

NEPTUNE TOWNSHIP SCHOOL DISTRICT
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2024

**NEPTUNE TOWNSHIP SCHOOL DISTRICT
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS-
FINANCIAL, COMPLIANCE AND PERFORMANCE**

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INDEPENDENT AUDITORS' REPORT

**Honorable President and Members
of the Board of Education
Neptune Township Board of Education**

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 Neptune Township School District, in the County of Monmouth for the year ended June 30, 2024, and have issued our report thereon dated December 12, 2024.

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 Neptune Township Board of Education'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
December 12, 2024

Scott A. Clelland

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

**NEPTUNE TOWNSHIP SCHOOL DISTRICT
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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)

Name	Position	Amount
Peter J. Leonard	School Business Administrator/Board Secretary	\$ 300,000
Sandra Lampinen	Accountant I	300,000

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 school district.

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

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The District has an agreement with the sending districts that includes a fixed price per pupil.

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.

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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 amounts withheld due to the general fund.

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

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.

No exceptions were noted.

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. 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 a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-8.3*. As a result of the procedures performed, a transaction error rate of 0% overall 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 no exceptions.

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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 Titles I and VI of the Elementary and Secondary School Education Act as amended and reauthorized.

The study of compliance for E.S.E.A indicated no exceptions.

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 no areas of noncompliance that are required to be reported in accordance with 2 CFR 200.516(a) or State Circular 15-08, except as noted in Finding 2024-001 below.

Finding 2024-001 (ACFR Finding 2024-001)

Allowable Costs - (Significant Deficiency)

Extraordinary Aid

Grant #495-034-5120-044

New Jersey Department of Education

Criteria:

In accordance with the School Funding Reform Act of 2008, extraordinary aid is available to school districts with students that have high educational costs. To receive extraordinary aid, the District is required to submit an application listing the students that have high educational costs and have an individualized education program (IEP) that requires the provision of intensive services.

Extraordinary aid is awarded by the State of New Jersey to reimburse school districts for excessive special education costs to fulfill the needs of special education students. The amount of extraordinary aid is based on the placement of the student and the type of eligible cost. Eligible school districts are those where the cost of providing education for an individual student with a disability, who is provided at least one intensive service, exceeds the following maximum thresholds:

- If a special education student is educated in an in-district public school program with non-disabled peers, the district will receive aid based on 90% of the costs in excess of \$40,000;
- If a special education student is educated in a separate public school program for students with disabilities, the district will receive aid based on 75% of the costs in excess of \$40,000;

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- Lastly, if a special education student is educated in a separate private school for students with disabilities the district will receive aid based on 75% of the costs in excess of \$55,000.

Eligible cost are calculated in the following two ways:

- Actual costs for each class prorated by the number of students in each class;
- Using the certified tuition rates for the most recently completed year. If those certified tuition rates do not reasonably reflect the costs in the current year due to a significant difference in costs or number of students, the District may use the budgeted tuition rates from the current school year.

Condition:

The District received more extraordinary aid than it was entitled to, based on an unintentional overstatement of eligible costs. The District used an estimated tuition rate to calculate qualified classroom costs for in-district students. The 2022-2023 certified tuition rate was made available before the final extraordinary aid submission deadline of May 24, 2024 and should have been used to determine the eligible costs. Since the actual 2022-2023 certified tuition rates were less than the estimated rates utilized by the District in the aid application, costs were submitted on the application in excess of the amount permitted. These unintentional overstatements were offset by an unintentional understatement of eligible costs pertaining to one student due to a miscommunication of what costs were actually incurred for a student that left a program and was enrolled in home instruction.

Cause:

Prior to the certified tuition rates being published each year in February, the District develops estimated tuition rates for use by sending Districts. When completing the application for Extraordinary Aid, the District utilized the estimated tuition rates in error instead of the 2022-2023 certified tuition rates.

