

**GLASSBORO SCHOOL DISTRICT**

Glassboro, New Jersey  
County of Gloucester

**Auditor's Management Report on Administrative Findings -  
Financial, Compliance and Performance  
for The Year Ended June 30, 2024**



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

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**HOLT MCNALLY & ASSOCIATES**

Certified Public Accountants & Advisors

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

Honorable President and Members  
of the Board of Education  
Glassboro School District  
County of Gloucester  
Glassboro, New Jersey

We have audited, in accordance with generally accepted audit standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Glassboro School District in the County of Gloucester for the year ended June 30, 2024, and have issued our report thereon dated January 8, 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 for the information of the Glassboro School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

**HOLT MCNALLY & ASSOCIATES, INC.**  
*Certified Public Accountants & Advisors*

David McNally  
Certified Public Accountant  
Public School Accountant, No. 2616

Medford, New Jersey  
January 8, 2025

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**HOLT MCNALLY & ASSOCIATES**

Certified Public Accountants & Advisors

**ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

**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**

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the School District's ACFR.

**Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32, 18A:13-13)**

| <u>Name</u>   | <u>Position</u>                               | <u>Amount</u> |
|---------------|---|---------------|
| Darren Harris | Treasurer                                     | \$300,000     |
| Michael Sloan | Board Secretary/School Business Administrator | \$300,000     |

There is a Public Employee's Faithful Performance Blanket Position Bond covering all other employees with coverage of \$25,000.

**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 Chapter 44 data was submitted timely.

**Tuition Charges**

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The School District made a proper adjustment to the billings to sending districts for the decrease in per pupil cost in accordance with *N.J.A.C.6A:23A-17.1(f)3*.

## **Financial Planning, Accounting and Reporting**

### **Examination of Claims**

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

### **Payroll Account**

The net salaries of sampled employees of the board were deposited in the Payroll Account. Employee's payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

Sampled payrolls were approved by the Superintendent and were certified by the President of the Board and the School Business Administrator/Board Secretary.

Sampled 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 School Business Administrator/Board Secretary who then deposited with warrants in separate bank accounts for net payroll and withholdings.

### **Employee Position Control Roster**

A sample inquiry and subsequent review of the Position Control Roster found no inconsistencies between the payroll records, employee benefit records (e.g. pension reports and health benefit coverage reports), the general ledger accounts to where wages are posted (administrative versus instruction), and the Position Control Roster.

### **Reserve for Encumbrances and Accounts Payable**

A sample of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable. Exceptions were noted see finding below:

#### **Finding No. 2024-01 AMR (ACFR Finding 2024-001):**

The District did not properly reclassify year end encumbrances to accounts payable for goods and services that had been received before the year ended June 30, 2024.

#### **Recommendation:**

That the District properly classify all accounts payable and encumbrances as required by generally accepted accounting principles.

### **Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C.* 6A:23 A-16.29(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of a sample of 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% percent 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 were found to be in satisfactory condition.

### **Treasurer's Records**

Our review of the financial and accounting records maintained by the Treasurer of School Monies were found to be 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 Titles I, II, III and VI of the Elementary and Secondary Education Act as amended and reauthorized.

### **Other Special Federal and/or State Projects**

The School 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 sample 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 sample test of the biweekly reimbursements 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 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**

*N.J.S.A.18A:18A-1* et seq. (Public School Contracts Law), the associated rules and related information on the statute, and school contracts in general is available on the website: <http://www.state.nj.us/dca/divisions/dlgs/programs/lpcl.html>.

Current statute is posted on the New Jersey Legislature (<http://www.njleg.state.nj.us/>) website.

## **School Purchasing Programs (continued)**

### **Contracts and Agreements Requiring Advertisement for Bids (continued)**

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 \$22,400 for 2023-24.

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 our tests on sample basis, we did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of *N.J.S.A.* 18A:18A-4.

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

### **School Food Service**

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

Cash receipts and bank records were reviewed for timely deposit.

