Full	Shared		Sample Verified	Sample Verified	Sample Errors		
Half Day Preschool 3 Year Olds	32	-	-	32	-	-	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Half Day Preschool 4 Year Olds	12	-	-	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Full Day Preschool 3 Year Olds	64	-	-	64	-	-	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Full Day Preschool 4 Year Olds	19	-	-	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Full Day Kindergarten	843	-	-	843	-	-	18	-	-	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
One	902	-	-	902	-	-	20	-	-	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Two	851	-	-	851	-	-	19	-	-	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Three	813	-	-	813	-	-	18	-	-	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Four	810	-	-	810	-	-	18	-	-	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Five	838	-	-	838	-	-	18	-	-	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Six	882	-	-	882	-	-	19	-	-	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Seven	904	-	-	904	-	-	20	-	-	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Eight	921	-	-	921	-	-	20	-	-	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Nine	966	-	-	966	-	-	21	-	-	21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Ten	1,001	-	-	1,001	-	-	22	-	-	22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Eleven	925	97	-	925	97	-	20	2	-	20	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Twelve	899	112	-	899	112	-	20	2	-	20	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal	11,682	209	-	11,682	209	-	255	4	-	255	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Special Ed - Elementary	1,153	-	-	1,153	-	-	25	-	-	25	-	-	-	-	-	-	-	-	-	-	-	10	10	-	-	
Special Ed - Middle School	649	-	-	649	-	-	14	-	-	14	-	-	-	-	-	-	-	-	-	-	21	16	16	-	-	
Special Ed - High School	675	139	-	675	139	-	15	3	-	15	3	-	-	-	-	-	-	-	-	-	44	33	33	-	-	
Subtotal	2,477	139	-	2,477	139	-	54	3	-	54	3	-	-	-	-	-	-	-	-	-	78	59	59	-	-	
Totals	14,159	348	-	14,159	348	-	309	7	-	309	7	-	-	-	-	-	-	-	-	-	78	59	59	-	-	
Percentage Error							0%			0%			0%								0%					0%

**TOMS RIVER REGIONAL SCHOOLS**  
**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 LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten	288	288	-	18	18	-	30	30	-	14	14	-
One	329	329	-	21	21	-	40	40	-	19	19	-
Two	292	292	-	19	19	-	44	44	-	21	21	-
Three	288	288	-	18	18	-	28	28	-	13	13	-
Four	270	270	-	17	17	-	31	31	-	15	15	-
Five	288	288	-	18	18	-	26	26	-	12	12	-
Six	285	285	-	18	18	-	9	9	-	4	4	-
Seven	274	274	-	17	17	-	13	13	-	6	6	-
Eight	282	282	-	18	18	-	21	21	-	10	10	-
Nine	281	281	-	18	18	-	11	11	-	5	5	-
Ten	278	278	-	18	18	-	16	16	-	8	8	-
Eleven	231	231	-	15	15	-	11	11	-	5	5	-
Twelve	213	213	-	14	14	-	16	16	-	8	8	-
Subtotal	3,598	3,598	-	229	229	-	296	296	-	140	140	-
Special Ed - Elementary	533	533	-	34	34	-	43	43	-	12	12	-
Special Ed - Middle School	288	288	-	18	18	-	3	3	-	1	1	-
Special Ed - High School	333	333	-	21	21	-	4	4	-	1	1	-
Subtotal	1,154	1,154	-	73	73	-	50	50	-	14	14	-
Totals	4,752	4,752	-	302	302	-	346	346	-	154	154	-
Percentage Error			0.00%			0.00%			0.00%			0.00%
<b>Transportation</b>												
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors						
Reg. - Public Schools, col. 1	5,290	5,290	-	184	184	-						
Reg. - Sp Ed, col. 4	536	536	-	19	19	-						
AIL - Non Public	1,885	1,885	-	65	65	-						
Transported - Non-Public, col. 3	823	823	-	29	29	-						
Special Ed Spec, col. 6	449	449	-	16	16	-						
Totals	8,983	8,983	-	313	313	-						
Percentage Error			0.00%			0.00%						