Effect:

The difference between the actual 2022-2023 certified tuition rates and the District's estimated rates yielded an overstatement of extraordinary aid received by the District. Violations of grant requirements could lead to the return of funds. The conditions that attributed to this overstatement were isolated to the extraordinary aid award and do not impact any other federal awards or state financial assistance.

Questioned Costs:

All of the in-district students listed on the extraordinary aid application were recalculated using the actual 2022-2023 certified tuition rates. Based on the revised calculation using actual 2022-2023 certified tuition rates in lieu of estimated rates, the eligible costs decreased by \$83,178. Of that amount, 90.00% is subject to aid prior to proration. The prorated percentage for 2023-2024 was 61.775%, and therefore the overstatement attributed to known questioned costs was \$46,245. For the one student that the District claimed less costs than eligible, eligible costs were reviewed and recalculated and resulted in under reporting of \$18,742 and an understatement of \$10,420. When combining the two errors the District's eligible costs decreased by \$64,436 and the net overstatement attributed to known questioned costs equaled \$35,825.

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Context:

During our testing of State awards, we reviewed the extraordinary aid application in order to determine if the expenditures were eligible. Our testing included confirmation of out of district tuition and examination of in-district classroom costs. The New Jersey Department of Education sets forth the required sample size, which in this case required the testing of 76% of the population, or 61 students. As a result of the errors noted, the sample size was expanded to include all of the students included on the District's application, which was 80 students.

Recommendation:

The District should enhance its internal controls over the review process of the extraordinary aid application to ensure that all costs included on the application for aid are for eligible costs.

Views of Responsible Official:

Management has reviewed the above finding and is in agreement. Management will address the above recommendation in a formal corrective action plan.

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.

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 applicable 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: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 District 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.

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Procedures were performed on a test basis, to indicate if 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*.

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.

The school food service program was selected as a major federal program.

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. No exceptions were noted.

Cash receipts and bank records were reviewed for timely deposit. No exceptions were noted.

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 contract 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 \$325,384. 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. No exceptions were noted.

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. The District has a corrective action plan in place regarding this exception therefore we did not include it as a

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finding. The District intends to update kitchen equipment and emergency power sources in schools as well as increase support staff to the food service department. The District expects to implement these corrective actions by September 30, 2025.

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/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.

USDA Food Donation 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 Fund 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, Schedules B4, B5 and B6 of the ACFR.

Student Body Activities

During our audit of the student activity funds maintained at the high school and middle school, we noted no 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 (ASSA) 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 ASSA was compared to the District workpapers without exception. The information included as part of 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.

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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 2023-24 District Report of Transported Resident Students (DRTRS). We did agree the information presented on the DRTRS by the County/NJDOE and compared to 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. The bid specifications for the purchase of buses or contracted services for pupil transportation were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services

Testing for Lead of All Drinking Water in Educational Facilities

The District adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead for 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)*.

Miscellaneous

During our audit of the operations of the Neptune Aquatic Center, the following exception was noted.

Finding 2024-002

The District is not depositing cash received by the Neptune Aquatic Center timely, defined as five business days by District policy. We reviewed a sample of cash receipts and noted cash was deposited on a monthly basis.

Recommendation

We suggest the District strengthen their internal controls over the cash receipts process at the Neptune Aquatic Center to ensure receipts are deposited within the timeframe dictated by District policy.

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 had 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.

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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 AUDITED ENROLLMENTS