The District utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with *N.J.S.A.* 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC Cost Reimbursable Fixed Price or Non-Competitive Emergency Procurement contract/addendum were reviewed and audited. All vendor discounts, rebates, and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

Expenditures should be separately recorded as food, labor and other costs. Vendor invoices were reviewed, and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

Net cash resources did exceed three months average expenditures.

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.

### **School Food Service (continued)**

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were certified in a timely manner.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications /or to

the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. 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 Assets (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 G of the ACFR.

### **Student Body Activities**

Our review of the financial and accounting records for student activities indicated they were in satisfactory condition.

### **Application for State School Aid (ASSA)**

Our audit procedures included a sample test of information reported in the October 15, 2023 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped and low-income, and bilingual. We also performed a review on a sample basis of the School District's procedures related to its completion. The information on the ASSA was compared to the School 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 School District maintained workpapers on the prescribed state forms of their equivalent.

The School District written procedures appear to be adequate for the recording of student enrollment data.

### **Pupil Transportation**

Our audit procedures included a sample 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 exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a sample of transportation contracts and purchases. Based on our sample, the School District complied with proper bidding procedures and award of contracts. The bid

**Pupil Transportation (continued)**

specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our sampling of transportation related purchases of goods and services.

**Testing for Lead of All Drinking Water in Educational Facilities**

The school district adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

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

**Follow-up on Prior Year Findings**

In accordance with audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, our procedures included a review of all prior year findings reported in the prior year's Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance. All prior year findings were uncorrected. See prior year findings noted with an asterisk throughout the document.

**Office of Fiscal Accountability and Compliance (OFAC) Findings**

There were no Office of Fiscal Accountability and Compliance (OFAC) audit reports issued during the fiscal year ended June 30, 2024.

**Acknowledgment**

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

**HOLT MCNALLY & ASSOCIATES, INC.**  
*Certified Public Accountants & Advisors*

David McNally  
Certified Public Accountant  
Public School Accountant, No. 2616

Medford, New Jersey  
January 8, 2025

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**ADDITIONAL INFORMATION**

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**SCHEDULE OF AUDITED ENROLLMENTS (1)**

**APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2023**

|                            | 2024-25 Application for State School Aid |        |            |        | Sample for Verification         |        |                                |        | Private Schools for Disabled |        |                                       |        |                         |        |
|----------------------------|--|--------|------------|--------|---------------------------------|--------|--------------------------------|--------|------------------------------|--------|---------------------------------------|--------|-------------------------|--------|
|                            | Reported on A.S.A.                       |        | Workpapers |        | Sample Selected from Workpapers |        | Verified per Registers On Roll |        | Errors per Registers On Roll |        | Reported on A.S.A. as Private Schools |        | for Sample Verification |        |
|                            | Full                                     | Shared | Full       | Shared | Full                            | Shared | Full                           | Shared | Full                         | Shared | Full                                  | Shared | Full                    | Shared |
| Half Day Preschool - 3 Yrs | 40                                       | -      | -          | -      | 6                               | -      | -                              | -      | -                            | -      | -                                     | -      | -                       | -      |
| Full Day Preschool - 4 Yrs | 74                                       | -      | -          | -      | 11                              | -      | -                              | -      | -                            | -      | -                                     | -      | -                       | -      |
| Full Day Kindergarten      | 97                                       | -      | -          | -      | 14                              | -      | -                              | -      | -                            | -      | -                                     | -      | -                       | -      |
| One                        | 154                                      | -      | -          | -      | 22                              | -      | -                              | -      | -                            | -      | -                                     | -      | -                       | -      |
| Two                        | 135                                      | -      | -          | -      | 20                              | -      | -                              | -      | -                            | -      | -                                     | -      | -                       | -      |
| Three                      | 117                                      | -      | -          | -      | 17                              | -      | -                              | -      | -                            | -      | -                                     | -      | -                       | -      |
| Four                       | 106                                      | -      | -          | -      | 15                              | -      | -                              | -      | -                            | -      | -                                     | -      | -                       | -      |
| Five                       | 122                                      | -      | -          | -      | 18                              | -      | -                              | -      | -                            | -      | -                                     | -      | -                       | -      |
| Six                        | 107                                      | -      | -          | -      | 16                              | -      | -                              | -      | -                            | -      | -                                     | -      | -                       | -      |
| Seven                      | 111                                      | -      | -          | -      | 16                              | -      | -                              | -      | -                            | -      | -                                     | -      | -                       | -      |
| Eight                      | 117                                      | -      | -          | -      | 17                              | -      | -                              | -      | -                            | -      | -                                     | -      | -                       | -      |
| Nine                       | 111                                      | -      | -          | -      | 16                              | -      | -                              | -      | -                            | -      | -                                     | -      | -                       | -      |
| Ten                        | 107                                      | -      | -          | -      | 16                              | -      | -                              | -      | -                            | -      | -                                     | -      | -                       | -      |
| Eleven                     | 107                                      | -      | -          | -      | 16                              | -      | -                              | -      | -                            | -      | -                                     | -      | -                       | -      |
| Twelve                     | 113                                      | -      | -          | -      | 16                              | -      | -                              | -      | -                            | -      | -                                     | -      | -                       | -      |
| Subtotal                   | 1,618                                    | -      | -          | -      | 236                             | -      | -                              | -      | -                            | -      | -                                     | -      | -                       | -      |
| Special Ed - Elementary    | 115                                      | -      | -          | -      | 17                              | -      | -                              | -      | -                            | -      | -                                     | -      | -                       | -      |
| Special Ed - Middle School | 82                                       | -      | -          | -      | 12                              | -      | -                              | -      | -                            | -      | -                                     | -      | -                       | -      |
| Special Ed - High School   | 101                                      | -      | -          | -      | 15                              | -      | -                              | -      | -                            | -      | -                                     | -      | -                       | -      |
| Subtotal                   | 298                                      | -      | -          | -      | 44                              | -      | -                              | -      | -                            | -      | -                                     | -      | -                       | -      |
| Totals                     | 1,916                                    | -      | -          | -      | 280                             | -      | -                              | -      | -                            | -      | -                                     | -      | -                       | -      |
| Percentage Error           | -  | -      | -          | -      | -                               | -      | -                              | -      | -                            | -      | -                                     | -      | -                       | -      |

