

TRENTON BOARD OF EDUCATION

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

June 30, 2024

**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
Trenton Board of Education
Trenton, New Jersey**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Board of Education of the Trenton School District, County of Mercer as of and for the year ended June 30, 2024, and have issued our report thereon dated January 14, 2025.

As part of our audit, we performed procedures required by the New Jersey Department of Education and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information and use of the Trenton School District's management, Board of Education members, others within the entity, and the New Jersey Department of Education and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

PKF O'Connor Davies, LLP

Cranford, New Jersey
January 14, 2025

A handwritten signature in black ink, appearing to read "David J. Gannon".

David J. Gannon, CPA
Licensed Public School Accountant, No. 2305

**Trenton Board of Education
Administrative Findings - Financial,
Compliance and Performance**

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 Exhibit J-20, Insurance Schedule contained in the District's ACFR.

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Jayne Howard	Board Secretary/Business Administrator	\$1,300,000
James E. Bartolmei	Treasurer	\$1,300,000

There is a Public Employees' Faithful Performance Blanket Position Bond with the New Jersey School Boards Association Insurance Group covering all other employees with multiple coverage of \$1,000,000.

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 require significant revision due to errors or omissions on the part of the district.

Tuition Charges

The District does not receive students from any sending districts. Therefore, this section is not applicable.

Financial Planning, Accounting and Reporting

Examination of Claims

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

**Trenton Board of Education
Administrative Findings - Financial,
Compliance and Performance**

Payroll Account, Human Resources and Position Control Roster

The net salaries of all employees of the Board were deposited in the payroll account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the payroll agency account.

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

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

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

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

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable and no exceptions were noted.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A:23A-16.2(f)* as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection 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 classifications.

Board Secretary's Records

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

Treasurer's Records

Our review of the financial and accounting records maintained by the Treasurer did not disclose any exceptions.

Trenton Board of Education Administrative Findings - Financial, Compliance and Performance

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

The study of compliance for E.S.E.A. indicated no areas of noncompliance and/or questionable costs.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule A (K-3) and Schedule 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 area of improvement over the extraordinary aid state grant.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for District employees who are members of the Teachers' Pension and Annuity Fund. No exceptions were noted.

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A: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 transportation contracts under N.J.S.A. 18A:39-3 is \$20,200 effective for 2022-23.

**Trenton Board of Education
Administrative Findings - Financial,
Compliance and Performance**

The District 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 examination, no individual payments, contracts, or agreements were made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of *N.J.S.A. 18A:18A-4*.

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

School Food Service

SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and *N.J.S.A. 18A:18A-7*. The SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all students during the emergency.

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

The district utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with *N.J.S.A. 18A:17- 34*, and 19-1 through 19-4.1. Provisions of the FSMC Cost Reimbursable Fixed Price Procurement contract/addendum was reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will break even. 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.

**Trenton Board of Education
Administrative Findings - Financial,
Compliance and Performance**

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 FSMC did not apply for and receive a loan in accordance with the Payroll Protection Plan.

Net cash resources did exceed three months average expenditures. See our other suggestion to management.

Time sheets were reviewed, and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education/board of trustees. No exceptions were noted.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were 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 Distribution Program (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted

The Statement of Revenues, Expenses, and Changes in 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, Section B of the ACFR

Student Body Activities

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

**Trenton Board of Education
Administrative Findings - Financial,
Compliance and Performance**

Application for State School Aid (ASSA)

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 A.S.S.A. was compared to the District work papers with minor exceptions. The information that was included on the work papers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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 without 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. The bid specifications 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.

Transportation Aid was not tested as a major program for purposes of the State Single Audit and therefore limited procedures were performed over the DRTRS.

Facilities and Capital Assets

The facilities projects of the District are fully administered by the New Jersey Schools Development Authority and therefore this section is not applicable.

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).

**Trenton Board of Education
Administrative Findings - Financial,
Compliance and Performance**

Other Suggestion to Management

For the year ended June 30, 2024, the food service net cash resources exceeded three times the average food service monthly operating expenses in the amount of \$2,893,152. Subsequent to June 30, 2024, the District ordered various equipment in the amount of \$2,308,563 in order to reduce the accumulated net cash resources. We suggest that the District continue to develop a plan for the excess funds to be utilized in the subsequent year for allowable expenses that will further support the operation and enhance the child nutrition program, such as improving the nutritional quality of the food or purchasing equipment for the kitchen as outlined in 7 CFR 210.14(a).

Follow-up on Prior Year's Findings

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations.

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.