**NEPTUNE TOWNSHIP 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 A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Veri- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool	-	-	-	-	-	-					-	-	-	-	-	-
Full Day Preschool	321.0	-	321.0	-	-	-	12.0		12.0		-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-					-	-	-	-	-	-
Full Day Kindergarten	163.0	-	163.0	-	-	-	16.0		16.0		-	-	-	-	-	-
One	203.0	-	203.0	-	-	-	16.0		16.0		-	-	-	-	-	-
Two	156.0	-	156.0	-	-	-	15.0		15.0		-	-	-	-	-	-
Three	172.0	-	172.0	-	-	-	11.0		11.0		-	-	-	-	-	-
Four	158.0	-	158.0	-	-	-	11.0		11.0		-	-	-	-	-	-
Five	168.0	-	168.0	-	-	-	16.0		16.0		-	-	-	-	-	-
Six	154.0	-	154.0	-	-	-	7.0		7.0		-	-	-	-	-	-
Seven	156.0	-	156.0	-	-	-	15.0		15.0		-	-	-	-	-	-
Eight	159.0	-	159.0	-	-	-	10.0		10.0		-	-	-	-	-	-
Nine	209.0	-	209.0	-	-	-	8.0		8.0		-	-	-	-	-	-
Ten	222.0	-	222.0	-	-	-	19.0		19.0		-	-	-	-	-	-
Eleven	218.0	6.5	218.0	6.5	-	-	15.0		15.0		-	-	-	-	-	-
Twelve	186.0	7.5	186.0	7.5	-	-	18.0		18.0		-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-		-		-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-		-		-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-		-		-	-	-	-	-	-
Subtotal	2,645.0	14.0	2,645.0	14.0	-	-	189.0	-	189.0	-	-	-	-	-	-	-
Special Ed - Elementary	279.0	-	279.0	-	-	-	24.0	-	24.0	-	-	-	16.0	13.0	13.0	-
Special Ed - Middle School	156.0	-	156.0	-	-	-	45.0	-	45.0	-	-	-	13.0	10.0	10.0	-
Special Ed - High School	205.0	22.0	205.0	22.0	-	-	28.0	4.5	28.0	4.5	-	-	28.0	20.0	20.0	-
Subtotal	640.0	22.0	640.0	22.0	-	-	97.0	4.5	97.0	4.5	-	-	57.0	43.0	43.0	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-				
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-				
Totals	3,285.0	36.0	3,285.0	36.0	-	-	286.0	4.5	286.0	4.5	-	-	57.0	43.0	43.0	-
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%

SCHEDULE OF AUDITED ENROLLMENTS

**NEPTUNE TOWNSHIP SCHOOL DISTRICT
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	149.0	149.0	-	20.0	20.0	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	94.0	94.0	-	17.0	17.0	-	18.0	18.0	-	9.0	9.0	-
One	118.0	118.0	-	19.0	19.0	-	11.0	11.0	-	7.0	7.0	-
Two	93.0	93.0	-	12.0	12.0	-	16.0	16.0	-	12.0	12.0	-
Three	93.0	93.0	-	10.0	10.0	-	14.0	14.0	-	6.0	6.0	-
Four	96.0	96.0	-	11.0	11.0	-	16.0	16.0	-	6.0	6.0	-
Five	116.0	116.0	-	14.0	14.0	-	17.0	17.0	-	12.0	12.0	-
Six	98.0	98.0	-	10.0	10.0	-	6.0	6.0	-	1.0	1.0	-
Seven	84.0	84.0	-	20.0	20.0	-	12.0	12.0	-	4.0	4.0	-
Eight	85.0	85.0	-	10.0	10.0	-	7.0	7.0	-	4.0	4.0	-
Nine	116.0	116.0	-	12.0	12.0	-	12.0	12.0	-	1.0	1.0	-
Ten	123.0	123.0	-	18.0	18.0	-	18.0	18.0	-	8.0	8.0	-
Eleven	117.0	117.0	-	11.0	11.0	-	18.5	18.5	-	9.0	9.0	-
Twelve	89.0	89.0	-	12.0	12.0	-	17.0	17.0	-	11.0	11.0	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	1,471.0	1,471.0	-	196.0	196.0	-	182.5	182.5	-	90.0	90.0	-
Special Ed - Elementary	214.0	214.0	-	48.0	48.0	-	11.0	11.0	-	6.0	6.0	-
Special Ed - Middle	98.0	98.0	-	15.0	15.0	-	7.0	7.0	-	4.0	4.0	-
Special Ed - High	132.5	132.5	-	18.0	18.0	-	9.0	9.0	-	6.0	6.0	-
Subtotal	444.5	444.5	-	81.0	81.0	-	27.0	27.0	-	16.0	16.0	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	1,915.5	1,915.5	-	277.0	277.0	-	209.5	209.5	-	106.0	106.0	-
Percentage Error			0.00%			0.00%			0.00%			0.00%

The DRTRS was not required to be tested as a major program under State 15-08-OMB and therefore limited procedures were performed below.

