

**AUDITORS MANAGEMENT REPORT
ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
SCHOOL DISTRICT OF THE
TOWNSHIP OF MOUNT OLIVE
COUNTY OF MORRIS, NEW JERSEY
JUNE 30, 2023**

SCHOOL DISTRICT OF THE TOWNSHIP OF MOUNT OLIVE
COUNTY OF MORRIS, NEW JERSEY

AUDITORS 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
Township of Mount Olive School District
County of Morris, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Township of Mount Olive School District in the County of Morris 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 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 Township of Mount Olive 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.

Steven D. Wielkocz

Steven D. Wielkocz, C.P.A.
Licensed Public School Accountant
No. 816

Wielkocz & Company, LLC

Wielkocz & Company, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

December 5, 2023



**TOWNSHIP OF MOUNT OLIVE BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2023**

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Lynn Jones	Board Secretary	\$ 30,000.00
Sherry Kolody	Treasurer of School Monies	400,000.00
Gail Libby	Business Administrator	400,000.00

There is a Blanket Employee Dishonesty Bond with the School Excess Liability Joint Insurance Fund covering all other employees with multiple coverage of \$500,000.00 per occurrence.

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.

**TOWNSHIP OF MOUNT OLIVE BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2023**

Administrative Practices and Procedures (continued)

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was not made. The actual costs were less than the estimated costs. The District made proper adjustment to the billings to sending Districts for the decrease 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 material discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account and Position Control Roster

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 a motion of the Board.

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

Payrolls were delivered to the Treasurer of School Monies with a warrant made to her order for the full amount of each payroll.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents, and business administrators) to the NJ Department of Treasury was filed by the March 15 due date.

Reporting of employee compensation for income tax related purposes did comply with federal and state regulations regarding the compensation which is required to be reported.

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.

**TOWNSHIP OF MOUNT OLIVE BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2023**

Financial Planning, Accounting and Reporting (continued)

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30th for goods not yet received or services not rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for priority and to determine that goods were received and services were rendered as of June 30, 2022.

Classification of Expenditures - General and Administrative

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A:23A-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 *N.J.A.C. 6A:23A-8.3*. As a result of the procedures performed, a transaction error rate of 0.00% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

The Board Secretary's records were in satisfactory condition.

Treasurer's Records

Our review of the financial and accounting records maintained by the Treasurer disclosed no exceptions.

Elementary and Secondary Education (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 the projects under Title I, Title II, Title III and Title IV of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. indicated that there were 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 Exhibit K-3 and Exhibit K-4 located in the ACFR.

**TOWNSHIP OF MOUNT OLIVE BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2023**

Financial Planning, Accounting and Reporting (continued)

Other Special Federal and/or State Projects (continued)

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 the following areas of noncompliance:

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.

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 be 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

N.J.S.A. 18A:18A-2 contains definitions for terms used throughout N.J.S.A. 18A:18A-1 et seq. It includes as subsection (p) the term 'competitive contracting', which is defined as "the method described in N.J.S.A. 18A:18A-4.1 through 18A:18A-4.5 and in rules promulgated by DCA at N.J.A.C. 5:34-4 of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal proposals are evaluated by the purchasing agent or counsel or school business administrator; and the board of education awards a contract to a vendor or vendors from among the formal proposals received." Also, subsection (aa) defines the term 'concession' to exclude vending machines.

N.J.S.A. 18A:18A-3(a) sets forth the bid threshold and requires award by board resolution. There is a higher threshold when there is a "Qualified Purchasing Agent" (QPA) in the district as defined at N.J.A.C. 5:34-1.1 and certified upon approval of an application submitted to DCA. Pursuant to N.J.S.A. 18A:18A-3(b), the bid threshold may be adjusted by the Governor, in consultation with the Department of Treasury, every five years.

**TOWNSHIP OF MOUNT OLIVE BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2023**

School Purchasing Programs (continued)

Contracts and Agreements Requiring Advertisement for Bids (continued)

N.J.S.A. 18A:18A-4.4 provides boards of education the authority to pass a resolution authorizing the use of competitive contracting. “In order to initiate competitive contracting, the board of education shall pass a resolution authorizing the use of competitive contracting each time specialized goods or services enumerated in sections 45 of L. 1999, c.440 are desired to be contracted.”

Effective July 1, 2020 and thereafter, 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 currently \$20,200.

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 provision of *N.J.S.A.* 18A:18A-4, amended.

Resolutions were adopted authorizing the awarding of contract or agreements for "Professional Services" per *N.J.S.A.* 18A:18A-5.