**SCHEDULE OF AUDITED ENROLLMENTS (2)**

**APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2023**

|                            | Resident Low Income              |                                      |        | Sample for Verification         |                                      |               | Resident LEP Low Income              |  |        | Sample for Verification         |                                     |               |
|----------------------------|----------------------------------|--------------------------------------|--------|---------------------------------|--------------------------------------|---------------|--------------------------------------|--|--------|---------------------------------|-------------------------------------|---------------|
|                            | Reported on A.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.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 Kindergarten      | 44                               | 44                                   | -      | 12                              | 12                                   | -             | 5                                    | 5  | -      | 4                               | 4                                   | -             |
| One                        | 77                               | 77                                   | -      | 22                              | 22                                   | -             | 12                                   | 12                                       | -      | 9                               | 9                                   | -             |
| Two                        | 75                               | 75                                   | -      | 21                              | 21                                   | -             | 10                                   | 10                                       | -      | 8                               | 8                                   | -             |
| Three                      | 51                               | 51                                   | -      | 14                              | 14                                   | -             | 8                                    | 8  | -      | 6                               | 6                                   | -             |
| Four                       | 49                               | 49                                   | -      | 14                              | 14                                   | -             | 6                                    | 6  | -      | 5                               | 5                                   | -             |
| Five                       | 57                               | 57                                   | -      | 16                              | 16                                   | -             | 7                                    | 7  | -      | 5                               | 5                                   | -             |
| Six                        | 42                               | 42                                   | -      | 12                              | 12                                   | -             | 5                                    | 5  | -      | 4                               | 4                                   | -             |
| Seven                      | 42                               | 42                                   | -      | 12                              | 12                                   | -             | 2                                    | 2  | -      | 2                               | 2                                   | -             |
| Eight                      | 44                               | 44                                   | -      | 12                              | 12                                   | -             | 5                                    | 5  | -      | 4                               | 4                                   | -             |
| Nine                       | 46                               | 46                                   | -      | 13                              | 13                                   | -             | 2                                    | 2  | -      | 2                               | 2                                   | -             |
| Ten                        | 37                               | 37                                   | -      | 10                              | 10                                   | -             | 3                                    | 3  | -      | 2                               | 2                                   | -             |
| Eleven                     | 44                               | 44                                   | -      | 12                              | 12                                   | -             | 1                                    | 1  | -      | 1                               | 1                                   | -             |
| Twelve                     | 40                               | 40                                   | -      | 11                              | 11                                   | -             | 4                                    | 4  | -      | 3                               | 3                                   | -             |
| Subtotal                   | 648                              | 648                                  | -      | 181                             | 181                                  | -             | 70                                   | 70                                       | -      | 55                              | 55                                  | -             |
| Special Ed - Elementary    | 76                               | 76                                   | -      | 21                              | 21                                   | -             | 4                                    | 4  | -      | 3                               | 3                                   | -             |
| Special Ed - Middle School | 52                               | 52                                   | -      | 15                              | 15                                   | -             | 4                                    | 4  | -      | 3                               | 3                                   | -             |
| Special Ed - High School   | 51                               | 51                                   | -      | 14                              | 14                                   | -             | -                                    | -  | -      | -                               | -                                   | -             |
| Subtotal                   | 179                              | 179                                  | -      | 50                              | 50                                   | -             | 8                                    | 8  | -      | 6                               | 6                                   | -             |
| Totals                     | 827                              | 827                                  | -      | 231                             | 231                                  | -             | 78                                   | 78                                       | -      | 61                              | 61                                  | -             |

Percentage Error

**Transportation**

|                               | Reported on DRTS by DOE/county | Reported on DRTRS by District | Errors | Tested | Verified | Errors |
|-------------------------------|--------------------------------|-------------------------------|--------|--------|----------|--------|
| Reg. - Public Schools, col. 1 | 453                            | 453                           | -      | 146    | 146      | -      |
| Reg - SpEd, col. 4            | 9                              | 9                             | -      | 3      | 3        | -      |
| Aid-in-Lieu, col. 2           | 155                            | 155                           | -      | 50     | 50       | -      |
| Special Ed Spec, col. 6       | 106                            | 106                           | -      | 34     | 34       | -      |
| Totals                        | 723                            | 723                           | -      | 233    | 233      | -      |

