BOROUGH OF MANASQUAN SCHOOL DISTRICT

AUDITOR'S MANAGEMENT REPORT

COUNTY OF MONMOUTH

JUNE 30, 2025

ROBERT A. HULSART & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
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AUDITORS MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS

FINANCIAL, COMPLIANCE AND PERFORMANCE

Robert A. Hulsart and Company
CERTIFIED PUBLIC ACCOUNTANTS

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REPORT OF INDEPENDENT AUDITORS

Honorable President and Members
of the Board of Education
Manasquan School District
County of Monmouth, New Jersey

We have audited, in accordance with generally accepted audit standards and Government Auditing Standards, issued by the comptroller General of the United States, the general-purpose financial statements of the Board of Education of the Manasquan School District in the County of Monmouth, for the year ended June 30, 2025 and have issued our report thereon dated December 5, 2025.

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 Manasquan Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Licensed Public School Accountant
No. 322
ROBERT A. HULSART AND COMPANY

December 5, 2025

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING

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 Board of Education, 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.

Officials Bond

Name	Position	Amount
Dr. Peter Crawley	Business Administrator/Board Secretary	$ 250,000
Matthew K. Varley	Treasurer	250,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The Board made a proper adjustment to the billings to sending districts for the difference in per pupil costs in accordance with N.J.A.C. 6A:23-3.1(f)3.

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.

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

Salary withholdings were promptly remitted to the proper agencies.

Employee Position Control Roster

An inquiry and subsequent review of the Position Control Roster found it to be current with the District records and no exceptions were noted.

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. No exceptions were noted.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C.* 6A:23-2.2(g) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C.* 6A:23A-2.4. As a result of the procedures performed, a transaction error rate of 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 found everything in very good order and we have no exceptions to report.

Treasurer's Records

The Treasurer's records were in agreement with the records of the Board Secretary and were independently done. All reconciliations were properly done.

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

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to projects under Title I, IIA and Title IV of the Elementary and Secondary Education Act as amended.

The study of compliance for E.S.E.A. 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 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 special projects indicated no areas of noncompliance.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursement forms filed with 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 for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 60 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement 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 $22,400 for 2024-25.

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 contact 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 examination, 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 agreement for "Professional Services" per *N.J.S.A. 18A:18A-5.*

School Food Service Fund

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. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the SFA had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

The food services for 2024-25 were awarded to Simplified Culinary Services on their proposal of a management fee of $21,000 with a guaranteed minimum return of 7,000 to the district.

The operating results have 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.

School Food Service Fund (Continued)

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

Applications for free and reduced price milk were reviewed for completeness and accuracy. The number of free and reduced price milks claimed as served did not exceed the number of valid applications on file, times the number of operating days, on a school by school basis. The free milk policy is uniformly administered throughout the School System. The required verification procedures for free and reduced price applications were completed and available for review.

Cash receipts and bank records were reviewed for timely deposits per state guidelines.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the Board of Education

The cash disbursement records reflected expenditures for program related goods and services. Districts with food service management companies are 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.

U.S.D.A. commodities were received and a separate inventory was maintained on a first-in, first-out basis.

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

Finding 2025-001: Net Cash Resources exceeded three months average expenditures.

Recommendation 2025-001: That the District maintains Net Cash Resources below three months average expenditures.

Student Body Activities and Athletic Fund

The records of the student activities and athletic fund were found to be in good order, no reportable conditions existed.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2024-2025 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. No exceptions were noted in our review of transportation related purchases of goods and services.

Follow-up on Prior Years' Findings

The finding regarding net cash resources, even though the District is working on it's correction, has been repeated.

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 staff.

2% Calculation of Excess Surplus

2024-25 Total General Fund Expenditures Per the ACFR	$ 41,043,146
Decreased by:	
On-Behalf TPAF Pension & Social Security	(7,795,434)
Adjusted 2024-25 General Fund Expenditures	$ 33,247,712
2% of Adjusted 2024-25 General Fund Expenditures	$ 664,954
Increased by: Allowable Adjustment	215,541
Maximum Unassigned Fund Balance	$ 880,495

Section 2

Total General Fund – Fund Balances @ 6-30-25	$ 5,297,886
Decreased by:	
Other Reserves	(913,514)
Capital Reserve – Designated for Subsequent Years Expenditures	(190,000)
Tuition Reserve – Designated for Subsequent Years Expenditures	(200,000)
Encumbrances	(498,321)
Unemployment	(218,975)
Excess Surplus – Designated for Subsequent Years Expenditures	(1,103,166)
Total Unassigned Fund Balance	$ 2,173,910
Reserve Fund Balance – Excess Surplus	$ 1,293,415

Section 3

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	$ 1,103,166
Reserved Fund Balance – Excess Surplus 2024-2025	1,293,415
	$ 2,396,581

