

Auditor's Management Report

for the

*Matawan Aberdeen Regional
School District*

in the

*County of Monmouth
New Jersey*

for the

*Fiscal Year Ended
June 30, 2024*

**AUDITOR'S MANAGEMENT REPORT OF ADMINISTRATIVE
FINDINGS FINANCIAL AND COMPLIANCE**

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Tax ID Number 21-6000241



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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Matawan-Aberdeen Regional School District
County of Monmouth
Aberdeen, New Jersey 07747

We have audited, in accordance with U.S. generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Matawan Aberdeen Regional School District in the County of Monmouth for the year ended June 30, 2024, and have issued our report 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 are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information of the Matawan Aberdeen Regional School District, County of Monmouth, New Jersey, the New Jersey Department of Education and federal and state audit awarding agencies 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.

CERTIFIED PUBLIC ACCOUNTANTS

PUBLIC SCHOOL ACCOUNTANT NO. 948

January 10, 2025

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

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, the activities of the Matawan-Aberdeen Regional School District 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 in the District's ACFR. (See Exhibit J-20)

Official Bonds

<u>NAME</u>	<u>POSITION</u>	<u>AMOUNT OF BOND</u>
Sean Boyce	Treasurer of School Monies	\$350,000.00
Lindsey Case	Board Secretary/ School Business Administrator	\$150,000.00
All Employees	Blanket Position Bond	\$1,000,000.00

Adequacy of insurance coverage is the responsibility of the Board of Education.

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 included all health benefit plans offered by the district. The district's school project data certification was completed by the chief school administrator.

The district's project Chapter 44 data was submitted timely.

Financial Planning, Accounting and Reporting

Examination of Claims

Our audit of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

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

Payroll Accounts

The net salaries of all employees of the Board were deposited in the Net 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.

Payrolls were delivered to the secretary of the board with a warrant made to her order for the full amount of each payroll.

Payrolls were delivered to the treasurer of school monies with a warrant made to his order for the full amount of each payroll.

Position Control Roster

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.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, 2024 for proper classification of orders as reserve for encumbrances and accounts payable.

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, 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, no errors were noted and no additional procedures were deemed necessary to the test the propriety of expenditure classification.

Board Secretary's Records

The records maintained by the Board Secretary were maintained in satisfactory condition.

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

Treasurer's Records

The records maintained by the Treasurer of School Monies were maintained in satisfactory condition.

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

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

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the ACFR.

Our audit of the federal and state funds, on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements (electronic, but districts/charter schools/renaissance school projects can print out the DOENET screen for an auditor) filed with the Department of Education for district/charter school/renaissance school project 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 60 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement. No exceptions were noted.

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

SCHOOL PURCHASING PROGRAMS

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-1, et seq. states:

"a. When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$32,000, the contract may be awarded by a purchasing agent when so authorized by resolution of the board of education without public advertising for bids and bidding therefor, except that the board of education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b of section 9 of P.L. 1971 c. 198 (C.40A:11-9) the board of education may establish that the bid threshold may be up to \$44,000.00. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Commencing in the fifth year after the year in which P.L. 1999 c. 440 takes effect, and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the board of education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2 and shall round the adjustment to the nearest \$1,000.00. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of every year in which it is made. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection a. of N.J.S.A. 18A:18A-5 may be awarded for a period not exceeding 12 consecutive months."

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this chapter or specifically by any other law."

The board of education may, by resolution approve by the majority of the board of education and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the board of education finds that it has had negative prior experience with the bidder."

Effective July 1, 2020, the bid threshold in accordance with N.J.S.A. 18A:18A-3(a) and (c) is \$32,000.00. In accordance with N.J.S.A. 40A:11-9 (b) the bid threshold for all purchases made by the District's qualified purchasing agent is \$44,000.00. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18:39-3 is currently \$22,400.00.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal 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.

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

SCHOOL PURCHASING PROGRAMS (CONTINUED)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies; the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

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 provisions 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.

The system of records did not provide for an accumulation of purchases for which the School Board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained.

FOOD SERVICE FUND

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.

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 or indirect costs. There were no exceptions noted.

We inquired of management about the public health emergency procedures/practices that the SFA instituted to provide meals to all 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. We also inquired if the FSMC received a loan in accordance with the payroll protection plan and whether the funds were used to pay for costs applicable to the Food Service Programs. We also inquired if the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA.

AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS – FINANCIAL AND COMPLIANCE

School Food Service (Continued)

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 break even. The operating 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.

The school district maintains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

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

Student Body Activities

The records for the Student Body Activities were maintained in satisfactory condition.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2023-2024 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with no 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.

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 onroll, private schools for the disabled, and low income. 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 without exception. The information that was included on the workpapers 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.