Percentage Error

0%

**SCHEDULE OF AUDITED ENROLLMENTS (3)**

**APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2023**

|                         | <b>Resident LEP NOT Low Income</b>              |   |          | <b>Sample for Verification</b>        |  |                  |
|-------------------------|---|---|----------|---------------------------------------|--|------------------|
|                         | Reported on<br>A.S.S.A. as<br>NOT Low<br>Income | Reported on<br>Workpapers as<br>NOT Low<br>Income | Errors   | Sample<br>Selected from<br>Workpapers | Verified to<br>Application<br>and Register | Sample<br>Errors |
| Full Day Kindergarten   | 5   | 5   | -        | 4                                     | 4  | -                |
| One                     | 4   | 4   | -        | 3                                     | 3  | -                |
| Two                     | 6   | 6   | -        | 5                                     | 5  | -                |
| Three                   | 2   | 2   | -        | 2                                     | 2  | -                |
| Four                    | 7   | 7   | -        | 6                                     | 6  | -                |
| Five                    | 6   | 6   | -        | 5                                     | 5  | -                |
| Six                     | 4   | 4   | -        | 3                                     | 3  | -                |
| Seven                   | 5   | 5   | -        | 4                                     | 4  | -                |
| Eight                   | 2   | 2   | -        | 2                                     | 2  | -                |
| Nine                    | 4   | 4   | -        | 3                                     | 3  | -                |
| Ten                     | 1   | 1   | -        | 1                                     | 1  | -                |
| Eleven                  | -   | -   | -        | -                                     | -  | -                |
| Twelve                  | 2   | 2   | -        | 2                                     | 2  | -                |
| <b>Subtotal</b>         | <b>48</b>                                       | <b>48</b>   | <b>-</b> | <b>40</b>                             | <b>40</b>                                  | <b>-</b>         |
| Special Ed - Elementary | -   | -   | -        | -                                     | -  | -                |
| Special Ed - Middle     | 1   | 1   | -        | 1                                     | 1  | -                |
| Special Ed - High       | 1   | 1   | -        | 1                                     | 1  | -                |
| <b>Subtotal</b>         | <b>2</b>  | <b>2</b>  | <b>-</b> | <b>2</b>                              | <b>2</b>                                   | <b>-</b>         |
| <b>Totals</b>           | <b>50</b>                                       | <b>50</b>   | <b>-</b> | <b>42</b>                             | <b>42</b>                                  | <b>-</b>         |
| Percentage Error        |   |   | -        |                                       |  | -                |

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**SCHEDULE OF MEAL COUNT ACTIVITY - FEDERAL**

**GLASSBORO SCHOOL DISTRICT  
 FOOD SERVICE FUND  
 NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - FEDERAL  
 ENTERPRISE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
 (MEMORANDUM ONLY)**

| PROGRAM  | MEAL<br>CATEGORY | MEALS<br>CLAIMED | MEALS<br>TESTED | MEALS<br>VERIFIED | DIFFERENCE | RATE     | (OVER)/<br>UNDER<br>CLAIM |
|--|------------------|------------------|-----------------|-------------------|------------|----------|---------------------------|
| National School<br>Lunch<br>(Regular Rate)     | Paid             | 60,100           | 18,971          | 18,971            | -          | 0.40     | -                         |
|  | Reduced          | 13,429           | 4,333           | 4,333             | -          | 3.85     | -                         |
|  | Free             | 101,638          | 31,426          | 31,426            | -          | 4.25     | -                         |
|  | <b>Total</b>     | <b>175,167</b>   | <b>54,730</b>   | <b>54,730</b>     | <b>-</b>   | <b>-</b> | <b>-</b>                  |
| National School<br>Breakfast<br>(Regular Rate) | Paid             | 53,589           | 17,016          | 17,016            | -          | 0.38     | -                         |
|  | Reduced          | 8,178            | 2,664           | 2,664             | -          | 1.98     | -                         |
|  | Free             | 67,947           | 21,176          | 21,176            | -          | 2.28     | -                         |
|  | <b>Total</b>     | <b>129,714</b>   | <b>40,856</b>   | <b>40,856</b>     | <b>-</b>   | <b>-</b> | <b>-</b>                  |

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

| <u>Net Cash Resources:</u> |   | <b>Food<br/>Service<br/>B - 4/5</b> |                   |
|----------------------------|---|-------------------------------------|-------------------|
| <b>ACFR</b>                | * | <b>Current Assets</b>               |                   |
| B-4                        |   | Cash & Cash Equiv.                  | 74,086            |
| B-4                        |   | Due from General Fund               | 579,257           |
| B-4                        |   | Due from Other Gov'ts               | 34,890            |
| B-4                        |   | Accounts Receivable                 | 82,529            |
| B-4                        |   | Investments                         |                   |
| <b>ACFR</b>                |   | <b>Current Liabilities</b>          |                   |
| B-4                        |   | Less Accounts Payable               | -79,997           |
| B-4                        |   | Less Accruals                       |                   |
| B-4                        |   | Less Due to Other Funds             |                   |
| B-4                        |   | Less Deferred Revenue               | -36,092           |
|                            |   | <b>Net Cash Resources</b>           | <b>\$ 654,673</b> |
|                            |   |                                     | <b>(A)</b>        |

