

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**Hightstown, New Jersey
County of Mercer**

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

JUNE 30, 2024



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INDEPENDENT AUDITORS' REPORT

Honorable President and Members
of the Board of Education
East Windsor Regional School District
County of Mercer
Hightstown, New Jersey

We have audited, in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the East Windsor Regional School District, County of Mercer as of and for the year ended June 30, 2024, and have issued our report thereon dated February 26, 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 of the East Windsor Regional School District's management, Board of Education members, and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

PKF O'Connor Davies, LLP

Cranford, New Jersey
February 26, 2025

Scott A. Clelland

Scott A. Clelland, CPA
Licensed Public School Accountant, No. 1049

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, 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

Name	Position	Amount
Paul Todd	Board Secretary / School Business Administrator	\$ 600,000

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.

The original data submission did not require significant revision due to errors or omissions on the part of the district.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The District made a proper adjustment to the billings to sending Districts for the increase or decrease in per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f)3.

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.

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 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.

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

The following was identified:

Finding 2024-003:

During our testing over health benefits, we identified one instance where an employee's payroll deduction was not calculated properly.

Recommendation:

We suggest that the District ensure that all employee withholdings are properly calculated.

Employee Position Control Roster

An inquiry and subsequent review of the Position Control Roster did not identify any inconsistencies between the payroll records, employee benefit records, the general ledger accounts to where wages are posted, and the Position Control Roster.

Reserve for Encumbrances and Accounts Payable

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

Finding 2024-004:

During our testing of encumbrances payable and accounts payable, we noted certain encumbrances, for accrued payroll and TPAF FICA due back to the State, were improperly recorded as encumbrances resulting in a reclass to accounts payable and recording the related expenditure.

Recommendation:

We suggest the District review all payroll related items and the due back to the state to ensure they are properly classified as an accounts payable.

Travel

Finding 2024-005:

During our testing of travel expenditures, we identified that student related travel was charged to the 58X object codes which are to be used for staff travel only.

Recommendation:

We suggest that the District ensure that the correct account codes are utilized for expenditures incurred for student related travel.

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 a test sample, we also selected a sample of 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 0.06% 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 disclosed the following item.

Finding 2024-006:

The Board Secretary's and Treasurer's reports, as well as the budget transfers, were not presented monthly to the Board (*N.J.S.A. 18A:17-9*) during the first few months of the fiscal year. This was mainly the result of illness and staff turnover.

Recommendation:

We suggest that the Board Secretary's and Treasurer's reports, as well as the budget transfers, be presented monthly to the Board for approval.

Treasurer's Records (optional position)

No exceptions were noted during our review of the financial and accounting records maintained by the Assistant Business Administrator except as noted above.

Elementary and Secondary Education Act (ESEA) as amended by the Every Student Succeeds Act (ESSA)

The ESEA financial exhibits are contained within the Special Revenue Section of the Annual Comprehensive Financial Report (ACFR). This section of the ACFR documents the financial position pertaining to the projects under Title I and Title IV of the Elementary and Secondary Education act as amended and reauthorized.

The study of compliance for E.S.E.A. indicated the following areas of noncompliance and/or questionable costs.

Finding 2024-007:

During our testing of E.S.E.A. grants, we noted the that Title I Final Report for fiscal year 2023 resulted in a due to grantor in excess of the final report as reported expenditures exceeded actual expenditures recorded in the financial records.

Recommendation:

We suggest that the District ensure that final reports submitted to oversight agencies reconcile to the underlying accounting data.

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.

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 instances of noncompliance that are required to be reported in accordance with the Uniform Guidance or State OMB Circular 15-08:

Finding 2024-001:

Compliance Finding - Reporting

Education Stabilization Fund

ALN: 84.425U

FAIN: S425U210027

Grantor Agency: U.S. Department of Education

Pass-Through Agency: State Department of Education

Criteria: The Uniform Guidance requires financial reports to be accurate, complete, and supported by underlying accounting records. Additionally, the granting agency also requires that expenditures reported align with accounting records to ensure proper use of federal funds.

Statement of Condition: The Education Stabilization Fund (ESF) final reports submitted to the oversight agency did not reconcile to the underlying accounting data maintained by the District. Specifically, discrepancies were identified between reported expenditures and the general ledger, including a \$125,463 overstatement of expenditures.

Context: During our testing of Federal Award Programs, we audited the ESF final reports to determine compliance with the reporting requirement. Our testing included reviewing and reconciling the individual grant final reports to the underlying accounting data. Auditors reviewed nine individual grant final reports noting that three of the reports did not reconcile to the underlying accounting data.

