

**Carteret Board of Education
Carteret, New Jersey**

**AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS–
FINANCIAL, COMPLIANCE AND PERFORMANCE**

June 30, 2024

**AUDITOR’S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS–
FINANCIAL, COMPLIANCE AND PERFORMANCE**

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INDEPENDENT AUDITORS' REPORT

Honorable President and Members
of the Board of Trustees
Carteret Board of Education
County of Middlesex, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Carteret Board of Education, County of Middlesex as of and for the year ended June 30, 2024, and have issued our report thereon dated January 10, 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 solely for the information and use of the Carteret Board of Education's management and Board members and the New Jersey Department of Education and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

PKF O'Connor Davies, LLP

Woodcliff Lake, New Jersey
January 10, 2025



Gary Higgins, CPA
Licensed Public School Accountant, No. CS00814

**CARTERET BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE**

JUNE 30, 2024

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

Insurance coverage was carried in the amounts as detailed on J-20, Insurance Schedule contained in the 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>
Carmela Collazo	Board Secretary/School Business Administrator	\$340,000
Mary Beth Hronich	Board Designee/Assistant Business Administrator	340,000

There is a Public Employees' Faithful Performance Blanket Position Bond with the New Jersey School Boards Association Insurance Group covering all other employees with coverage of \$250,000.

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 district. The school district data certification was completed by the chief school administrator. The school district Chapter 44 data was submitted timely.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period did not indicate any discrepancies with respect to signatures, certification or supporting documentation and no exceptions were noted.

CARTERET BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE

JUNE 30, 2024

Financial Planning, Accounting and Reporting (Continued)

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 tested were approved by the Superintendent and were certified by the President of the Board, the Board Secretary/Business Administrator, and the Chief School Administrator.

The Board implemented and maintains a personnel tracking and accounting (Position Control) System.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the general fund, where applicable.

Payrolls were delivered to the secretary of the board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

Our review of the payroll accounts did not reveal any exceptions.

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 and no exceptions were noted.

Classification of Expenditures

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 test samples, 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 9.50 percent overall was noted, and additional procedures were deemed necessary to test the propriety of expenditures classification.

CARTERET BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE

JUNE 30, 2024

Financial Planning, Accounting and Reporting (Continued)

Board Secretary's Records

Our review of the financial and accounting records maintained by the Board Secretary disclosed no exceptions except for the following:

Finding 2024-01 – The audit of the General Fund revenues report indicated certain original budget amounts were omitted from the revenues report.

Recommendation – All General Fund original budget amounts be properly entered in the District's records.

Bank Reconciliations

The cash reconciliations for the general operating account and payroll accounts were performed by the Board's designee in accordance with N.J.S.A. 18A:17-9.

The monthly records pertaining to cash reconciliations were in agreement with the records of the Board Secretary.

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

The E.S.E.A./NCLB 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 VI of the Elementary and Secondary Education Act as amended and reauthorized. The study of compliance for E.S.E.A./N.C.L.B. indicated no instances of noncompliance and/or questionable costs.

Other Special Federal and/or State Projects

The District's special projects were approved as listed on Schedules A (K-3) and 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.

CARTERET BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE

JUNE 30, 2024

Financial Planning, Accounting and Reporting (Continued)

Other Special Federal and/or State Projects (continued)

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 no instances of noncompliance and/or questionable costs.

Finding 2024-002 – The Nonpublic State grants final expenditure report does not agree to the grant expenditures recorded in the special revenue fund appropriation report.

Recommendation – The District should reconcile all special revenue fund expenditures to the final Nonpublic State grant final expenditure report to verify they are in agreement.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursement forms filed with the 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(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:18A3(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 for 2023-2024.

The District has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question

CARTERET BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE

JUNE 30, 2024

School Purchasing Programs (Continued)

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 examination, no individual payments, contracts, or agreements were 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

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 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.

Cash receipts and bank records were reviewed for timely deposit.