**TOMS RIVER REGIONAL SCHOOLS  
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.A as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors	
Full Day Kindergarten	18	18	-	10	10	-	
One	27	27	-	15	15	-	
Two	21	21	-	12	12	-	
Three	22	22	-	13	13	-	
Four	11	11	-	6	6	-	
Five	13	13	-	7	7	-	
Six	14	14	-	8	8	-	
Seven	8	8	-	5	5	-	
Eight	13	13	-	7	7	-	
Nine	22	22	-	13	13	-	
Ten	20	20	-	11	11	-	
Eleven	17	17	-	10	10	-	
Twelve	16	16	-	9	9	-	
Subtotal	222	222	-	126	126	-	
Special Ed - Elementary	12	12	-	7	7	-	
Special Ed - Middle School	1	1	-	1	1	-	
Special Ed - High School	-	-	-	-	-	-	
Subtotal	13	13	-	8	8	-	
Totals	235	235	-	134	134	-	
Percentage Error			0.00%			0.00%	

School Food Service

SCHEDULE OF MEAL COUNT ACTIVITY

TOMS RIVER REGIONAL SCHOOL DISTRICT

FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -Federal

ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE (a)	(OVER) UNDER CLAIM (b)
National School Lunch (High Rate)	Paid	239,292	239,292	239,292	-	0.79	-
National School Lunch (High Rate)	Reduced	77,024	77,024	77,024	-	3.95	-
National School Lunch (High Rate)	Free	343,142	343,142	343,142	-	4.35	-
	TOTAL	<u>659,458</u>	<u>659,458</u>	<u>659,458</u>			<u>-</u>
National School Lunch	HHFKA - PB Lunch Only	<u>659,458</u>	<u>659,458</u>	<u>659,458</u>	-	0.08	<u>-</u>
School Breakfast (Severe Rate)	Paid	36,579	36,579	36,579	-	0.5	-
	Reduced	23,230	23,230	23,230	-	2.37	-
	Free	117,226	117,226	117,226	-	2.67	-
	TOTAL	<u>177,035</u>	<u>177,035</u>	<u>177,035</u>			<u>-</u>
Special Milk	Paid				-	0.27	-
After School Snacks	Paid	-	-	-	-	0.09	-
	Reduced	-	-	-	-	0.54	-
	Free (Area Eligible)	-	-	-	-	1.08	-
	TOTAL	<u>-</u>	<u>-</u>	<u>-</u>			<u>-</u>
Seamless Summer Option (SSO )							
Breakfast	Free	-	-	-	-	1.89	-
Lunch	Free	-	-	-	-	3.51	-
		<u>-</u>	<u>-</u>	<u>-</u>			<u>-</u>
National School Lunch	HHFKA - PB Lunch Only	<u>-</u>	<u>-</u>	<u>-</u>	-	0.07	<u>-</u>
Child & Adult Care Food							
CACFP (d) - Food	Free	-	-	-	-	3.51	-
CACFP (d) - Cash-in-lieu of USDA Foods	Free	-	-	-	-	0.245	-
		<u>-</u>	<u>-</u>	<u>-</u>			<u>-</u>
Summer Food Service (SFSP)	<u>SELF-PREP RATES</u>						
	Breakfast	-	-	-	-	2.375	-
	Lunch or Supper	-	-	-	-	4.1525	-
	Supplement	-	-	-	-	0.9775	-
	TOTAL	<u>-</u>	<u>-</u>	<u>-</u>			<u>-</u>
	<u>VENDED RATE</u>						
	Breakfast	-	-	-	-	2.33	-
	Lunch or Supper	-	-	-	-	4.0875	-
	Supplement	-	-	-	-	0.955	-
	TOTAL	<u>-</u>	<u>-</u>	<u>-</u>			<u>-</u>

# NET CASH RESOURCE SCHEDULE

## Net cash resources DOES exceed three months of expenditures Proprietary Funds - Food Service FYE 2023

<u>Net Cash Resources:</u>		Food Service B - 4/5	
<b>ACFR</b>	*	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	3,892,172
B-4		Due from Other Gov'ts	163,211
B-4		Accounts Receivable	-
B-4		Investments	-
<b>ACFR</b>		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	(15,606)
B-4		Less Accruals	(210)
B-4		Less Due to Other Funds	-
B-4		Less Deferred Revenue	(93,264)
		<b>Net Cash Resources</b>	<b><u>\$ 3,946,303</u></b> (A)

