Auditor's Management Report

for the

Colts Neck Township School District

in the

County of Monmouth
New Jersey

for the

Fiscal Year Ended
June 30, 2025

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

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1
Scope of Audit	2
Administrative Practices and Procedures	
Insurance	2
Official Bonds	2
P.L. 2020, c. 4	2
Tuition Charges	2
Financial Planning, Accounting and Reporting	
Examination of Claims	2
Payroll Account	3
Position Control Roster	3
Reserve for Encumbrances and Accounts Payable	3
Unemployment Compensation Insurance Trust Fund	3
Classification of Expenditures	3
Board Secretary's Records	4
Treasurer's Records	4
Elementary and Secondary Education Act as Amended by the Every Student Succeeds Act (ESSA)	4
Other Special Federal and/or State Projects	4
T.P.A.F. Reimbursement	4
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids	5-6
Food Service Fund	6-7
Student Body Activities	7
Application for State School Aid	7
Pupil Transportation	7
Facilities and Capital Assets	7
Miscellaneous	8
Follow-Up on Prior Year's Findings	8
Schedule of Audited Enrollments	9-11
Excess Surplus Calculation	12
Recommendations	13

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Township of Colts Neck School District
County of Monmouth
Colts Neck, New Jersey 07722

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 Township of Colts Neck School District in the County of Monmouth for the year ended June 30, 2025, and have issued our report dated November 24, 2025.

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 Township of Colts Neck 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

November 24, 2025

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 Township of Colts Neck Board of Education, and the records of the various funds under the auspices of the Board of Education.

ADMINISTRATIVE PRACTICES AND PROCEDURES

Insurance (N.J.S.A. 18A:17-26, 18A: 17-32)

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

Official Bonds

NAME	POSITION	AMOUNT OF BONDS
John Antonides	Treasurer of School Monies	$250,000.00
Vincent S. Marasco	Board Secretary/School Business Administrator	$250,000.00
Blanket Bond	All Employees	$500,000.00

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.

Tuition Charges

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

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.

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

FINANCIAL PLANNING, ACCOUNTING AND REPORTING

Payroll Account

The gross salaries of all employees of the Board and the Board's required payroll contributions were deposited in the Payroll Account.

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

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 treasurer of school moneys with a warrant made to her order for the full amount of each payroll.

Finding 2005-002 During our audit of the payroll records we noted that the District did not maintain a detailed analysis of the balance of the Payroll Agency bank account.

Recommendation 2025-002 That the District maintain a detailed analysis of the balance of the Payroll Agency bank account on a monthly basis.

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, Liability (Current) for Accounts Payable

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

Unemployment Compensation Insurance Trust Fund

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

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2(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 specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-2.4. As a result of the procedures performed, no errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (CONTINUED)

Board Secretary's Records

The records maintained by the Board Secretary were in satisfactory condition except as follows:

Finding 2025-001 :The Cash Balances per the Board Secretaries Report did not agree to the reconciled balances of the Treasurer of School Monies Report for the last six month of the fiscal year.

Recommendation 2025-001: That the Cash balance on the Board Secretaries Report be agreed to the reconciled balances of the Treasurer of School Monies report on a monthly basis.

Treasurer's Records

The records maintained by the Treasurer of School Monies were in satisfactory condition and independently maintained from the Board Secretary/Board Administrator.

Elementary and Secondary Education Act 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 ACFR. This section of the ACFR documents the financial position pertaining to the projects under Title II of the Elementary and Secondary Education Act, as amended and reauthorized.

Other Special Federal and 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 filed with the Department of Education for district employees who are members of the Teachers' Pension and Annuity Fund. No exceptions were noted.

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. 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-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 $32,000.00, 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. (pending before the Legislature as section 15 of this bill) 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 for 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."

SCHOOL PURCHASING PROGRAMS (CONTINUED)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

Effective July 1, 2021, the bid threshold in accordance with N.J.S.A. 18A:18A-3(a) and (c) is $44,000.00. 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 $22,400.00.

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.

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. Our examination did reveal however, that the district made purchases through the use of state contracts.

FOOD SERVICE FUND

The financial transactions and statistical records of the School Food Services were maintained in satisfactory condition. The financial accounts were reviewed on a test-check basis.

The District does not participate in the National School Lunch Program.

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.

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

FOOD SERVICE FUND (CONTINUED)

The cash disbursements records reflected expenditures for program related goods and services. The Board is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34 and 19-1 through 19-4.1. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

Exhibits reflecting Food Service Program operations are included in the Exhibits B-4, B-5, and B-6.

STUDENT BODY ACTIVITIES

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

APPLICATION FOR STATE SCHOOL AID

Our audit procedures included a test of information reported in the October 15, 2024 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The district maintained workpapers on the prescribed state forms or their equivalent.

The district has adequate procedures for the recording of student enrollment data.

PUPIL TRANSPORTATION

Our audit procedures included a test of on roll status reported in the 2024-25 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 complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes.

FACILITIES AND CAPITAL ASSETS

The Capital Assets Inventory was maintained in satisfactory condition.

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.

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

MISCELLANEOUS

Testing for Lead of All Drinking Water in Educational Facilities

The school district adhered to all 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 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

There were no prior year findings.