The District utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with *N.J.S.A. 18A:17-34*, and 19-1 through 19-4.1. Provisions of the FSMC Cost Reimbursable Fixed Price or Non-Competitive Emergency Procurement contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$250,000. The operating results provision has been met. All vendor discounts, rebates, and credits from vendors and/or the FSMC

CARTERET BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE

JUNE 30, 2024

School Food Service (Continued)

were tracked and credited to the food service account and reconciled to supporting documentation at least annually.

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.

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.

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.

Net cash resources did exceed three months average expenditures.

Finding 2024-003 (ACFR Finding 2024-001) – The Food Service Fund net cash resources exceeded the maximum amount permitted by the New Jersey State Department of Education. The excess amount was reduced significantly from the prior year audit.

Recommendation – The District should take continued remedial actions to reduce net cash resources on hand in the Food Service Fund.

Time sheets were reviewed, and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education/board of trustees. 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 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.

CARTERET BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE

JUNE 30, 2024

School Food Service (Continued)

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 Net Position (ACFR Schedule B-5) does separate program and non-program revenues.

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

Student Body Activities

During our audit of the student activity funds, we did not note any exceptions.

Application for State School Aid

Our audit procedures included a test of information reported in the October 13, 2023 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 with immaterial exceptions. The information that was included on the work papers 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 written procedures for the recording of student enrollment data.

Pupil Transportation

Because Transportation Aid was not tested as a major program in the 2024 fiscal year, our audit procedures did not include a test of on roll status reported in the 2023-2024 District Report of Transported Resident Students (DRTRS). We did agree the information presented on the DRTRS by the County/NJDOE and compared the information presented by the District with no exceptions.

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.

CARTERET BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE

JUNE 30, 2024

Facilities and Capital Assets

Our procedures included a review of the New Jersey Schools Development Authority (“NJSDA”) grant agreements for consistency with recorded NJSDA revenue, transfer of local funds from the general fund or from the capital reserve account and awarding of contracts for eligible facilities construction. No exceptions were noted.

The District maintained records for their governmental and business type activities capital assets.

Finding 2024-004 – Certain capital assets included in the Food Service Fund capital asset additions were misidentified as budget expenditures in the appropriation report.

Recommendation – All Food Service Fund capital asset additions be capitalized when put into service.

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).

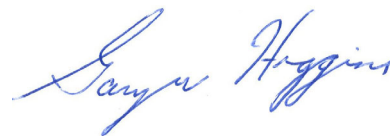
Follow-up on Prior Year Findings

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations including findings. All prior year findings have been corrected with the exception of finding 2023-007 (ACFR Finding 2023-002) which is repeated as finding 2024-003 (ACFR Finding 2024-001).

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,



Gary W. Higgins, CPA
Public School Accountant
PSA Number CS00814

SCHEDULE OF MEAL COUNT ACTIVITY

CARTERET BOARD OF EDUCATION

FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -FEDERAL

ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE</u>	<u>(OVER) UNDER CLAIM</u>
National School Lunch (Regular Rate)	Paid	89,669	89,669	89,669	-	\$ 0.42	\$ -
National School Lunch (Regular Rate)	Reduced	52,863	52,863	52,863	-	3.87	-
National School Lunch (Regular Rate)	Free	287,090	287,090	287,090	-	4.27	-
National School Breakfast (Severe Needs Rate)	Free	163,629	163,629	163,629	-	2.73	-
National School Breakfast (Severe Needs Rate)	Reduced	26,574	26,574	26,574	-	2.43	-
National School Breakfast (Severe Needs Rate)	Paid	25,068	25,068	25,068	-	0.38	-
After School Snack Program	Paid	31,036	31,036	31,036	-	1.17	-
	TOTAL	675,929	675,929	675,929			-
National School Lunch	HHFKA - PB Lunch Only	429,622	429,622	429,622	-	0.08	-
Total Net Overclaim							-