School Food Service

School Food Authorities (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. 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. No exceptions were noted.

**TOWNSHIP OF MOUNT OLIVE BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2023**

School Food Service (continued)

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. No exceptions were noted.

Finding 2023-01: Net cash resources did exceed three months average expenditures.

Recommendation: That steps be taken to reduce net cash resources.

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

We also inquired of management about the public health emergency procedures/practices that the SFA instituted to provide meals to eligible 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.

Student Body/Athletic Account Activities

Cash receipts and disbursement records were maintained in good order.

Application for State School Aid

Our audit procedures included a test of information reported in the October 14, 2022 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual students. 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 with the following exception:

Finding 2023-02: There were multiple classification errors between the District workpapers and the A.S.S.A. Report.

Recommendation: That District workpapers agree with the A.S.S.A. Report.

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

**TOWNSHIP OF MOUNT OLIVE BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2023**

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 with the following exceptions:

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. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

The general fixed asset records were updated for the additions and disposals of general fixed assets made during the year.

Our procedures included a review of the SDA grant agreements, if any, for consistency with recording SDA revenue, transfer of local funds from the general fund, and awarding of contracts for eligible facilities construction.

Testing for Lead of All Drinking Water in Educational Facilities

The School District did submit 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 Years' Findings

In accordance with Government Auditing Standard, our procedures include a review of all prior year recommendations. Corrective action has been taken on all prior year findings with the exception of the following, which is repeated in this year's recommendations as current year finding.

Finding 2023-01: That steps need to be taken to reduce net cash resources.

Finding 2023-02: That the District workpapers agree with the A.S.S.A. submission.

**TOWNSHIP OF MOUNT OLIVE BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2023**

Acknowledgment

We received the complete cooperation of all the officials of the Mount Olive Board of Education and we greatly appreciate the courtesies extended to the members of the audit team.

Steven D. Wielkotz

Steven D. Wielkotz, C.P.A.
Licensed Public School Accountant
No. 816

Wielkotz & Company, LLC

Wielkotz & Company, LLC
Certified Public Accountants

NET CASH RESOURCE SCHEDULE

Mount Olive School District

Proprietary Funds - Food Service FYE 2023

<u>Net Cash Resources:</u>		Food Service B - 4/5	
ACFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 962,112
B-4		Due from Other Gov'ts	\$ 39,101
B-4		Accounts Receivable	\$ 205,677
B-4		Prepaid Expenses	\$ 3,133
ACFR		Current Liabilities	
B-4		Less Accounts Payable	\$ (154,073)
B-4		Less Accruals	\$ -
B-4		Less Due to Other Funds	\$ -
B-4		Less Deferred Revenue	\$ (131,799)
		Net Cash Resources	<u>\$ 924,151</u> (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	1,936,469	
B-5	Less Depreciation	(41,687)	
	Adj. Tot. Oper. Exp.	<u>\$ 1,894,782</u>	(B)

Average Monthly Operating Expense:

B / 10	<u>\$ 189,478</u>	(C)
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Three times monthly Average:

3 X C	<u>\$ 568,435</u>	(D)
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TOTAL IN BOX A	\$ 924,151
LESS TOTAL IN BOX D	\$ 568,435
NET	<u>\$ 355,716</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.