Detail of Allowable Adjustments

Extraordinary Aid	$ 215,541

Detail of Other Restricted Fund Balance

Capital Reserve	$ 711,514
Maintenance Reserve	202,000
	$ 913,514

MANASQUAN SCHOOL DISTRICT

APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 15, 2024

	2025-2026 Application for State School Aid (10-15-24 Data)						Sample for Verification						Private Schools for 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 Verification	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Full Day Pre K - 3yr	9		9				9		9							
Full Day Pre K - 4yr	19		19				19		19							
Full Day Kindergarten	37		37				37		37							
One	47		47				47		47							
Two	39		39				39		39							
Three	45		45				45		45							
Four	39		39				39		39							
Five	36		36				36		36							
Six	44		44				44		44							
Seven	35		35				35		35							
Eight	52		52				52		52							
Nine	193		193				193		193							
Ten	190		190				190		190							
Eleven	196	1	196	1			196	1	196	1						
Twelve	190	6	190	6			190	6	190	6						
Subtotal	1171	7	1171	7	0	0	1171	7	1171	7	0	0	0	0	0	0
Special Ed. - Elementary	46		46				46		46				3	3	3	
Special Ed. - Middle School	27		27				27		27				2	2	2	
Special Ed. - High School	122	18	122	18			122	18	122	18			2	2	2	
Subtotal	195	18	195	18	0	0	195	18	195	18	0	0	7	7	7	0
Co. Voc. - Regular																
Co. Voc. - Ft. Post Sec.																
Totals	1366	25	1366	25	0	0	1366	25	1366	25	0	0	7	7	7	0
Percentage Error					0%	0%					0%	0%				0%

MANASQUAN SCHOOL DISTRICT

APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 15, 2024

	Low Income			Sample for Verification			Resident LEP Not 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 ASSA as LEP Not Low Income	Reported on Workpapers as LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Full Day - Pre K	1	1		1	1							
Full Day Kindergarten	3	3		2	2							
One	5	5		3	3							
Two	1	1		1	1							
Three	2	2		2	2		1	1		1	1	
Four	4	4		1	1							
Five	1	1		1	1							
Six	4	4		2	2							
Seven	1	1		1	1							
Eight	3	3		2	2							
Nine	23	23		16	16		1	1		1	1	
Ten	32	32		22	22		2	2		2	2	
Eleven	33	33		21	21							
Twelve	15.5	15.5		10	10		1	1		1	1	
Subtotal	128.5	128.5	0	85	85	0	5	5	0	5	5	0
Special Ed. - Elementary	15	15		9	9							
Special Ed. - Middle School	5	5		3	3							
Special Ed. - High School	37.5	37.5		19	19							
Subtotal	57.5	57.5	0	31	31	0	0	0	0	0	0	0
Totals	186	186	0	116	116	0	5	5	0	5	5	0
Percentage Error			0%			0%			0%			0%

	Transportation					
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools, col. 1						
Reg. Special Education, col. 4	4	4		4	4	
Transported - Non-Public, col. 3						
Special Education Spec., col. 6	5	5		5	5	
Totals	9	9	0	9	9	0
Percentage Error			0%			0%

	Reported	Recalculated
Avg. Mileage - Regular Including Grade PK Students	15.6	15.6
Avg. Mileage - Special Ed. With Special Needs	15.8	15.8

MANASQUAN SCHOOL DISTRICT

APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 15, 2024

	Resident LEP - Low Income			Sample for Verification		
	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Full Day Kindergarten						
One	2	2		2	2	
Two						
Three						
Four	2	2		2	2	
Five						
Six						
Seven						
Eight						
Nine	4	4		4	4	
Ten	6	6		6	6	
Eleven	4	4		4	4	
Twelve	1.5	1.5		1.5	1.5	
Subtotal	19.5	19.5	0	19.5	19.5	0
Special Ed. - Elementary	5	5		5	5	
Special Ed. - Middle School						
Special Ed. - High School						
Subtotal	5	5	0	5	5	0
Totals	24.5	24.5	0	24.5	24.5	0
Percentage Error			0%			0%

SCHEDULE OF MEAL COUNT ACTIVITY

MANASQUAN SCHOOL DISTRICT

FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - FEDERAL

ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Program	Meal Category	Meals Claimed	Meals Tested	Meals Verified	Difference	Rate	(Over)/ Under Claim
National School Lunch (Regular Rate)	Paid	20,265	6,616	6,616	-	$ 0.48	-
	Reduced	2,087	703	703	-	4.10	-
	Free	17,282	5,975	5,975		4.50	
National School Lunch (NJEIE)	NJEIE	741	267	267	-	4.01	-
Total Net Overclaim		40,375	13,561	13,561	-		-

MANASQUAN SCHOOL DISTRICT

NET CASH RESOURCE SCHEDULE

NET CASH RESOURCES DID NOT EXCEED 3 MONTHS OF EXPENDITURES

PROPRIETARY FUNDS - FOOD SERVICE

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

		Food Service G - 1/2	
Net Cash Resources:			
AFCR	**Current Assets**		
G-1	Cash & Cash Equivalents	$ 324,517	
G-1	Accounts Receivables	7,223	
	Current Liabilities		
G-1	Less Accounts Payable	-	
	Net Cash Resources	$ 331,740	(A)
Net Adjustment Total Operating Expense:			
G-2	Total Operating Expenses	870,764	
G-2	Less Depreciation	(6,101)	
	Adjusted Total Operating Expenses	864,663	(B)
Average Monthly Operating Expense:			
	B / 10	$ 86,466	(C)
Three Times Monthly Average			
	3 X C	$ 259,399	(D)
Total in (A)		$ 331,740	
Less Total in (D)		(259,399)	
Net		$ 72,341	

MANASQUAN SCHOOL DISTRICT

AUDIT RECOMMENDATIONS SUMMARY

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Recommendations:

1. Administrative Practices and Procedures

   None

2. Financial Planning, Accounting and Reporting

   None

3. School Purchasing Programs

   None

4. School Food Service

   That the District maintains Net Cash Resources below three months 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

    Net Cash Resources exceeded three months average expenditures still exists.