SCHEDULE OF MEAL COUNT ACTIVITY

CARTERET BOARD OF EDUCATION

FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -STATE

ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE</u>	<u>(OVER) UNDER CLAIM</u>
State Reimbursement - National School Lunch (Regular and SSO Rate)	Paid	89,669	89,669	89,669	-	\$ 0.06	\$ -
State Reimbursement - National School Lunch (Regular and SSO Rate)	Reduced	52,863	52,863	52,863	-	0.47	-
State Reimbursement - National School Lunch (Regular and SSO Rate)	Free	287,090	287,090	287,090	-	0.07	-
National School Lunch (Severe Needs Rate)	Reduced	26,574	26,574	26,574	-	0.30	-
National School Breakfast Afterbell (Supplement Rate)		215,271	215,271	215,271	-	0.10	-
National School Lunch (NJEIE)		8,592	8,592	8,592		3.85	
Severe Needs Breakfast (NJEIE)		4,746	4,746	4,746		2.35	
	TOTAL	<u>671,467</u>	<u>671,467</u>	<u>671,467</u>	Total Net Overclaim		<u>-</u>

Carteret Board of Education

**Net cash resources did exceed three months of expenditures
Proprietary Funds - Food Service
Year ended June 30, 2024**

<u>Net Cash Resources:</u>		Food Service B - 4/5	
ACFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 1,013,181
B-4		Due from Other Gov'ts	557,443
B-4		Accounts Receivable	104,671
B-4		Interfund Receivable	193,872
ACFR	*	Current Liabilities	
B-4		Less Accounts Payable	-
B-4		Less Accruals	-
B-4		Less Due to Other Funds	(493,212)
B-4		Less Unearned Revenue	(29,374)
		Net Cash Resources	\$ 1,346,581 (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	3,333,131	
B-5	Less Depreciation	(56,080)	
	Adj. Tot. Oper. Exp.	\$ 3,277,051 (B)	

Average Monthly Operating Expense:

B / 10	\$ 327,705 (C)
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Three times monthly Average:

3 X C	\$ 983,115 (D)
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TOTAL IN BOX A	\$ 1,346,581
LESS TOTAL IN BOX D	983,115
NET	\$ 363,466

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

CARTERET BOARD OF EDUCATION

SCHEDULE OF AUDITED ENROLLMENTS

**APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2023**

	2022-2023 Application for State School Aid						Sample for Verification						Private Schools for Disabled					
	Reported on		Reported on		Errors		Sample		Verified per		Errors per		Reported on	Reported on		Sample		Sample
	A.S.S.A.		Workpapers				Selected from		Registers		Registers			A.S.S.A. as	Private		for	
	On Roll		On Roll				Workpapers	On Roll	On Roll	On Roll	Private	Private	Verifi-		Verified	Errors		
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Schools	Schools	Errors	cation	Verified	Errors
Half Day Preschool																		
Full Day Preschool	176		176		-		14		14		-							
Half Day Kindergarten	-		-		-		-		-		-							
Full Day Kindergarten	258		258		-		20		20		-							
One	236		236		-		18		18		-							
Two	247		247		-		19		19		-							
Three	245		245		-		19		19		-							
Four	226		225		1		17		17		-							
Five	242		242		-		19		19		-							
Six	263		263		-		20		20		-							
Seven	253		253		-		19		19		-							
Eight	286		286		-		22		22		-							
Nine	264		264		-		20		20		-							
Ten	269		269		-		21		21		-							
Eleven	248		248		-		19		19		-							
Twelve	260		260		-		20		20		-							
Subtotal	3,473		3,472		1		267		267									
Special Ed - Elementary	252		252		-		19		19		-		5.0	5.0	-	3	3	-
Special Ed - Middle School	75	3	75	3	-	-	6		6		-		6.0	6.0	-	6	6	-
Special Ed - High School	140		142		(2)		11		11		-		9.0	9.0	-	9	9	-
Subtotal	467	3	469	3	(2)	-	36	-	36	-			20	20	-	18	18	-
Co. Voc. - Regular																		
Co. Voc. Ft. Post Sec.																		
Totals	3,940	3	3,941	3	(1)	-	303	-	303	-			20	20	-	18	18	-
Percentage Error					-0.03%													