Net Adj. Total Operating Expense:

|     |                     |                             |                     |
|-----|---------------------|-----------------------------|---------------------|
| B-5 | Tot. Operating Exp. | 1,255,139                   |                     |
| B-5 | Less Depreciation   | (26,751)                    |                     |
|     |                     |                             |                     |
|     |                     | <b>Adj. Tot. Oper. Exp.</b> | <b>\$ 1,228,388</b> |
|     |                     |                             | <b>(B)</b>          |

Average Monthly Operating Expense:

|  |        |                   |            |
|--|--------|-------------------|------------|
|  | B / 10 | <b>\$ 122,839</b> | <b>(C)</b> |
|  |        |                   |            |

Three times monthly Average:

|  |       |                   |            |
|--|-------|-------------------|------------|
|  | 3 X C | <b>\$ 368,516</b> | <b>(D)</b> |
|  |       |                   |            |

|  |                     |  |
|--|---------------------|--|
| TOTAL IN BOX A   | <b>\$ 654,673</b>   |  |
| LESS TOTAL IN BOX D  | <b>\$ (368,516)</b> |  |
| NET  | <b>\$ 286,157</b>   |  |
| From above:  |                     |  |
| <b>A is greater than D, cash exceeds 3 X average monthly operating expenses.</b>         |                     |  |
| <b>D is greater than A, cash does not exceed 3 X average monthly operating expenses.</b> |                     |  |

✓ TRUE  
FALSE

\* Inventories are not to be included in total current assets.

**EXCESS SURPLUS CALCULATION**

**REGULAR DISTRICT**

**SECTION 1**

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

|   |    |                          |       |
|---|----|--------------------------|-------|
| 2023-2024 Total General Fund Expenditures per the ACFR, Ex. C-1     | \$ | <u>48,613,098</u>        | (B)   |
| Increased by:   |    |                          |       |
| Transfer from Capital Outlay to Capital Projects Fund               | \$ | <u>-</u>                 | (B1a) |
| Transfer from Capital Reserve to Capital Projects Fund              | \$ | <u>-</u>                 | (B1b) |
| Transfer from General Fund to SRF for PreK-Regular                  | \$ | <u>386,100</u>           | (B1c) |
| Transfer from General Fund to SRF for PreK-Inclusion                | \$ | <u>-</u>                 | (B1d) |
| Decreased by:   |    |                          |       |
| On-Behalf TPAF Pension & Social Security                            | \$ | <u>8,349,697</u>         | (B2a) |
| Assets Acquired Under Capital Leases                                | \$ | <u>1,693,659</u>         | (B2b) |
| Adjusted 2023-2024 General Fund Expenditures [(B)+(B1s)-(B2s)]      | \$ | <u><u>38,955,842</u></u> | (B3)  |
| 2% of adjusted 2023-2024 General Fund Expenditures [(B3) times .02] | \$ | <u>779,117</u>           | (B4)  |
| Enter Greater of (B4) or \$250,000                                  | \$ | <u>779,117</u>           | (B5)  |
| Increased by: Allowable Adjustment *                                | \$ | <u>305,106</u>           | (K)   |
| Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]  | \$ | <u><u>1,084,223</u></u>  | (M)   |

**SECTION 2**

|  |    |                         |      |
|--|----|-------------------------|------|
| Total General Fund - Fund Balances @ 06-30-2024 (Per ACFR Budgetary Comparison Schedule C-1) | \$ | <u>9,117,049</u>        | (C)  |
| Decreased by:  |    |                         |      |
| Year-End Encumbrances  | \$ | <u>1,874,929</u>        | (C1) |
| Legally Restricted - Designated for Subsequent Year's Expenditures                           | \$ | <u>-</u>                | (C2) |
| Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**        | \$ | <u>1,379,227</u>        | (C3) |
| Other Restricted Fund Balances ****  | \$ | <u>3,226,537</u>        | (C4) |
| Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures           | \$ | <u>336,825</u>          | (C5) |
| Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]                                 | \$ | <u><u>2,299,531</u></u> | (U1) |