Cause and Effect: The discrepancy occurred because District staff did not perform a thorough reconciliation of expenditures prior to submission. Additionally, staff turnover contributed to the issue. Failure to reconcile the underlying accounting data increases the risk of inaccurate financial reports, which could result in noncompliance with grant requirements. This could lead to questioned costs, a loss of credibility with oversight agencies, or potential future funding restrictions.

Recommendation: We recommend that the District develop and enforce a formal reconciliation process to ensure all financial reports align with underlying accounting records before submission, provide additional training to finance staff on reconciliation procedures and grant reporting requirements, enhance supervisory review process to identify and correct discrepancies prior to report submission, and periodically review grant reporting policies to ensure alignment with applicable regulations.

Finding 2024-002:

Internal Control over Compliance Finding – Allowable Costs – Significant Deficiency

Education Stabilization Fund

ALN: 84.425U

FAIN: S425U210027

Grantor Agency: U.S. Department of Education

Pass-Through Agency: State Department of Education

Criteria: According to 2 CFR 200.403(a) and (g), for costs to be allowable under a federal award, they must be necessary, reasonable, and adequately documented. Additionally, 2 CFR 200.430(a) requires that payroll costs charged to federal grants be based on records that accurately reflect the work performed and be properly authorized.

Statement of Condition: The District charged payroll expenses to the Educational Stabilization Fund (ESF) grant for employees who were not approved to be paid from the grant. Additionally, certain employees were paid at rates that were not authorized by the Board. Furthermore, journal entries related to payroll expenses were not supported by adequate documentation. As a result, we identified \$51,681.50 in questioned costs.

Context: During our testing of Federal Award Programs, we tested the payroll expenditures charged to the grant. Our testing included reviewing and reconciling the individual employees to board approvals to be charged to the grant, reviewing the approved pay rates for the grant for hourly or stipend employees, and reconciling the underlying data on payroll-related journal entries.

Cause and effect: The District did not have adequate internal controls to ensure that only authorized employees and approved pay rates were used for payroll costs charged to the ESF grant. Additionally, there was a lack of review and oversight over payroll-related journal entries to ensure they were properly supported. Without proper controls over payroll charges and documentation, the District risks noncompliance with federal grant requirements, which could result in disallowed costs and potential repayment of federal funds. In this case, \$51,682 in payroll expenses are considered questioned costs, subject to further review by the granting agency.

Questioned Costs: \$51,682

Recommendation: We recommend that the District strengthen internal controls over payroll processing to ensure that only authorized employees and approved pay rates are charged to the ESF grant, implement a review process to verify that all payroll-related journal entries are adequately supported before posting, conduct a review of payroll charges to federal grants to identify and correct any additional instances of unapproved costs, provide training to finance and grant management staff

on federal grant requirements for payroll expenditures, and coordinate with grantor agency to determine appropriate corrective action regarding the identified questioned costs.

Finding 2024-008:

During our review of grants, we noted that grant reimbursement requests were not always supported by budget reports and underlying records.

Recommendation:

We suggest that the District ensure reimbursement requests contain adequate detail to ensure that details of expenditures charged are accurate and support for payroll expenditures are maintained.

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 Teacher's 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 Reports 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 not 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.

Non-Public State Aid

Our audit of the Nonpublic State Aid Completion Report identified the following exception:

Finding 2024-009:

During our audit of the Nonpublic Completion Report, we noted that the report filed included expenditures in excess of expenditures actually incurred.

Recommendation:

We suggest that the District ensure that the final Nonpublic Completion report is properly filed and reconciled to the underlying accounting data.

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 \$20,200 for 2023-24.

The 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 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 our examination, I 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 agreements for "Professional Services" per *N.J.S.A. 18A:18A-5*.

No exceptions were identified.

School Food Service

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 receipt 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 \$37,588.80. The operating results provision has 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.

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.

The following was identified:

Finding 2024-010:

Net cash resources exceeded three months average expenditures.

Recommendation:

We suggest that the District implement a plan to meet the net cash resources calculation.

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

USDA Food Donation Program (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exception were noted.

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

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

Student Body Activities

The following exceptions were noted during our testing of the student activity funds:

Finding 2024-011:

During our testing of student activity funds, the following items were noted:

- a. Support for disbursements was not maintained,
- b. Various accounts had stale outstanding checks in excess of one year,
- c. And not all activity was recorded in the proper period.