**Net Adj. Total Operating Expense:**

B-5		Tot. Operating Exp.	4,064,595	
B-5		Less Depreciation	(55,812)	
		<b>Adj. Tot. Oper. Exp.</b>	<b><u>\$ 4,008,783</u></b>	(B)

**Average Monthly Operating Expense:**

	B / 10	<b><u>\$ 400,878</u></b>	(C)
--	--------	--------------------------	-----

**Three times monthly Average:**

	3 X C	<b><u>\$ 1,202,634</u></b>	(D)
--	-------	----------------------------	-----

TOTAL IN BOX A	\$	3,946,303
LESS TOTAL IN BOX D	\$	1,202,634
NET	\$	<b><u>2,743,669</u></b>

From above:

**A is greater than D, cash exceeds 3 X average monthly operating expenses.  
D is greater than A, cash does not exceed 3 X average monthly operating expenses.**

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

SOURCE - USDA resource management comprehensive review form

## 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>284,547,168</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	\$ <u>-</u> (B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ <u>-</u> (B1b)
Transfer from General Fund to SRF for PreK-Regular	\$ <u>-</u> (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$ <u>-</u> (B1d)
Decrease by:	
On-Behalf TPAF Pension & Social Security	\$ <u>50,029,638</u> (B2a)
Assets Acquired Under Capital Leases	\$ <u>-</u> (B2b)
Adjusted 2022-2023 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ <u>234,517,530</u> (B3)
2% of Adjusted 2022-2023 General Fund Expenditures [(B3) times .02]	\$ <u>4,690,351</u> (B4)
Enter Greater of (B4) or \$250,000	\$ <u>4,690,351</u> (B5)
Increased by: Allowable Adjustment *	\$ <u>11,341,283</u> (K)
Maximum Unassigned Fund Balance [(B5)+(K)]	\$ <u>16,031,634.00</u> (M)

#### SECTION 2

Total General Fund - Fund Balances @ 6/30/2023 (Per ACFR Budgetary Comparison Schedule C-1)	\$ <u>58,653,895</u> (C)
Decreased by:	
Year-End Encumbrances	\$ <u>2,384,285</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ <u>-</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>-</u> (C3)
Other Restricted Fund Balances ****	\$ <u>34,121,814</u> (C4)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	\$ <u>16,928,422</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ <u>5,219,374</u> (U1)

**REGULAR DISTRICT (continued):**

**SECTION 3**

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

**Recapitulation of Excess Surplus as of June 30, 2023**

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

Reserved Excess Surplus \*\*\* [(E)] \$                     - (E)

Total Excess Surplus [(C3)+(E)] \$                     - (D)

**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, effective for the year ending June 30, 2016 the 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**

Impact Aid \$                     - (H)

Sale & Lease-back \$                     - (I)

Extraordinary Aid \$           1,600,306 (J1)

Additional Nonpublic School Transportation Aid \$           222,555 (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 \$           9,518,422 (J5)

Total Adjustments [(H)+(I)+J1)+(J2)+(J3)+(J4)+(J5)] \$           11,341,283 (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 90031.

\*\*\*\* 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.

**REGULAR DISTRICT (continued):**

**Detail of Other Restricted Fund Balance**

**Statutory Restrictions:**

Approved Unspent Separate Proposal	\$ -
Sale/Lease-Back Reserve	\$ -
Capital Reserve	\$ 15,298,628
Maintenance Reserve	\$ 12,213,030
Emergency Reserve	\$ 717,978
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 Reserve	\$ -
Reserve for Unemployment Fund	\$ 5,892,178
[Other Restricted Fund Balance Not Noted Above] ****	\$ -
 Total Other Restricted Fund Balance	 \$ 34,121,814 (C4)

**TOMS RIVER REGIONAL SCHOOLS  
AUDIT RECOMMENDATIONS SUMMARY  
YEAR ENDED JUNE 30, 2023**

**SCHOOL DISTRICT**

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Programs

None

4. School Food Service

**Finding 2023-001**

The School District should create a plan to reduce the net cash resources below its three month average expenditures.

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

None

10. Status of Prior Year Audit Findings/Recommendations

None