**REGULAR DISTRICT (continued):**

**SECTION 3**

Restricted Fund Balance - Excess Surplus \*\*\* [(U1)-(M)] IF NEGATIVE ENTER -0- \$ 1,215,308 (E)

**Recapitulation of Excess Surplus as of June 30, 2024**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures \*\* \$ 1,379,227 (C3)

Reserved Excess Surplus \*\*\* [(E)] \$ 1,215,308 (E)

Total Excess Surplus [(C3) + (E)] \$ 2,594,535

**Footnotes:**

\* 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 of 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
- (I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);
- (J1) Extraordinary Aid;
- (J2) Additional Nonpublic School Transportation Aid;
- (J3) Recognized current year School Bus Advertising Revenue; and
- (J4) Family Crisis Transportation Aid.
- (J5) Supplemental Stabilization Aid received April 2023 & Maintenance of Equity Aid received July 2023

**Detail of Allowable Adjustments**

|   |                |         |
|---|----------------|---------|
| Impact Aid  | \$ -           | (H)     |
| Sale & Lease-back   | \$ -           | (I)     |
| Extraordinary Aid   | \$ 233,871     | (J1)    |
| Additional Nonpublic School Transportation Aid  | \$ 71,235      | (J2)    |
| Current Year School Bus Advertising Revenue Recognized                                      | \$ -           | (J3)    |
| Family Crisis Transportation Aid  | \$ -           | (J4)    |
| Supplemental Stabilization Aid rec'd April 2023 & Maintenance of Equity Aid rec'd July 2023 | \$ -           | (J5)    |
| <br>Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]                                    | <br>\$ 305,106 | <br>(K) |

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

\*\*\* Amount must agree to the June 30, 2024 ACFR and must agree to Audit Summary Line 90030.

\*\*\*\* Amount for Other Restricted Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not legally imposed by another type of government such as the judicial branch of government must have departmental approval. District requests should be submitted to the Division of Administration and Finance prior to September 30.

**Detail of Other Restricted Fund Balance**

|   |                  |          |
|---|------------------|----------|
| Statutory Restrictions:                                       | \$ -             |          |
| Approved Unspent Separate Proposal                            | \$ -             |          |
| Sale/Lease-Back Reserve                                       | \$ -             |          |
| Capital Reserve   | \$ 2,708,077     |          |
| Maintenance Reserve   | \$ -             |          |
| Emergency Reserve   | \$ 500           |          |
| Tuition Reserve   | \$ -             |          |
| School Bus Advertising 50% Fuel Offset Reserve - current year | \$ 650           |          |
| School Bus Advertising 50% Fuel Offset Reserve - prior year   | \$ 3,963         |          |
| Impact Aid General Fund Reserve (Sections 8002 and 8003)      | \$ -             |          |
| Impact Aid Capital Fund Reserve (Sections 8007 and 8008)      | \$ -             |          |
| Other state/government mandated reserve                       | \$ -             |          |
| Reserve for Unemployment                                      | \$ 513,347       |          |
| [Other Restricted Fund Balance Not Noted Above] ****          | \$ -             |          |
| <br>Total Other Restricted Fund Balance                       | <br>\$ 3,226,537 | <br>(C4) |



## AUDIT RECOMMENDATIONS SUMMARY

For the Fiscal Year Ended June 30, 2024

Glassboro School District

### Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

**Finding 2024-001 AMR (ACFR Finding 2024-001)** - The District did not properly reclassify year end encumbrances to accounts payable for goods and services that had been received before the year ended June 30, 2024.

3. School Purchasing Programs

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

None

10. Status of Prior Year Audit Findings/Recommendations

Corrective Action has been taken on all prior year audit recommendations.