Transportation								
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors	Reported	Recalculated
Reg. - Public Schools, col. 1	855	855	-			-	3.9	3.9
Reg -SpEd, col. 4	218	218	-			-	4.0	4.0
Transported - Non-Public, col. 2, 3	234	234	-			-		
Special Ed Spec, col. 6	167	167	-			-	3.7	3.7
Totals	1,474	1,474	-	-	-	-		
Percentage Error			0.00%			0.00%		
Reg Avg.(Mileage) = Regular Including Grade PK students (Part A)							3.9	3.9
Reg Avg.(Mileage) = Regular Excluding Grade PK students (Part B)							4.0	4.0
Spec Avg. = Special Ed with Special Needs							3.7	3.7

NEPTUNE TOWNSHIP 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.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 Kindegarten	-	-	-	-	-	-
Full Day Kindergarten	2.0	2.0	-	1.0	1.0	-
One	4.0	4.0	-	-	-	-
Two	1.0	1.0	-	1.0	1.0	-
Three	2.0	2.0	-	2.0	2.0	-
Four	4.0	4.0	-	1.0	1.0	-
Five	4.0	4.0	-	1.0	1.0	-
Six	3.0	3.0	-	-	-	-
Seven	1.0	1.0	-	-	-	-
Eight	2.0	2.0	-	2.0	2.0	-
Nine	2.0	2.0	-	1.0	1.0	-
Ten	6.0	6.0	-	5.0	5.0	-
Eleven	6.5	6.5	-	4.0	4.0	-
Twelve	5.0	5.0	-	3.0	3.0	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-
Subtotal	42.5	42.5	-	21.0	21.0	-
Special Ed - Elementary	-	-	-	2.0	2.0	-
Special Ed - Middle	3.0	3.0	-	3.0	3.0	-
Special Ed - High	3.5	3.5	-	3.0	3.0	-
Subtotal	6.5	6.5	-	8.0	8.0	-
Co. Voc. - Regular	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-
Totals	49.0	49.0	-	29.0	29.0	-
Percentage Error			0.00%			0.00%

NEPTUNE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF MEAL COUNT ACTIVITY

**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 (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
National School Program	Paid	80,784	80,784	80,784		\$ 0.420	
National School Program	Reduced	44,694	44,694	44,694		3.870	
National School Program	Free	195,940	195,940	195,940		4.270	
Severe Needs Breakfast	Paid	23,423	23,423	23,423		0.380	
Severe Needs Breakfast	Reduced	20,222	20,222	20,222		2.430	
Severe Needs Breakfast	Free	97,725	97,725	97,725		2.730	
Summer Food Service Program (Lunch)		4,984	4,984	4,984		4.480	
	TOTAL	467,772	467,772	467,772	-		-
National School Lunch	HHFKA - PB Lunch Only	321,418	321,418	321,418		0.080	
Total Net Overclaim							-

Auditor Notation:

(a) Reimbursement rates are subject to annual change. Rates indicated in this sample schedule are for illustrative purposes only. Refer to the detailed schedule of reimbursement rates presented on page II-60.29 of this Audit Program. (b) Overclaims or underclaims must be reflected by program on the Schedule of Findings and Questioned Costs (where applicable) and in the AMR. (c) If underclaims are identified and total \$100.00 or more by program, please contact the DOA for requirements to request reimbursement from USDA. Underclaim requests may or may not be approved by USDA for reimbursement. (d) Child and Adult Care Food Program-(CACFP)-At-Risk Dinners