Recommendation:

We suggest that the District ensure that disbursement packages contain all pertinent information including invoices, check requests, and approvals, checks outstanding in excess of one year should be voided and reissued or written off, and all activity should be recorded in the proper period.

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 as identified in the Schedule of Audited Enrollments with minor exceptions.

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 minor 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. The bid specification 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.

Facilities and Capital Assets

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

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

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations including findings. Corrective action has been taken on all prior year findings.

There were no audit reports issued by the Office of Fiscal Accountability and Compliance ("OFAC") during the 2024 fiscal year.

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.

SCHEDULE OF MEAL COUNT ACTIVITY

**FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - FEDERAL
ENTERPRISE FUND
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 (a)</u>	(OVER) UNDER <u>CLAIM (b)</u>
National School Lunch (Regular Rates)	Paid	201,349	201,349	201,349	-	\$ 0.40	\$ -
	Reduced	56,706	56,706	56,706	-	3.85	-
	Free	191,437	191,437	191,437	-	4.25	-
	TOTAL	449,492	449,492	449,492	-		\$ -
National School Lunch (Regular Rates)	HHFKA - PB Lunch Only	449,492	449,492	449,492	-	\$ 0.08	\$ -
School Breakfast (Severe Rates)	Paid	29,112	29,112	29,112	-	\$ 0.38	\$ -
	Reduced	13,340	13,340	13,340	-	2.43	-
	Free	50,284	50,284	50,284	-	2.73	-
	TOTAL	92,736	92,736	92,736	-		\$ -
Total (Over) Underclaim							\$ -

SCHEDULE OF MEAL COUNT ACTIVITY

FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -STATE
ENTERPRISE FUND
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 (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
State Reimbursement - National School Lunch (Regular Rate)	Paid	201,349	201,349	201,349	-	\$ 0.06	\$ -
State Reimbursement - National School Lunch (Regular Rate)	Reduced	56,706	56,706	56,706	-	0.07	-
State Reimbursement - National School Lunch (Regular Rate)	Free	191,437	191,437	191,437	-	0.07	-
State Reimbursement - Reduced Lunch (Regular Rate)	Reduced	56,706	56,706	56,706	-	0.40	-
State Reimbursement - Reduced Breakfast (Severe Rate)	Reduced	13,340	13,340	13,340	-	0.30	-
State Reimbursement - Lunch NJEIE (Regular Rate)	Free	3,192	3,192	3,192	-	3.85	-
State Reimbursement - Breakfast NJEIE (Severe Rate)	Free	808	808	808	-	2.35	-
	TOTAL	523,538	523,538	523,538	-		\$ -

Total (Over) Underclaim

\$ -

EAST WINDSOR REGIONAL SCHOOL DISTRICT

NET CASH RESOURCE SCHEDULE

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

<u>Net Cash Resources:</u>		Food Service B - 4/5	
ACFR	*	Current Assets	
B-4		Cash and Cash Equiv.	\$ 2,184,370
B-4		Accounts Receivable - State	21,290
B-4		Accounts Receivable - Federal	<u>378,890</u>
ACFR		Current Liabilities	
B-4		Less Accounts Payable	(148,554)
B-4		Less Unearned Revenue	<u>(28,602)</u>
		Net Cash Resources	<u>\$ 2,407,394</u> (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	\$ 2,446,302	
B-5	Less Depreciation	<u>(83,204)</u>	
	Adj. Tot. Oper. Exp.	<u>\$ 2,363,098</u>	(B)

Average Monthly Operating Expense:

B / 10	<u>\$ 236,310</u>	(C)
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Three times monthly Average:

3 X C	<u>\$ 708,929</u>	(D)
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TOTAL IN BOX A	\$ 2,407,394
LESS TOTAL IN BOX D	\$ 708,929
NET	<u>\$ 1,698,465</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