TRENTON BOARD OF EDUCATION

SCHEDULE OF MEAL COUNT ACTIVITY

FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -Federal

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE (a)	(OVER) UNDER CLAIM (b)
National School Lunch (Severe Needs)	Paid	206,648	206,648	206,648	0	0.42	0.00
National School Lunch (Severe Needs)	Free	5,242,441	5,242,441	5,242,441	0	4.27	0.00
<i>TOTAL Lunch</i>		5,449,089	5,449,089	5,449,089			0.00
After School Snack	Free	50,364	50,364	50,364	0	0.08	0.00
<i>TOTAL Snack</i>		50,364	50,364	50,364			0.00
National School Lunch	Only	137,580	137,580	137,580	0	1.17	0.00
School Breakfast (Severe Rate)	Paid	136,003	136,003	136,003	0	0.38	0.00
	Free	2,438,054	2,438,054	2,438,054	0	2.73	0.00
School Breakfast (Regular Rate)	Paid	4,522	4,522	4,522	0	0.38	0.00
	Free	67,709	67,709	67,709	0	2.28	0.00
<i>TOTAL Breakfast</i>		2,646,288	2,646,288	2,646,288			0.00
Total Net Overclaim							-

**Auditor tested 5 months, September, November, January, March and May*

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

TRENTON BOARD OF EDUCATION

SCHEDULE OF MEAL COUNT ACTIVITY

FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -STATE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE (a)	(OVER) UNDER CLAIM (b)
State Reimbursement - National School Lunch (Severe Rate)	Paid	259,480	259,480	259,480	0	0.06	0.00
	Free	647,469	647,469	647,469	0	0.07	0.00
	TOTAL	906,949	906,949	906,949			
Breakfast After Bell	Free	129,256	129,256	129,256	0	0.10	0.00
	TOTAL	129,256	129,256	129,256			
Total Net Overclaim							0.00

**Auditor tested 5 months, September, November, January, March and May*

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.

TRENTON BOARD OF EDUCATION

**Net cash resources did exceed three months of expenditures
Proprietary Funds - Food Service
FYE 2024**

**Food
Service
B - 4/5**

Net Cash Resources:

ACFR	Current Assets		
B-4	Cash & Cash Equiv.	\$ 6,007,936	
B-4	Other A/R	32,936	
B-4	Accounts Receivable- State	49,917	
B-4	Accounts Receivable- Federal	1,699,670	
B-4	Inventories	144,303	
ACFR	Current Liabilities		
B-4	Less Accounts Payable	(1,882,528)	
B-4	Less Unearned Revenue	(97,182)	
	Net Cash Resources	<u>\$ 5,955,052.00</u>	(A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	10,417,489	
B-5	Less Depreciation	(211,156)	
	Adj. Tot. Oper. Exp.	<u>\$ 10,206,333.00</u>	(B)

Average Monthly Operating Expense:

B / 10	<u>\$ 1,020,633.30</u>	(C)
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Three times monthly Average:

3 X C	<u>\$ 3,061,899.90</u>	(D)
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TOTAL IN BOX A	\$ 5,955,052.00
LESS TOTAL IN BOX D	\$ 3,061,899.90
NET	<u>\$ 2,893,152.10</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

TRENTON BOARD OF EDUCATION

SCHEDULE OF AUDITED ENROLLMENTS

ENROLLMENT AS OF OCTOBER 13, 2023

Full Day Preschool (3 years)
Full Day Preschool (4 years)
Half Day Kindergarten
Full Day Kindergarten
One
Two
Three
Four
Five
Six
Seven
Eight
Nine
Ten
Eleven
Twelve
Post-Graduate
Adult H.S. (15 + CR)
Adult H.S. (1-14 CR)
Subtotal