SCHEDULE OF AUDITED ENROLLMENTS

**CARTERET BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2023**

	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 as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool												
Full Day Preschool	106	106	-	10	10	-						
Half Day Kindergarten												
Full Day Kindergarten	180	178	2	17	17	-	35	35		11	11	-
One	161	154	7	15	15	-	38	37	1	10	10	-
Two	183	175	8	14	14	-	53	51	2	16	16	-
Three	190	187	3	23	23	-	46	45	1	13	13	-
Four	176	172	4	22	22	-	50	49	1	22	22	-
Five	191	190	1	18	18	-	28	28		9	9	-
Six	209	208	1	19	19	-	25	25		10	10	-
Seven	182	182	-	24	24	-	30	30		9	9	-
Eight	217	215	2	17	17	-	40	40		13	13	-
Nine	192	192	-	24	23	1	30	30		9	9	-
Ten	199	199	-	17	16	1	24	24		10	10	-
Eleven	174	173	1	13	12	1	26	26		9	9	-
Twelve	179	179	-	20	20	-	24	24		9	9	-
Subtotal	2,539	2,510	29	253	250	3	449	444	5	150	150	
Special Ed - Elementary	200	223	(23)	23	23	-	39	25	14	6	6	-
Special Ed - Middle	64	69	(5)	8	8	-	1	1		0	0	-
Special Ed - High	108	108	-	11	11	-	3	3				-
Subtotal	372	400	(28)	42	42	-	43	29	14	6	6	
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	2,911	2,910	1	295	292	3	492	473	19	156	156	
Percentage Error			0.03%			1.02%			3.86%			

Transportation								
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Difference	Tested	Verified	Errors	Reported	Recalculated
Reg. - Public Schools	122	122						
Reg -SpEd	80	80						
Transported - Non-Public								
AIL - Non-Public	95	95						
Special Ed Spec	95	95						
Totals	392	392	-	-	-	-		
Percentage Error								
							Reg Avg.(Mileage) = Regular Including Grade PK students (Part A)	10.6
							Reg Avg.(Mileage) = Regular Excluding Grade PK students (Part B)	10.6
							Spec Avg. = Special Ed with Special Needs	7.9

SCHEDULE OF AUDITED ENROLLMENTS**CARTERET BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2023**

	Resident LEP 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
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten	9	9	-	2	2	-
One	10	10	-	5	5	-
Two	8	7	1	1	1	-
Three	7	7	-	2	2	-
Four	6	5	1	3	3	-
Five	9	9	-	6	6	-
Six	6	6	-	3	3	-
Seven	13	13	-	3	3	-
Eight	8	8	-	3	3	-
Nine	11	11	-	5	5	-
Ten	6	7	(1)	2	2	-
Eleven	8	8	-	3	3	-
Twelve	8	8	-	1	1	-
Subtotal	109	108	1	39	39	
Special Ed - Elementary	8	5	3			-
Special Ed - Middle						-
Special Ed - High	2	2		2	2	-
Subtotal	10	7	3	2	2	-
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	119	115	4	41	41	-
Percentage Error			3.36%			

CARTERET BOARD OF EDUCATION

EXCESS SURPLUS CALCULATION

JUNE 30, 2024

SECTION 1 - Regular District

B. 2% Calculation of Excess Surplus

2023-24 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ 93,126,371	(B)
Increased by Applicable Operating Transfers:		
Transfer from Capital Outlay to Capital Projects Fund	\$ -	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ 784,313	(B1b)
Transfer from General Fund to SRF for PreK-Regular	\$ 592,240	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$ -	(B1d)
Decreased by:		
On-Behalf TPAF Pension, Post-Retirement Contributions, Long-Term Disability Insurance and Social Security	\$ 17,181,613	(B2a)
Assets Acquired Under Capital Leases	\$ -	(B2b)
Adjusted 2023-24 General Fund Expenditures [(B) + (B1s) - (B2s)]	\$ 77,321,311	(B3)
2% of Adjusted 2023-24 General Fund Expenditures [(B3) times .02]	\$ 1,546,426	(B4)
Enter Greater of (B4) or \$250,000	\$ 1,546,426	(B5)
Increased by: Allowable Adjustment*	\$ 418,755	(K)
Maximum Unassigned/Undesignated - Unreserved Fund Balance [(B5) + (K)]	\$ 1,965,181	(M)

