



# **2022-2023 AUDIT SYNOPSIS**

Erin Hill  
School Business Administrator  
Board Secretary

# GOVERNMENTAL FUNDS BALANCE SHEET (EXHIBIT B-1 SHEET 1)

SAYREVILLE BOROUGH SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash and cash equivalents	\$ 2,164,911.16	\$	\$ 97,556,426.47	\$ 1.29	\$ 99,721,338.92
Restricted cash	15,879,279.17				15,879,279.17
Accounts Receivable:					
Federal		2,895,574.16			2,895,574.16
State	1,616,841.91	417.30			1,617,259.21
Other	129,994.12	1,908.94			131,903.06
Due from other funds	1,900,399.71	308,902.00		412,141.18	2,621,442.89
Total assets	\$ 21,691,426.07	\$ 3,206,802.40	\$ 97,556,426.47	\$ 412,142.47	\$ 122,866,797.41
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 3,002,192.89	\$ 1,594,263.68	\$ 726,623.34	\$	\$ 5,323,079.91
Cash deficit		1,089,147.70			1,089,147.70
Payroll deductions and withholdings payable	274,700.24				274,700.24
Unemployment compensation claims payable	170,927.14				170,927.14
Interfund payables			428,972.65		428,972.65
Payable to state government		47,108.57			47,108.57
Unearned revenue	7,815.20	1,010,204.50			1,018,019.70
Total liabilities	3,455,635.47	3,740,724.45	1,155,595.99		8,351,955.91

# GOVERNMENTAL FUNDS BALANCE SHEET (EXHIBIT B-1 SHEET 1)

## CONTINUED

### Fund balances:

#### Restricted:

Capital reserve	13,700,868.42			13,700,868.42
Maintenance reserve	1,169,511.23			1,169,511.23
Emergency reserve	360,421.28			360,421.28
Excess surplus - Current Year	875,722.81			875,722.81
Capital projects fund			67,794,082.49	67,794,082.49
Debt service fund			412,142.47	412,142.47
Unemployment compensation	202,850.86			202,850.86
Student Activities		334,164.18		334,164.18
Scholarships		34,264.25		34,264.25

#### Committed:

Year-end encumbrances			28,606,747.99	28,606,747.99
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#### Assigned:

Designated for subsequent years expenditures	1,926,416.00			1,926,416.00
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#### Unassigned:

Special revenue fund (deficit)	<u>                    </u>	<u>(902,350.48)</u>	<u>                    </u>	<u>(902,350.48)</u>
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Total fund balances	<u>18,235,790.60</u>	<u>(533,922.05)</u>	<u>96,400,830.48</u>	<u>412,142.47</u>	<u>114,514,841.50</u>
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Total liabilities and fund balances	\$ <u>21,691,426.07</u>	\$ <u>3,206,802.40</u>	\$ <u>97,556,426.47</u>	\$ <u>412,142.47</u>	\$ <u>122,866,797.41</u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

# GOVERNMENTAL FUNDS BALANCE SHEET (EXHIBIT B-1 SHEET 2)

SAYREVILLE BOROUGH SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Total Fund Balances (Brought Forward) \$ 114,514,841.50

Amounts Reported for Governmental Activities in the Statement  
of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial  
resources and therefore are not reported in the funds.

Cost of Assets	\$ 161,057,327.54	
Accumulated Depreciation	<u>(71,842,404.00)</u>	89,214,923.54

The Internal Service Fund is used to account for the financing of  
dental and prescription benefits to district employees. Employee  
benefits are governmental activities. This amount is the  
unrestricted net position in the Internal Service Fund. (2,984,402.90)

# GOVERNMENTAL FUNDS BALANCE SHEET (EXHIBIT B-1 SHEET 2)

## CONTINUED

Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Net Pension Liability	(16,846,110.00)	
Compensated Absences	(4,163,940.94)	
Installment Purchase Contracts Payable	(2,372,677.71)	
Serial Bonds Payable	(131,584,000.00)	
Premium on Refunding Debt, Net	<u>(576,328.15)</u>	
	<u>(132,160,328.15)</u>	(155,543,056.80)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.		
Pensions:		
Deferred Outflows		
Pension related		2,863,007.00
Deferred Inflows:		
Pension related		(2,984,353.00)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Accounts Payable - Pension Related	(1,556,126.00)	
Accrued Interest Payable	<u>(2,353,813.66)</u>	
		<u>(3,909,939.66)</u>
Net Position of Governmental Activities		\$ <u>41,171,019.68</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

# GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (EXHIBIT B-2)

SAYREVILLE BOROUGH BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$ 67,021,492.00	\$	\$	\$ 3,545,909.00	\$ 70,567,401.00
Tuition from other LEAs within the State	116,037.70				116,037.70
Transportation fees from other LEAs	1,650.00				1,650.00
Rents and Royalties	192,507.76				192,507.76
Interest on Emergency Reserve	3,421.28				3,421.28
Interest on Maintenance Reserve	11,101.51				11,101.51
Interest on Capital Reserve	92,540.41				92,540.41
Other restricted miscellaneous revenues	4,083.07				4,083.07
Miscellaneous	1,652,638.83	477,804.29		410,803.72	2,541,246.84
Total - local sources	69,095,472.56	477,804.29		3,956,712.72	73,529,989.57
State sources	62,022,619.21	9,966,883.39		79,651.00	72,069,153.60
Federal sources	177,454.03	9,149,683.25			9,327,137.28
Total revenues	131,295,545.80	19,594,370.93		4,036,363.72	154,926,280.45
EXPENDITURES:					
Current expense:					
Regular instruction	29,810,870.22	5,527,158.74			35,338,028.96
Special instruction	11,248,283.19	1,856,476.59			13,104,759.78
Other Instruction	4,384,458.72				4,384,458.72



# GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (EXHIBIT B-2) CONTINUED

Support services:					
Tuition	3,943,450.53				3,943,450.53
Student & instruction related services	10,170,338.89	8,386,958.61			18,557,297.50
General administrative services	2,057,806.62				2,057,806.62
School administrative services	3,504,445.96				3,504,445.96
Central service/Admin information technology	3,283,136.44				3,283,136.44
Plant operations and maintenance	8,697,495.81				8,697,495.81
Pupil transportation	6,664,024.07				6,664,024.07
Unallocated benefits	42,386,878.43				42,386,878.43
Transfer to Charter Schools	779,905.00				779,905.00
Special schools	58,252.90				58,252.90
Debt Service:					
Principal				2,725,000.00	2,725,000.00
Interest				900,559.73	900,559.73
Cost of issuance			177,900.00		177,900.00
Capital outlay	<u>2,524,723.28</u>	<u>4,549,248.69</u>	<u>2,878,486.03</u>		<u>9,952,458.00</u>
Total expenditures	<u>129,514,070.06</u>	<u>20,319,842.63</u>	<u>3,056,386.03</u>	<u>3,625,559.73</u>	<u>156,515,858.45</u>
Excess (deficiency) of revenues over (under) expenditures	1,781,475.74	(725,471.70)	(3,056,386.03)	410,803.99	(1,589,578.00)
Other financing sources (uses):					
Transfers In/out	(697,872.26)	741,258.00			43,385.74
Bonds issued			97,474,000.00		97,474,000.00
Premium on bonds, net			177,900.00		177,900.00
Installment Purchase Contracts (non-budgeted)	<u>1,089,548.39</u>				<u>1,089,548.39</u>
Total other financing sources	<u>391,676.13</u>	<u>741,258.00</u>	<u>97,651,900.00</u>		<u>98,784,834.13</u>
Net change in fund balances	2,173,151.87	15,786.30	94,595,513.97	410,803.99	97,195,256.13
Fund balances, July 1, 2022	<u>16,062,638.73</u>	<u>(549,708.35)</u>	<u>1,805,316.51</u>	<u>1,338.48</u>	<u>17,319,585.37</u>
Fund balances, June 30, 2023 (deficit)	<u>\$ 18,235,790.60</u>	<u>\$ (533,922.05)</u>	<u>\$ 96,400,830.48</u>	<u>\$ 412,142.47</u>	<u>\$ 114,514,841.50</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

# AUDIT RECOMMENDATIONS

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

### RECOMMENDATIONS

#### Administrative Practices and Procedures

None

#### Financial Planning, Accounting and Reporting

None

#### School Purchasing Program

None

#### School Food Service

Recommendation 2023-001- That appropriate action be taken to ensure that net cash resources of the Food Service Account do not exceed (3) months average expenditures.

#### Student Body Activities

None

#### Application for State School Aid

None

#### Pupil Transportation

None

#### Capital Assets and Facilities

None

#### Miscellaneous

None



# CORRECTIVE ACTION PLAN

A	B	C	D	E	F
ACFR/AMR (1) Finding #	Finding (Condition) (1)	Recommendation (1)	Method of Implementation (2)	Person Responsible for Implementation	Implementation Date
2023-001	Net cash resources exceeded three months average expenditures	That appropriate action be taken to ensure that net cash resources of the Food Service Account do not exceed (3) months average expenditures.	The district will review operational costs and apply those appropriate to the food services fund. In addition, the district will begin replacing fully depreciated equipment that is in need of replacement. The district will monitor the fund balance and use the above methods to decrease the fund balance.	Erin Hill	June 1, 2024