EAST WINDSOR REGIONAL SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 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	Sample		
	A.S.S.A.		Workpapers				Selected from		Registers		Registers					
	Full	Shared	Full	Shared			Full	Shared	Full	Shared	Full	Shared	Full	Shared	Private	for
	On Roll		On Roll			Workpapers		On Roll		On Roll			Schools	Verifi-	Verified	Errors
3 Preschool	8.0	-	8.0	-	-	-	8.0	-	8.0	-	-	-	-	-	-	-
4 Preschool	7.0	-	7.0	-	-	-	7.0	-	7.0	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	303.0	-	303.0	-	-	-	154.0	-	154.0	-	-	-	-	-	-	-
One	331.0	-	331.0	-	-	-	177.0	-	177.0	-	-	-	-	-	-	-
Two	325.0	-	325.0	-	-	-	149.0	-	149.0	-	-	-	-	-	-	-
Three	321.0	-	321.0	-	-	-	161.0	-	161.0	-	-	-	-	-	-	-
Four	318.0	-	318.0	-	-	-	142.0	-	142.0	-	-	-	-	-	-	-
Five	330.0	-	330.0	-	-	-	168.0	-	168.0	-	-	-	-	-	-	-
Six	345.0	-	345.0	-	-	-	345.0	-	345.0	-	-	-	-	-	-	-
Seven	330.0	-	330.0	-	-	-	330.0	-	330.0	-	-	-	-	-	-	-
Eight	352.0	-	352.0	-	-	-	352.0	-	352.0	-	-	-	-	-	-	-
Nine	337.0	-	337.0	-	-	-	337.0	-	337.0	-	-	-	-	-	-	-
Ten	359.0	-	359.0	-	-	-	359.0	-	359.0	-	-	-	-	-	-	-
Eleven	327.0	41.0	327.0	41.0	-	-	327.0	41.0	327.0	41.0	-	-	-	-	-	-
Twelve	327.0	26.0	327.0	26.0	-	-	327.0	26.0	327.0	26.0	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	4,320.0	67.0	4,320.0	67.0	-	-	3,343.0	67.0	3,343.0	67.0	-	-	-	-	-	-
Special Ed - Elementary	365.0	-	365.0	-	-	-	81.0	-	81.0	-	-	-	7.0	5.0	5.0	-
Special Ed - Middle School	146.0	-	146.0	-	-	-	146.0	-	146.0	-	-	-	5.0	4.0	4.0	-
Special Ed - High School	183.0	31.0	183.0	31.0	-	-	183.0	31.0	183.0	31.0	-	-	17.0	16.0	16.0	-
Subtotal	694.0	31.0	694.0	31.0	-	-	410.0	31.0	410.0	31.0	-	-	29.0	25.0	25.0	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	5,014.0	98.0	5,014.0	98.0	-	-	3,753.0	98.0	3,753.0	98.0	-	-	29.0	25.0	25.0	-
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%

SCHEDULE OF AUDITED ENROLLMENTS

EAST WINDSOR REGIONAL SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2023

Note: Detailed testing over DRTRS was not performed for the fiscal year ending June 30, 2024 as Transportation Aid was not tested as a major program in the current year for Single Audit purposes.

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on	Reported on	Errors	Sample	Verified to	Sample	Reported on	Reported on	Errors	Sample	Verified to	Sample
	A.S.S.A. as	Workpapers as					A.S.S.A. as	Workpapers as				
	Low	Low					LEP low	LEP low				
	Income	Income		Selected from	Application	Errors	Income	Income		Selected from	Test Score	Errors
				Workpapers	and Register					Workpapers	and Register	
3 Preschool	-	-	-	-	-	-	-	-	-	-	-	-
4 Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	104.0	104.0	-	15.0	15.0	-	50.0	50.0	-	12.0	12.0	-
One	117.0	117.0	-	16.0	16.0	-	57.0	57.0	-	14.0	14.0	-
Two	124.0	124.0	-	17.0	17.0	-	73.0	74.0	(1.0)	18.0	18.0	-
Three	132.0	132.0	-	19.0	19.0	-	72.0	72.0	-	18.0	18.0	-
Four	125.0	125.0	-	17.0	17.0	-	55.0	55.0	-	13.0	13.0	-
Five	134.0	134.0	-	18.0	18.0	-	50.0	50.0	-	12.0	12.0	-
Six	129.0	129.0	-	18.0	18.0	-	39.0	39.0	-	10.0	10.0	-
Seven	129.0	129.0	-	18.0	18.0	-	42.0	42.0	-	10.0	10.0	-
Eight	158.0	158.0	-	22.0	22.0	-	48.0	48.0	-	12.0	12.0	-
Nine	147.0	147.0	-	21.0	21.0	-	42.0	42.0	-	10.0	10.0	-
Ten	129.0	129.0	-	18.0	18.0	-	43.0	43.0	-	10.0	10.0	-
Eleven	132.0	132.0	-	19.0	19.0	-	39.0	38.0	1.0	9.0	9.0	-
Twelve	116.0	116.0	-	16.0	16.0	-	26.0	26.0	-	7.0	7.0	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	1,676.0	1,676.0	-	234.0	234.0	-	636.0	636.0	-	155.0	155.0	-
Special Ed - Elementary	182.0	182.0	-	25.0	25.0	-	43.0	42.0	1.0	11.0	11.0	-
Special Ed - Middle	78.0	78.0	-	11.0	11.0	-	9.0	9.0	-	2.0	2.0	-
Special Ed - High	103.0	103.0	-	14.0	14.0	-	5.0	5.0	-	1.0	1.0	-
Subtotal	363.0	363.0	-	50.0	50.0	-	57.0	56.0	1.0	14.0	14.0	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	2,039.0	2,039.0	-	284.0	284.0	-	693.0	692.0	1.0	169.0	169.0	-
Percentage Error			0.00%			0.00%			0.14%			0.00%