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

FACILITIES AND CAPITAL ASSETS

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

MISCELLANEOUS

The school district adhered to 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 District submitted the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

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

Follow-Up Prior Year's Audit Findings

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

MATAWAN - ABERDEEN REGIONAL SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2023

	2024-25 Application for State School Aid (10/13/23 data)						Sample for Verification						Errors per				Private School for Disabled			
	Reported as		Reported on		Errors		Sample		Verified per		Registers		on Roll		Full		Reported on		Sample	
	Full	Shared	Full	Shared	Full	Shared	Selected from	Workpapers	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Private Schools	for Verifi-	Sample	Sample
																		cation	Verified	Errors
Full Day Preschool 3 years old	155		155				12		12											
Full Day Preschool 4 years old	166		166				13		13											
Full Day Kindergarten	258		258				19		19											
One	232		232				18		18											
Two	245		245				18		18											
Three	231		231				18		18											
Four	228		228				18		18											
Five	218		218				17		17											
Six	223		223				17		17											
Seven	229		229				18		18											
Eight	191		191				15		15											
Nine	234		234				18		18											
Ten	215		215				17		17											
Eleven	205		205				16		16											
Twelve	245	2	245	2			19		19											
Subtotal	3275	2	3275	2			253		253											
Sp. Ed. - Elementary	246		246				19		19								8	7	7	
Sp. Ed. - Middle School	151		151				12		12								3	3	3	
Sp. Ed. - High School	246		246				19		19								27	23	23	
Subtotal	643		643				50		50								38	33	33	
Co. Voc. - Regular																				
Co. Voc. Ft. Post Sec.																				
Totals	3918	2	3918	2			303		303								38	33	33	
Percentage Error					0%															0%

MATAWAN - ABERDEEN REGIONAL SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
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
Full Day Preschool 3 years old	79	79		19	19		5	5		4	4	
Full Day Preschool 4 years old	63	63		15	15		9	9		6	6	
Full Day Kindergarten	73	73		18	18		9	9		6	6	
One	80	80		19	19		6	6		5	5	
Two	68	68		16	16		7	7		5	5	
Three	58	58		14	14		6	6		5	5	
Four	57	57		14	14		2	2		2	2	
Five	61	61		15	15		1	1		1	1	
Six	48	48		12	12		1	1		1	1	
Seven	75	75		18	18		2	2		2	2	
Eight	75	75		18	18		4	4		3	3	
Nine	49	49		12	12		1	1		1	1	
Ten	59	59		15	15		53	53		41	41	
Eleven	845.0	845.0		205	205							
Twelve												
Subtotal												
Special Ed - Elementary	65	65		16	16		10	10		6	6	
Special Ed - Middle	63	63		15	15		1	1		1	1	
Special Ed - High School	74	74		18	18		1	1		1	1	
Subtotal	202	202		49	49		12	12		8	8	
Totals	1047.0	1047.0		254	254		65	65		49	49	
Percentage Error			0%			0%			0%			0%

Transportation				
Reported on DTRRS by DOE/county	Reported on DTRRS by District	Tested	Verified	Errors
977	977	200	200	
89	89	18	18	
107	107	22	22	
68	68	14	14	
1241	1241	254	254	
Totals				
Reg. - Public Schools				
AIL				
Reg -Sp Ed				
Special Ed Spec				
Totals				
Percentage Error				0%

MATAWAN - ABERDEEN REGIONAL SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2023

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.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
Full Day Preschool 3 years old	10	10		7	7	
Full Day Preschool 4 years old	6	6		5	5	
Full Day Kindergarten	13	13		9	9	
One	5	5		4	4	
Two	8	8		6	6	
Three	4	4		3	3	
Four	2	2		2	2	
Five	4	4		3	3	
Six	2	2		2	2	
Seven	4	4		3	3	
Eight	2	2		2	2	
Nine	7	7		5	5	
Ten	2	2		2	2	
Eleven	5	5		4	4	
Twelve	3	3		2	2	
Subtotal	71	71		54	54	
Special Ed - Elementary	7	7		5	5	
Special Ed - Middle	1	1		1	1	
Special Ed - High						
Subtotal	8	8		6	6	
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	79	79		60	60	
Percentage Error			0%			0%

EXCESS SURPLUS CALCULATION

SECTION 1

General Fund Expenditures:

Fiscal Year Ended June 30, 2024 \$97,844,421.25

Increased by:

Transfer from General Fund to SFR- Inclusion 945,104.26

Less: On-Behalf TPAF Pension & Social Security (17,442,253.38)

Adjusted General Fund Expenditures 81,347,272.13

Excess Surplus Percentage 2.00%

Subtotal 1,626,945.44

Increased by:

Non-Public Transportation Aid (Unbudgeted) 40,495.00

40,495.00

Maximum Unreserved/ Undesignated Fund Balance \$1,667,440.00

SECTION 2

Total General Fund Balance \$6,838,154.72

Decreased by:

Assigned:

Year End Encumbrances \$375,181.91

Designated for Subsequent Year's Expenditures 24,377.00

Restricted:

Capital Reserve 3,056,167.06

Maintenance Reserve 1,506,151.95

Emergency Reserve 208,836.80

5,170,714.72

Total Unassigned fund Balance 1,667,440.00

Reserved Fund Balance-Excess Surplus -0-

SECTION 3

Recapitulation of Excess Surplus as of June 30, 2024

Restricted Excess Surplus-Designated for Subsequent Years Expenditures -0-

Restricted Excess Surplus -0-

Total -0-

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

RECOMMENDATIONS

Administrative Practices and Procedures

None

Financial Planning, Accounting and Reporting

None

School Purchasing Program

None

School Food Service

None

Student Body Activities

None

Application for State School Aid

None

Pupil Transportation

None

Capital Assets and Facilities

None

Miscellaneous

None