NEPTUNE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF MEAL COUNT ACTIVITY

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 (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
National School Lunch (NJEIE)		5,243	5,243	5,243		\$ 3.850	
Severe Needs Breakfast (NJEIE)		2,810	2,810	2,810		2.350	
	TOTAL	<u>8,053</u>	<u>8,053</u>	<u>8,053</u>			
Total Net Overclaim							<u><u>-</u></u>

Auditor Notation:

(a) Reimbursement rates are subject to annual change. Rates indicated in this sample schedule are for illustrative purposes only. Refer to the detailed schedule of reimbursement rates presented on page II-60.29 of this Audit Program. (b) Overclaims or underclaims must be reflected by program on the Schedule of Findings and Questioned Costs (where applicable) and in the AMR. (c) State underclaims identified are not eligible for reimbursement.

NEPTUNE TOWNSHIP SCHOOL DISTRICT

**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	
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 990,493
B-4		Due from Other Gov'ts	103,109
B-4		Accounts Receivable	17,664
B-4		Investments	
CAFR		Current Liabilities	
B-4		Less Accounts Payable	(86,003)
B-4		Less Accruals	
B-4		Less Due to Other Funds	
B-4		Less Unearned Revenue	(13,501)
		Net Cash Resources	\$ 1,011,762 (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	2,077,787	
B-5	Less Depreciation	(95,147)	
	Adj. Tot. Oper. Exp.	\$ 1,982,640 (B)	

Average Monthly Operating Expense:

B / 10	\$ 198,264 (C)
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Three times monthly Average:

3 X C	\$ 594,792 (D)
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TOTAL IN BOX A	\$ 1,011,762
LESS TOTAL IN BOX D	594,792
NET	\$ 416,970
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

NEPTUNE TOWNSHIP SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2024

SECTION 1 - School Based Budgeting District

A. 2% Calculation of Excess Surplus

2023-24 Total General Fund Expenditures Reported on Exhibit C-1	<u>\$97,700,846</u> (A)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	\$ _____ - (A1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ _____ - (A1a)
Transfer from General Fund to SRF for PreK-Regular	\$ _____ - (A1a)
Transfer from General Fund to SRF for PreK-Inclusion	<u>\$ 366,725</u> (A1a)
Less: Expenditures Allocated to Restricted Federal Sources as Reported on Exhibit D-2	<u>\$ 1,770,396</u> (A1b)
2023-24 Adjusted General Fund & Other State Expenditures [(A)+(A1a)-(A1b)]	<u>\$96,297,175</u> (A2)
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>\$16,732,758</u> (A3)
Assets Acquired Under Capital Leases:	\$ _____ - (A4)
General Fund 10 Assets Acquired Under Capital Leases Reported on Exhibit C-1a	
Add:	
General Fund and State Resources Portion of Fund 15 Assets Acquired Under Capital Leases:	
Assets Acquired Under Capital Leases in Fund 15 Reported on Exhibit C-1a	<u>\$ _____ -</u> (A5)
Combined General Fund Contribution and State Resources Percent of Fund 15 Resources Reported on Exhibit D-2	<u>95.80%</u> (A6)
General Fund and State Resources Portion of Fund 15 Assets Acquired Under Capital Leases [(A5) * (A6)]	<u>\$ _____ -</u> (A7)
Total Assets Acquired Under Capital Leases [(A4) + (A7)]	<u>\$ _____ -</u> (A8)
2023-24 General Fund Expenditures [(A2)-(A3)-(A8)]	<u>\$79,564,417</u> (A9)
2 percent of Adjusted 2023-24 General Fund Expenditures [(A9) times .02]	<u>\$ 1,591,288</u> (A10)
Enter Greater of (A10) or \$250,000	<u>\$ 1,591,288</u> (A11)
Increased by: Allowable Adjustment*	<u>\$ 2,052,867</u> (K)
Maximum Unassigned Fund Balance [(A11) + (K)]	<u>\$ 3,644,155</u> (M)