SOURCE - USDA resource management comprehensive review form

SCHEDULE OF AUDITED ENROLLMENTS

MOUNT OLIVE SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2022

	2023-2024 Application for State School Aid																
	Reported on A.S.S.A. On Roll				Errors				Sample for Verification				Private Schools for Disabled				
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Selected from Workpapers	Sample Verified per Registrars On Roll	Errors per Registers On Roll	Reported on A.S.S.A. as Private Schools	Reported on Workpapers	Errors	Sample for Verify-	Sample Verified	Sample Errors
Half Day Preschool	32	0	0	0	0	0	0	0	2	2	0	0	0	0	0	0	0
Full Day Preschool	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Full Day Kindergarten	312	0	312	0	0	0	0	0	20	0	0	0	0	0	0	0	0
One	289	0	289	0	0	0	0	19	19	0	0	0	0	0	0	0	0
Two	277	0	277	0	0	0	0	18	18	0	0	0	0	0	0	0	0
Three	317	0	317	0	0	0	0	20	20	0	0	0	0	0	0	0	0
Four	268	0	268	0	0	0	0	17	17	0	0	0	0	0	0	0	0
Five	314	0	314	0	0	0	0	20	20	0	0	0	0	0	0	0	0
Six	318	0	318	0	0	0	0	20	20	0	0	0	0	0	0	0	0
Seven	304	0	305	0	-1	0	0	20	20	0	0	0	0	0	0	0	0
Eight	320	0	321	0	-1	0	0	21	21	0	0	0	0	0	0	0	0
Nine	309	0	309	0	0	0	0	20	20	0	0	0	0	0	0	0	0
Ten	313	0	313	0	0	0	0	20	20	0	0	0	0	0	0	0	0
Eleven	291	10	291	10	0	0	0	19	10	10	0	0	0	0	0	0	0
Twelve	300	10	300	10	0	0	0	19	10	10	0	0	0	0	0	0	0
Subtotal	3964	20	3966	20	-2	0	0	254	20	254	0	0	0	0	0	0	0
Special Ed - Elementary	343	0	344	0	-1	0	0	104	104	0	0	0	0	0	1	1	0
Special Ed - Middle School	167	0	167	0	0	0	0	51	51	0	0	0	0	0	3	3	0
Special Ed - High School	255	9	255	9	0	0	0	77	76	1	0	0	0	0	10	10	0
Subtotal	765	9	766	9	-1	0	0	232	8	231	1	0	0	0	14	14	0
Total	4729	29	4732	29	-3	0	0	486	28	485	1	0	0	0	14	14	0
Percent Error					-0.06%	0.00%					0.2%	0.0%					0.00%

SCHEDULE OF AUDITED ENROLLMENTS

MOUNT OLIVE SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 18, 2022

Enrollment Category	Resident Low Income				Sample for Verification				Resident LEP Low Income				Sample for Verification					
	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Error	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Error	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Error
Full Day Kindergarten	47	48	1	13	13	0	15	15	0	11	11	0	11	11	0	11	11	0
One	52	53	1	14	14	0	11	11	0	8	8	0	8	8	0	8	8	0
Two	54	54	0	14	14	0	8	8	0	5	5	0	5	5	0	5	5	0
Three	74	74	0	20	20	0	2	6	0	4	4	0	4	4	0	4	4	0
Four	61	61	0	16	16	0	2	2	0	2	2	0	2	2	0	2	2	0
Five	76	77	1	20	20	0	2	2	0	2	2	0	2	2	0	2	2	0
Six	67	67	0	18	18	0	3	3	0	2	2	0	2	2	0	2	2	0
Seven	53	53	0	14	14	0	2	2	0	2	2	0	2	2	0	2	2	0
Eight	51	51	0	14	14	0	4	4	0	3	3	0	3	3	0	3	3	0
Nine	65	65	0	17	17	0	3	3	0	2	2	0	2	2	0	2	2	0
Ten	62	62	0	16	16	0	2	2	0	2	2	0	2	2	0	2	2	0
Eleven	50.5	50	0.5	13	13	0	1	1	0	1	1	0	1	1	0	1	1	0
Twelve	34.5	34	0.5	9	9	0	3	3	0	2	2	0	2	2	0	2	2	0
Subtotal	747	749	4	199	199	0	62	62	0	46	46	0	46	46	0	46	46	0
Special Ed - Elementary	84	83	1	22	22	0	11	11	0	8	8	0	8	8	0	8	8	0
Special Ed - Middle School	34	36	-2	10	10	0	1	1	0	1	1	0	1	1	0	1	1	0
Special Ed - High School	91.5	89	2.5	24	24	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	209.5	208	2	55	55	0	12	12	0	9	9	0	9	9	0	9	9	0
Total	956.5	957	6	254	254	0	74	74	0	55	55	0	55	55	0	55	55	0
Percent Error			0.58%			0.00%			0.00%			0.00%			0.00%			0.00%

SCHEDULE OF AUDITED ENROLLMENTS

MOUNT OLIVE SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2022

Enrollment Category	Resident LEP NOT Low Income				Sample for Verification		
	Reported on ASSA as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Application and Register	Error
Full Day Kindergarten	26	27	-1	18	18		0
One	24	24	0	16	16		0
Two	10	10	0	7	7		0
Three	14	14	0	10	10		0
Four	9	9	0	6	6		0
Five	7	7	0	5	5		0
Six	3	2	1	2	2		0
Seven	7	6	1	5	5		0
Eight	2	2	0	1	1		0
Nine	2	2	0	1	1		0
Ten	4	4	0	3	3		0
Eleven	2	2	0	1	1		0
Twelve	2	2	0	1	1		0
Subtotal	112	111	1	76	76		0
Special Ed - Elementary	11	14	-3	8	8		0
Special Ed - Middle School	2	2	0	1	1		0
Special Ed - High School	0	0	0	0	0		0
Subtotal	13	16	-3	9	9		0
Total	125	127	-2	85	85		0
Percent Error			<u>-1.60%</u>				<u>0%</u>
Regular - Public Schools, col. 1	Reported on DR TRS by DOE/county 2,434	Reported on DR TRS by District 2,434	Errors 0	Tested 291	Verified 291		Errors 0
Transported - Non-Public, col. 2	105	105	0	83	83		0
Regular - SpEd, col. 4	200	200	0	124	124		0
Special Ed Spec, col. 6	329	329	0	158	156		2
Totals	3,068	3,068	0	656	654		2
Percentage Error			<u>0.00%</u>				<u>0.30%</u>