-0.02% 0.00%

1.89% 0.00%

2.30%

TRENTON BOARD OF EDUCATION
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY (continued)
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				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				Sample Selected from Workpapers	Verified to Application and Register	Sample Errors		
	Full	Shared	Full	Shared	Errors				Full	Shared	Full	Shared	Errors				Full	Shared
Full Day Preschool 3 Years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Full Day Preschool 4 Years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Full Day Kindergarten	445	-	444	-	1	-	22	22	-	248	-	248	-	-	-	16	15	1
One	537	-	532	-	5	-	27	27	-	261	-	261	-	-	-	14	13	1
Two	617	-	600	-	17	-	35	35	-	253	-	244	-	9	-	14	14	-
Three	599	-	588	-	11	-	31	31	-	246	-	242	-	4	-	14	14	-
Four	600	-	587	-	13	-	32	32	-	265	-	263	-	2	-	10	10	-
Five	534	-	524	-	10	-	24	23	1	163	-	161	-	2	-	3	3	-
Six	421	-	415	-	6	-	25	25	-	126	-	126	-	-	-	6	6	-
Seven	365	-	361	-	4	-	21	21	-	123	-	123	-	-	-	3	3	-
Eight	359	-	354	-	5	-	19	18	1	66	-	66	-	-	-	7	7	-
Nine	294	-	291	-	3	-	20	20	-	68	-	68	-	-	-	5	5	-
Ten	300	-	299	-	1	-	23	23	-	57	-	57	-	-	-	4	3	1
Eleven	290	-	288	-	2	-	19	19	-	44	-	44	-	-	-	4	4	-
Twelve	235	1	235	1	-	-	15	15	-	34	-	34	-	-	-	17	16	1
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15 + CR)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	5,596	1	5,518	1	78	-	313	311	2	1,954	-	1,937	-	17	-	117	113	4
Sp Ed - Elementary	386	-	233	-	153	-	-	-	-	98	-	70	-	28	-	5	5	-
Sp Ed - Middle School	280	-	505	-	(225)	-	-	-	-	50	-	95	-	(45)	-	3	3	-
Sp Ed - High School	262	1	268	1	(6)	-	-	-	-	12	-	12	-	-	-	-	-	-
Subtotal	928	1	1,006	1	(78)	-	-	-	-	160	-	177	-	(17)	-	8	8	-
County Vocational - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
County Vocational - First Post Secondary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	6,524	2	6,524	2	-	-	313	311	2	2,114	-	2,114	-	-	-	125	121	4

Percentage Error				0.00%	0.00%		0.64%				0.00%	0.00%		3.20%
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	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public School	2,049	2,049	-	1	1	-
Courtesy	143	143	-	1	1	-
Non-Public Transportation	46	46	-	1	1	-
AIL Non Public	279	279	-	1	1	-
Regular Special Education	1,267	1,267	-	1	1	-
Special Needs	502	502	-	1	1	-
Totals	4,286	4,286	-	6	6	-

Percentage Error	0.00%	0.00%
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	Reported	Recalculated
Average mileage - regular including Grade PK students	3.2	3.2
Average mileage - regular excluding Grade PK students	3.2	3.2
Average mileage - special education with special needs	7.4	7.4

TRENTON BOARD OF EDUCATION
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY (continued)

ENROLLMENT AS OF OCTOBER 13, 2023

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on ASSA as Not Low Income	Reported on Workpapers as Not Low Income	Errors	Sample Selected from Workpapers	Verified to Application & Register	Sample Errors
Half Day Preschool	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	390	390	-	18	17	1
One	299	299	-	16	16	-
Two	302	298	4	20	19	1
Three	245	243	2	14	14	-
Four	204	204	-	10	10	-
Five	234	234	-	12	12	-
Six	193	192	1	11	10	1
Seven	200	200	-	14	13	1
Eight	198	198	-	8	8	-
Nine	207	207	-	15	14	1
Ten	223	223	-	14	14	-
Eleven	216	216	-	12	11	1
Twelve	152	150	2	4	4	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15 + CR)	-	-	-	-	-	-
Adult H.S. (1-14 CR)	-	-	-	-	-	-
Subtotal	3,063	3,054	9	168	162	6
Sp Ed - Elementary	66	43	23	4	4	-
Sp Ed - Middle School	53	83	(30)	3	3	-
Sp Ed - High School	7	9	(2)	3	3	-
Subtotal	126	135	(9)	10	10	-
County Vocational - Regular	-	-	-	-	-	-
County Vocational - First Post Secondary	-	-	-	-	-	-
Total	3,189	3,189	-	178	172	6
Percentage Error			0.00%			0.00%