SECTION 2

Total General Fund - Fund Balances at 6-30-24 (Per ACFR Budgetary Comparison Schedule C-1)	\$ 23,111,494	(C)
Decreased by:		
Year-end Encumbrances	\$ 4,920,285	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ -	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ -	(C3)
Other Restricted Fund Balances****	\$ 15,914,501	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ 311,527	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	\$ 1,965,181	(U1)

CARTERET BOARD OF EDUCATION

EXCESS SURPLUS CALCULATION

JUNE 30, 2024

SECTION 3

Restricted Fund Balance - Excess Surplus ***

[(U1)-(M)] IF NEGATIVE ENTER -0-

\$ _____ - (E)

Recapitulation of Excess Surplus as of June 30, 2024

Reserved Excess Surplus - Designated for Subsequent Year's
Expenditures **

\$ _____ - (C3)

Reserved Excess Surplus *** [(E)]

\$ _____ - (E)

Total Excess Surplus [(C3)+(E)]

\$ _____ - (D)

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) Maintenance of Equity Aid and State Military Impact Aid.

Detail of Allowable Adjustments

Impact Aid

\$ _____ - (H)

Sales & Lease-back

\$ _____ - (I)

Extraordinary Aid

\$ 375,530 (J1)

Additional Nonpublic School Transportation Aid

\$ 43,225 (J2)

Current Year School Bus Advertising Revenue Recognized

\$ _____ - (J3)

Family Crisis Transportation Aid

\$ _____ - (J4)

Maintenance of Equity Aid and State Military Impact Aid

\$ _____ - (J5)

Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]

\$ 418,755 (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, 2024 ACFR and must agree
to Audit Summary Worksheet Line 90030.

**** 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 any other type of government, such as the judicial branch of government,
must have Departmental approval. District requests should be submitted to the Division of
Finance prior to September 30.

CARTERET BOARD OF EDUCATION

EXCESS SURPLUS CALCULATION

JUNE 30, 2024

Detail of Other Restricted Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	\$ -
Sale/lease-back reserve	\$ -
Capital reserve	\$ 15,021,629
Maintenance reserve	\$ -
Emergency reserve	\$ 500,000
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	\$ -
Impact Aid Capital Fund Reserve	\$ -
Other state/government mandated reserves	\$ -
Reserve for unemployment	\$ 392,872
Other Restricted Fund Balance not noted above	\$ -
Total Other Restricted Fund Balance	\$ 15,914,501 (C4)

**CARTERET BOARD OF EDUCATION
COUNTY OF MIDDLESEX**

RECOMMENDATIONS

June 30, 2024

I. Administration Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

2024-001 All General Fund original budget revenue amounts be properly entered in the District's records.

2024-002 The District should reconcile all special revenue fund expenditures to the final Nonpublic State grant final expenditure report to verify they are in agreement.

III. School Purchasing Program

There are none.

IV. School Food Service

2024-003 (ACFR Finding 2024-001) The District should take continued remedial actions to reduce net cash resources on hand in the Food Service Fund.

**CARTERET BOARD OF EDUCATION
COUNTY OF MIDDLESEX**

RECOMMENDATIONS (Continued)

June 30, 2024

V. Student Body Activities

There are none.

VI. Application for State School Aid

There are none.

VII. Pupil Transportation

There are none.

VIII. Facilities and Capital Assets

2024-004 All Food Service Fund capital asset additions be capitalized when put into service.

IX. Miscellaneous

There are none.

X. Status of Prior Year Audit Findings/Recommendations

In accordance with Government Auditing Standards, our procedures included a review of all prior year recommendations including findings. All prior year findings have been corrected with the exception of finding 2023-007 (ACFR Finding 2023-002) which is repeated as finding 2024-004 (ACFR Finding 2024-001).