Transportation							
Reported on	Reported on	Errors	Tested	Verified	Errors	Reported	Recalculated
DRTRS by	DRTRS by						
DOE/county	District						
Regular - Public	2,552.0	2,553.0 (1)	-	-	-	4.2	4.2
Transported Non-Public	-	-	-	-	-	4.2	4.2
AIL - Non Public	151.0	151.0	-	-	-	15.0	14.8
Special Education - Public	283.0	283.0	-	-	-		
Special Education Need	76.0	78.0 (2)	-	-	-		
Totals	3,062.0	3,065.0 (3)	-	-	-		
Percentage Error		0.00%			0.00%		

Reg Avg.(Mileage) = Regular Including Grade PK students
Reg Avg.(Mileage) = Regular Excluding Grade PK students
Spec Avg. = Special Ed with Special Needs

SCHEDULE OF AUDITED ENROLLMENTS**EAST WINDSOR REGIONAL SCHOOL DISTRICT
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 Test Score and Register	Sample Errors
3 Preschool	-	-	-	-	-	-
4 Preschool	-	-	-	-	-	-
Full Day Kindergarten	38.0	38.0	-	9.0	9.0	-
One	22.0	22.0	-	5.0	5.0	-
Two	25.0	25.0	-	6.0	6.0	-
Three	25.0	25.0	-	6.0	6.0	-
Four	20.0	20.0	-	5.0	5.0	-
Five	18.0	18.0	-	4.0	4.0	-
Six	18.0	18.0	-	4.0	4.0	-
Seven	13.0	13.0	-	3.0	3.0	-
Eight	14.0	14.0	-	3.0	3.0	-
Nine	21.0	21.0	-	5.0	5.0	-
Ten	8.0	8.0	-	3.0	3.0	-
Eleven	12.0	10.0	2	4.0	4.0	-
Twelve	13.0	13.0	-	4.0	4.0	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-
Subtotal	247.0	245.0	2.0	61.0	61.0	-
Special Ed - Elementary	8.0	8.0	-	2.0	2.0	-
Special Ed - Middle	2.0	2.0	-	-	-	-
Special Ed - High	-	-	-	-	-	-
Subtotal	10.0	10.0	-	2.0	2.0	-
Co. Voc. - Regular	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-
Totals	257.0	255.0	2.0	63.0	63.0	-
Percentage Error			0.78%			0.00%

EAST WINDSOR REGIONAL SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2024

SECTION 1

A. 2% Calculation of Excess Surplus

2023-24 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ 142,687,102 (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	\$ - (B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ - (B1b)
Transfer from General Fund to SRF for PreK-Regular	\$ - (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$ - (B1d)
Decreased by:	
On-Behalf TPAF Pension, PRM, LTD and Social Security	\$ 24,409,221 (B2a)
Assets Acquired Under Capital Leases	\$ - (B2b)
Adjusted 2023-24 General Fund Expenditures [(B) + (B1s) - (B2s)]	\$ 118,277,881 (B3)
2% of Adjusted 2023-24 General Fund Expenditures [(B3) times .02]	\$ 2,365,558 (B4)
Enter Greater of (B4) or \$250,000	\$ 2,365,558 (B5)
Increased by: Allowable Adjustment*	\$ 901,762 (K)
Maximum Unassigned/Undesignated - Unreserved Fund Balance [(B5) + (K)]	\$ 3,267,320 (M)

- * This adjustment line (line (K) as detailed below) is to be utilized for Federal Impact Aid, Sale, Lease-back, Extraordinary Aid, Additional Nonpublic School Transportation Aid, Recognized current year School Bus Advertising Revenue, Family Crisis Transportation, and Supplemental Stabilization Aid & Maintenance of Equity Aid, if applicable.