COLTS NECK SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
2025 - 2026 ASSA STATE LEVEL
ENROLLMENT AS OF OCTOBER 15, 2024
FY AUDIT 2024 - 2025

	2025 - 2026 Application for State School Aid (10/15/2024 Data)						Sample for Verification						Private School for Disabled			
	Reported as 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 Verifi-cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Full D Pre K- 3 yr	17.0		17.0				4		4							
Full D Pre K- 4 yr	21.0		21.0				5		5							
Full Day Kindergarten	88.0		88.0				22		22							
One	94.0		94.0				24		24							
Two	89.0		89.0				22		22							
Three	101.0		101.0				25		25							
Four	93.0		93.0				23		23							
Five	89.0		89.0				22		22							
Six	95.0		95.0				24		24							
Seven	78.0		78.0				20		20							
Eight	84.0		84.0				21		21							
Nine																
Ten																
Eleven																
Twelve																
Subtotal	849.0		849.0				212		212							
Sp. Ed. - Elementary	99.0		99.0				25		25				4	3	3	
Sp. Ed. - Middle School	62.0		62.0				16		16				1	1	1	
Sp. Ed. - High School																
Subtotal	161.0		161.0				41		41				5	4	4	
Totals	1,010.0		1,010.0				253		253				5	4	4	
Percentage Error					0%						0%					0%

COLTS NECK SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
2025 - 2026 ASSA STATE LEVEL
ENROLLMENT AS OF OCTOBER 15, 2024
FY AUDIT 2024 - 2025

	Resident Low Income			Sample for Verification			Resident LIEP 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 LIEP low Income	Reported on Workpapers as LIEP low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Full D Pre K- 3 yr												
Full D Pre K- 4 yr												
Full Day Kindergarten	2.0	2.0		2	2							
One	5.0	5.0		4	4		1	1		1	1	
Two												
Three	3.0	3.0		3	3							
Four	1.0	1.0		1	1							
Five	2.0	2.0		2	2		1	1		1	1	
Six	3.0	3.0		3	3		1	1		1	1	
Seven	1.0	1.0		1	1							
Eight	3.0	3.0		2	2							
Nine												
Ten												
Eleven												
Twelve												
Subtotal	20.0	20.0		18	18		3	3		3	3	
Special Ed - Elementary	10.0	10.0		9	9		1	1		1	1	
Special Ed - Middle	8.0	8.0		7	7		1	1		1	1	
Special Ed - High												
Subtotal	18.0	18.0		16	16		2	2		2	2	
Totals	38.0	38.0		34	34		5	5		5	5	
Percentage Error			0%			0%			0%			0%

	Transportation					
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public School , col 1	606.0	606.0		197	197	
Transportation - Non-Public col 2	67.0	67.0		51	51	
AIL, col 3	143.0	143.0		97	97	
Reg, Spe Ed, col 4	106.0	106.0		72	68	4
Spec. Ed., OOD col 6	13.0	13.0		11	11	
Totals	935.0	935.0		428	424	4
Percentage Error			0%			0.93%

COLTS NECK SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
2025 - 2026 ASSA STATE LEVEL
ENROLLMENT AS OF OCTOBER 15, 2024
FY AUDIT 2024 - 2025

	Resident ELL NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full D Pre K- 3 yr						
Full D Pre K- 4 yr						
Full Day Kindergarten						
One	1	1		1	1	
Two	1	1		1	1	
Three						
Four						
Five	1	1		1	1	
Six	1	1		1	1	
Seven	1	1		1	1	
Eight						
Nine						
Ten						
Eleven						
Twelve						
Subtotal	5	5		5	5	
Special Ed - Elementary	1	1		1	1	
Special Ed - Middle	1	1		1	1	
Special Ed - High						
Subtotal	2	2		2	2	
Totals	7	7		7	7	
Percentage Error			0%			0%

TOWNSHIP OF COLTS NECK SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SECTION 1

General Fund Expenditures:		
Fiscal Year Ended June 30, 2025		$36,329,743.80
Decreased by:		
On-Behalf TPAF Pension & Social Security	$6,776,333.09	
		6,776,333.09
Adjusted General Fund Expenditures		29,553,410.71
Excess Surplus Percentage		2.00%
Subtotal		591,068.21
Increased by:		
Federal Impact Aid	$904,313.00	
Extraordinary Aid (Unbudgeted)	495,541.00	
Non-Public Transportation Aid (Unbudgeted)	81,745.00	
		1,481,599.00
Maximum Unassigned Fund Balance		2,072,667.21

SECTION 2

Total General Fund Balance		$12,556,423.70
Decreased by:		
Assigned:		
Year End Encumbrances	$227,283.78	
Designated for Subsequent Year's Expenditures	204,256.64	
Legally Restricted:		
Excess Surplus-Designated for Subsequent Year's Expenditures	545,674.36	
State Unemployment Insurance	173,546.50	
Maintenance Reserve	1,696,689.00	
Impact Aid Reserve	3,526,738.25	
Capital Reserve	2,678,719.81	
		9,052,908.34
Total Unassigned Fund Balance		3,503,515.36
Restricted Fund Balance-Excess Surplus		$1,430,848.15

SECTION 3

Recapitulation of Excess Surplus as of June 30, 2025	
Restricted Excess Surplus-Designated for Subsequent Years Expenditures	$1,430,848.15
Restricted Excess Surplus	545,674.36
Total	$1,976,522.51

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

RECOMMENDATIONS

1. Administrative Practices and Procedures

   None

2. Financial Planning, Accounting and Reporting

   Recommendation 2025-001: That the Cash balance on the Board Secretaries Report be agreed to the reconciled balances of the Treasurer of School Monies report on a monthly basis.

   Recommendation 2025-002 That the District maintain a detailed analysis of the balance of the Payroll Agency bank account on a monthly basis.

3. School Purchasing Program

   None

4. School Food Service

   None

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. Prior Year Audit Findings/Recommendations

    There were no prior year findings.