NEPTUNE TOWNSHIP SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2024

SECTION 2

Total General Fund – Fund Balances at June 30, 2024 (Per ACFR Budgetary Comparison Schedule C-1)	<u>\$13,866,321</u> (C)
Decreased by:	
Assigned Year-end Encumbrances	<u>\$ 121,587</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	<u>\$ 398,228</u> (C3)
Other Restricted Fund Balances****	<u>\$ 2,835,335</u> (C4)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	<u>\$ 6,056,458</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	<u>\$ 4,454,713</u> (U)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U)-(M)] IF NEGATIVE ENTER -0-	<u>\$ 810,558</u> (E)
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Recapitulation of Excess Surplus as of June 30, 2024

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures **	<u>\$ 398,228</u> (C3)
Restricted Excess Surplus *** [(E)]	<u>\$ 810,558</u> (E)
Total [(C3)+(E)]	<u>\$ 1,208,786</u> (D)

Detail of Allowable Adjustments

Impact Aid	<u>\$ -</u> (H)
Sales & Lease-back	<u>\$ -</u> (I)
Extraordinary Aid	<u>\$ 565,664</u> (J1)
Additional Nonpublic School Transportation Aid	<u>\$ 51,415</u> (J2)
Current Year School Bus Advertising Revenue Recognized	<u>\$ -</u> (J3)
Family Crisis Transportation Aid	<u>\$ -</u> (J4)
Supplemental Stabilization Aid received April 2024 & Maintenance of Equity Aid received July 2024	<u>\$ 1,435,788</u> (J5)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]	<u>\$ 2,052,867</u> (K)

** This amount represents the June 30, 2023 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** The amount entered must agree with the June 30, 2024 ACFR and Audit Summary Worksheet Line 90030.

**** Amount for Other Restricted/Reserved Fund Balance must be detailed for each source and request for approval to use amounts other than state imposed legal restrictions in the excess surplus calculation must be submitted to the Assistant Commissioner - Field Services prior to September 30.

NEPTUNE TOWNSHIP 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 (N-1)	\$ 1,480,798
Maintenance Reserve (N-2)	\$ -
Tuition Reserve (N-3)	\$ -
Emergency Reserve (N-4)	\$ -
School Bus Advertising 50% Fuel Offset Reserve - Current Year (N-5)	\$ -
School Bus Advertising 50% Fuel Offset Reserve - Prior Year (N-6)	\$ -
Impact Aid General Fund Reserve (Sections 8002 and 8003) (N-7)	\$ -
Impact Aid Capital Fund Reserve (Sections 8007 and 8008) (N-8)	\$ -
Reserve for Unemployment Fund (N9)	\$ 1,354,537
Other Restricted Fund Balance Not Noted Above****	\$ -

Total Other Restricted Fund Balance	\$ 2,835,335 (C4)
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**NEPTUNE TOWNSHIP SCHOOL DISTRICT
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS-
FINANCIAL, COMPLIANCE AND PERFORMANCE**

Audit Recommendations Summary

June 30, 2024

We suggest the following:

Administrative Practices and Procedures

None

Financial Planning, Accounting and Reporting

2024-001 The District enhance its internal controls over the review process of the extraordinary aid application to ensure that all costs included on the application for aid are for eligible costs.

School Purchasing Programs

None

School Food Service

None

Student Body Activities

None

Application for State School Aid

None

Pupil Transportation

None

Facilities and Capital Assets

None

Miscellaneous

2024-002 The District strengthen their internal controls over the cash receipts process at the Neptune Aquatic Center to ensure receipts are deposited within the timeframe dictated by District policy.

Status of Prior Year Findings

Corrective action had been taken on all prior year findings.