SECTION 2

Total General Fund - Fund Balances at 6-30-24 (Per ACFR Budgetary Comparison Schedule C-1)	\$ 32,667,179 (C)
Decreased by:	
Assigned Year End Encumbrances	\$ 7,149,713 (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ - (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ 2,549,505 (C3)
Other Restricted Fund Balances****	\$ 14,732,002 (C4)
Assigned Fund Balance-Unreserved- Designated for Subsequent Year's Expenditures	\$ 415,348 (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ 7,820,611 (U1)

EAST WINDSOR REGIONAL SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2024

SECTION 3

Restricted Fund Balance - Excess Surplus ***

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

\$ 4,553,291 (E)

Recapitulation of Excess Surplus as of June 30, 2024

Reserved Excess Surplus - Designated for Subsequent Year's

Expenditures **

\$ 2,549,505 (C3)

Reserved Excess Surplus *** [(E)]

\$ 4,553,291 (E)

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

\$ 7,102,796 (D)

Detail of Allowable Adjustments

Impact Aid

\$ - (H)

Sales & Lease-back

\$ - (I)

Extraordinary Aid

\$ 833,057 (J1)

Additional Nonpublic School Transportation Aid

\$ 68,705 (J2)

Current Year School Bus Advertising Revenue Recognized

\$ - (J3)

Family Crisis Transportation Aid

\$ - (J4)

Supplemental Stabilization Aid & Maintenance of Equity Aid

\$ - (J5)

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

\$ 901,762 (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 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 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.

EAST WINDSOR REGIONAL SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2024

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$ -
Sale/lease-back reserve	\$ -
Capital reserve	\$ 10,428,406
Emergency reserve	\$ -
Maintenance reserve	\$ 2,773,054
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 (Sections 8002 and 8003)	\$ -
Impact Aid General Fund Reserve (Sections 8007 and 8008)	\$ -
Other State / government madated reserve	\$ -
Reserve for Unemployment Fund	\$ 1,530,542
[Other Restricted Fund Balance not noted above]****	\$ -
Total Other Restricted Fund Balance	\$ 14,732,002 (C4)

East Windsor Regional School District
Audit Recommendations Summary
June 30, 2024

We suggest the following:

Administrative Practices and Procedures

None

Financial Planning, Accounting and Reporting

- 2024-001: The District develop and enforce a formal reconciliation process to ensure all financial reports align with underlying accounting records before submission, provide additional training to finance staff on reconciliation procedures and grant reporting requirements, enhance supervisory review process to identify and correct discrepancies prior to report submission, and periodically review grant reporting policies to ensure alignment with applicable regulations.
- 2024-002: The District strengthen internal controls over payroll processing to ensure that only authorized employees and approved pay rates are charged to the ESF grant, implement a review process to verify that all payroll-related journal entries are adequately supported before posting, conduct a review of payroll charges to federal grants to identify and correct any additional instances of unapproved costs, provide training to finance and grant management staff on federal grant requirements for payroll expenditures, and coordinate with grantor agency to determine appropriate corrective action regarding the identified questioned costs.
- 2024-003: The District ensure that all employee payroll withholdings are properly calculated.
- 2024-004: The District review all payroll related items and the due back to state to ensure they are properly classified as an accounts payable.
- 2024-005: The District ensure that the correct account codes are utilized for expenditures incurred for student related travel.
- 2024-006: The Board Secretary's and Treasurer's reports, as well as the budget transfers, be presented monthly to the Board.
- 2024-007: The District ensure that final reports submitted reconcile to the underlying accounting data.
- 2024-008: The District ensure reimbursement requests contain adequate detail to ensure that details of expenditures charged are accurate and support for payroll expenditures are maintained.
- 2024-009: The District ensure that the final Nonpublic Completion Report is properly filed and reconciled to the underlying accounting data.

School Purchasing Programs

None

School Food Service

2024-010: The District implement a plan to meet the net cash resources calculation.

Student Body Activities

2024-011: The District ensure that disbursement packages contain all pertinent information including invoices, check requests, and approvals, checks outstanding in excess of one year should be voided and reissued or written off, and all activity should be recorded in the proper period.

Application for State School Aid

None

Pupil Transportation

None

Facilities and Capital Assets

None

Miscellaneous

None

Status of Prior Year Findings

All prior year findings were corrected.