EXCESS SURPLUS CALCULATION -

REGULAR DISTRICTS/CHARTER SCHOOL/RENAISSANCE SCHOOL PROJECT

SECTION 1

A. 2% Calculation of Excess Surplus

2022-23 Total General Fund Expenditures per the ACFR, Ex.C-1	\$	<u>123,543,344</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)
Decreased by:			
On-Behalf TPAF Pension & Social Security	\$	<u>20,323,364</u>	(B2a)
Assets Acquired Under Capital Leases	\$	<u>1,709,896</u>	(B2b)
Adjusted 2022-23 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$	<u>101,510,084</u>	(B3)
2% of Adjusted 2022-23 General Fund Expenditures [(B3) times .02]	\$	<u>2,030,202</u>	(B4)
Enter Greater of (B4) or \$250,000	\$	<u>2,030,202</u>	(B5)
Increased by: Allowable Adjustment *	\$	<u>2,180,588</u>	(K)
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]	\$	<u><u>4,210,790</u></u>	(M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-23 (Per ACFR Budgetary Comparison Schedule C-1)	\$	<u>19,762,753</u>	(C)
Decreased by:			
Year-end Encumbrances	\$	<u>1,280,374</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>6,375,635</u>	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$	<u>3,269,549</u>	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$	<u><u>8,837,195</u></u>	(U1)

SECTION 3

Restricted Fund Balance - Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0-	\$	<u><u>4,626,405</u></u>	(E)
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Recapitulation of Excess Surplus as of June 30, 2023

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$	-	(C3)
Reserved Excess Surplus ***[(E)]	\$	<u>4,626,405</u>	(E)
Total Excess Surplus [(C3) + (E)]	\$	<u><u>4,626,405</u></u>	(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, the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid 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		\$	<u>-</u>	(H)
Sale & Lease-back		\$	<u>-</u>	(I)
Extraordinary Aid		\$	<u>2,149,141</u>	(J1)
Additional Nonpublic School Transportation Aid		\$	<u>31,447</u>	(J2)
Current Year School Bus Advertising Revenue Recognized		\$	<u>-</u>	(J3)
Family Crises Transportation Aid		\$	<u>-</u>	(J4)
Supplemental Stabilization Aid received April 2023 & Maintenance of Equity Aid received July 2023		\$	<u>-</u>	(J5)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]		\$	<u><u>2,180,588</u></u>	(K)

- ** This amount represents the June 30, 2023 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.
- *** Amount must agree to the June 30, 2023 ACFR and must agree to Audit Summary Worksheet Line 90030.
- **** Amount for Other Reserved 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.

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$	<u> </u>
Sale/Lease-back reserve	\$	<u> </u>
Capital reserve	\$	<u>4,846,642</u>
Maintenance reserve	\$	<u>1,137,624</u>
Emergency reserve	\$	<u> </u>
Tuition reserve	\$	<u> </u>
School Bus Advertising 50% Fuel Offset Reserve-Current Year	\$	<u> </u>
School Bus Advertising 50% Fuel Offset Reserve-Prior Year	\$	<u> </u>
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$	<u> </u>
Impact Aid General Fund Reserve (Sections 8007 and 8008)	\$	<u> </u>
Other state/government mandated reserve	\$	<u> </u>
Reserve for Unemployment Fund	\$	<u>391,369</u>
[Other Restricted Fund Balance not noted above]****	\$	<u> </u>
Total Other Restricted Fund Balance	\$	<u>6,375,635 (C4)</u>

**TOWNSHIP OF MOUNT OLIVE
BOARD OF EDUCATION**

**AUDIT FINDINGS & 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

*The District should take steps to reduce net cash resources.

5. Student Activity Fund

None

6. Application for State School Aid

*That District workpapers agree with the A.S.S.A. Report.

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

None

10. 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 except those denoted with an asterisk(*).