TRENTON BOARD OF EDUCATION

EXCESS SURPLUS CALCULATION

JUNE 30, 2024

SECTION 1**A. 2% Calculation of Excess Surplus**

2023-24 Total General Fund Expenditures Reported on Exhibit C-1	\$ 404,538,689	(A)
Increased by Applicable Operating Transfers		
Transfer to Food Service	\$ -	(A1a)
Transfer from Capital Outlay to Capital Projects	\$ -	(A1a)
Transfer from Capital Reserve to Capital Projects	\$ -	(A1a)
Transfer from G/F to SRF for Preschool - Regular	\$ -	(A1a)
Transfer from G/F to SRF for Preschool - Inclusion	\$ -	(A1a)
Less: Expenditures Allocated to Restricted Federal Resources as Reported on Exhibit D-2	\$ 4,569,383	(A1b)
2023-24 Adjusted General Fund and Other State Expenditures [(A)+(A1a)-(A1b)]		\$ 399,969,306 (A2)
Decreased by:		
On-Behalf TPAF Pension, Post-Retirement Contributions, Long-Term Disability Insurance and Social Security		\$ 55,342,959 (A3)
Assets Acquired Under Capital Leases:	\$ -	
General Fund 10 Assets Acquired Under Capital Leases reported on Exhibit C-1a	\$ -	(A4)
Add: General Fund & State Resources Portion of Fund 15 Assets Acquired under Capital Leases:		
Assets Acquired Under Capital Leases in Fund 15 reported on Exhibit C-1a	\$ -	(A5)
Combined General Fund Contribution & State Resources Percent of Fund 15 Resources Reported on Exhibit D-2	95.71%	(A6)
General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases [(A5)*(A6)]	\$ -	(A7)
Total Assets Acquired Under Capital Leases [(A4)+(A7)]		\$ - (A8)
2023-24 General Fund Expenditures [(A2)-(A3)-(A8)]		\$ 344,626,347 (A9)
2% of Adjusted 2023-24 General Fund Expenditures [(A9) times .04]	\$ 6,892,527	(A10)
Enter Greater of (A10) or \$250,000	\$ 6,892,527	(A11)
Increased by: Allowable Adjustment*	\$ 126,945	(K)
Maximum Unassigned/Undesignated - Unreserved Fund Balance [(A11) + (K)]		\$ 7,019,471 (M)

TRENTON BOARD OF EDUCATION

EXCESS SURPLUS CALCULATION

JUNE 30, 2024

SECTION 2Total General Fund - Fund Balances at June 30, 2024
(Per ACFR Budgetary Comparison Schedule C-1)

\$ 104,732,445 (C)

Decreased by:

Year-end Encumbrances

\$ 11,244,064 (C1)

Legally Restricted - Designated for Subsequent Year's
Expenditures

\$ - (C2)

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

\$ 42,479,212 (C3)

Other Restricted/Reserved Fund Balances****

\$ 28,945,231 (C4)

Assigned - Designated for Subsequent Year's
Expenditures

\$ - (C5)

Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]

\$ 22,063,938 (U)

SECTION 3

Restricted Fund Balance - Excess Surplus ***

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

\$ 15,044,467 (E)

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

\$ 42,479,212 (C3)

Reserved Excess Surplus *** [(E)]

\$ 15,044,467 (E)

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

\$ 57,523,679 (D)

Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line
(as detailed below) is to be utilized when applicable for:

(H) Federal Impact Aid. The passage of P.L.2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve – General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);

(I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);

(J1) Extraordinary Aid;

(J2) Additional Nonpublic School Transportation Aid;

(J3) Recognized current year School Bus Advertising Revenue; and

(J4) Family Crisis Transportation Aid.

Detail of Allowable Adjustments

Impact Aid

\$ - (H)

Sale & Lease-back

\$ - (I)

Extraordinary Aid

(J1)

Additional Nonpublic School Transportation Aid

\$ 126,945 (J2)

Current Year School Bus Advertising Revenue Recognized

\$ - (J3)

Family Crisis Transportation Aid

\$ - (J4)

Maintenance of Equity Aid and State Military Impact Aid Received July 2024

\$ - (J5)

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

\$ 126,945 (K)

TRENTON BOARD OF EDUCATION

EXCESS SURPLUS CALCULATION

JUNE 30, 2024

- ** This amount represents the June 30, 2024 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 the sum of the two lines must agree to 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 to the Commissioner - Field Services prior to September 30.

Detail of Other Restricted/Reserved Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$ -
Sale/lease-back reserve	\$ -
Capital reserve (N-1)	\$ 17,763,225
Maintenance reserve (N-2)	\$ 11,182,006
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)	\$ -
Other state/government mandated reserve (N-9)	\$ -
Reserve for unemployment (N-10)	\$ -
Other restricted fund balance not noted above (N-11)	\$ -
Total Other Restricted/Reserved Fund Balance	\$ 28,945,231 (C4)

**TRENTON BOARD OF EDUCATION
COUNTY OF MERCER**

RECOMMENDATIONS

June 30, 2024

I. Administration Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

There are none.

III. School Purchasing Program

There are none.

IV. School Food Service

There are none.

V. Student Body Activities

There are none.

VI. Application for State School Aid

There are none.

VII. Pupil Transportation

There are none.

VIII. Facilities and Capital Assets

There are none.

IX. Status of Prior Year Audit Findings/Recommendations

Corrective action has been taken on 2023-001 prior year audit finding.