

**WILLINGBORO TOWNSHIP SCHOOL DISTRICT  
BOARD OF EDUCATION  
BURLINGTON COUNTY, NEW JERSEY**

**Auditor's Management Report on Administrative Findings-  
Financial, Compliance and Performance  
for the Fiscal Year Ended June 30, 2019**



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

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BRENT W. LEE & CO., LLC  
Certified Public Accounting Firm

**REPORT OF INDEPENDENT AUDITORS  
AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS, FINANCIAL COMPLIANCE AND PERFORMANCE**

Honorable President and  
Members of the Board of  
Education Willingboro  
Township County of Burlington  
Willingboro, New Jersey 08046

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 Board of Education of the Willingboro Township School District in the County of Burlington for the year ended June 30, 2019, and have issued our report thereon dated December 3, 2019.

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 Willingboro Township Board of Education'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,

Brent W. Lee  
Certified Public Accountant  
Public School Accountant No. 700  
Brent W. Lee & Co., LLC

Cinnaminson, New Jersey  
December 3, 2019

609-456-8804  
3008 New Albany Rd., Cinnaminson, NJ 08077

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BRENT W. LEE & CO., LLC  
Certified Public Accounting Firm

To the Honorable President and Members  
of the Willingboro Township  
Board of Education  
Willingboro, New Jersey

**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 Monies, the activities of the Board of Education, the records of the Athletic Fund, the Student Activity Fund, Food Service Fund and Special Revenue Fund 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 District's CAFR.

**Official Bonds**

<b>Name</b>	<b>Position</b>	<b>Amount</b>
Kelvin L. Smith	Business Administrator/Board Secretary	\$400,000
William Tantum	Treasurer	400,000

There is a public employees' faithful performance blanket position bond with the Selective Insurance Company covering all other employees with multiple coverage of \$100,000.

**Tuition Charges**

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

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

An examination of claims paid during the period under review indicated that the vouchers were in satisfactory condition.

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## **Payroll Account**

The net salaries of all 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.

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

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

## **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 my test of transactions of randomly selected expenditure items. I also reviewed the coding of all expenditures included in my compliance and single audit testing procedures. In addition to randomly selecting a test sample, my sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-8.3*. As a result of the procedures performed, no transaction errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

## **Board Secretary's Records**

My review of the financial and accounting records maintained by the Board Secretary disclosed the following item.

### **Finding 2019-01:**

#### **Condition:**

One budgetary line account was over-expended totaling \$815.

#### **Recommendation:**

Approved budgetary line accounts should not be over-expended. All year to date expenditures must be posted timely along with executing approved budget transfers in order to cover such costs in order to be in compliance with *N.J.A.C. 6A:23A-16.10*.

### **Finding 2019-02:**

#### **Condition:**

A capital reserve account was established by the District without the required board resolution in order to be in compliance with *N.J.A.C. 6A:23A-14.1*.

#### **Recommendation:**

The District should have approved a resolution to establish a capital reserve account in order to be in compliance with *N.J.A.C. 6A:23A-14.1* as required.



## **Treasurer's Records**

The Treasurer's records were reviewed and found to be satisfactory condition.

## **Pupil Transportation**

My audit procedures included a test of On Roll status reported in the 2018-2019 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with no exceptions. The results of my procedures are presented in the Schedule of Audited Enrollments.

My procedures also included a review of transportation related contracts and purchases. Based on my 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 my review of transportation related purchases of goods and services.

## **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 CAFR. This section of the CAFR documents the financial position pertaining to the projects under Title I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

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

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

My 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 CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

The study of compliance for the special projects indicated no areas of noncompliance.

## **T.P.A.F. Reimbursement**

My 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.

## **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 Program

### 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 NJ Local Agency Procurement Laws webpage: <http://www.state.nj.us/dca/divisions/dlgs/programs/1pcl.html>.

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

*N.J.S.A.18A:18A-3* and 4 states:

- a) "When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the board of education without public advertising for bids and bidding therefore, except that the board of education may adopt a resolution to set a lower threshold for the receipts of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. (pending before the Legislature as section 15 of this bill) of section 9 of P.L. 1971, c.198 (C.40A:119) the board of education may establish that the bid threshold may be up to \$40,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b) Commencing in the fifth year after the year in which P.L. 1999, c.440 takes effect, and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the board of education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in *N.J.S.18A:18A-2* (pending before the Legislature as section 50 of this bill), and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made."

*N.J.S.A. 18A:18A-4* states, "Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or calculated by the Governor pursuant to *N.J.S.A. 18A:18A-3* except by contract or agreement."

The bid thresholds in accordance with *N.J.S.A.18A:18A-2* and *18A:18A-3(a)* are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (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 \$19,000 for 2018-19.

The district board of education/board of trustees 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 my examination, I did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

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

### **School Food Service**

The financial transactions and statistical records of the School Food Service were reviewed. The financial accounts, meal count records and eligibility applications 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 Aramark 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 Aramark contract/addendum were reviewed and audited. The Aramark’s contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$180,000. The operating results provision has not been met. All vendor discounts, rebates, and credits from vendors and/or Aramark 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 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. 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 (CAFR 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 CAFR.

### **Unemployment Compensation Insurance Trust Fund**

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Expendable Trust Fund.

### **Student Activities Account**

The Board adopted a policy, which effectively established the regulation of all student activity funds. During our review of the student activity funds, the following item was noted.

#### **Finding 2019-03:**

The Twin Hills School Student Activity bank account was not completed timely and on a monthly basis.

#### **Recommendation:**

The Twin Hills School Student Activity bank account be completed timely and on a monthly basis.

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

My audit procedures included a test of information reported in the October 15, 2017 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. I also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers. The information that was included on the workpapers was verified. The results of my procedures are presented in the Schedule of Audited Enrollments and no exceptions were noted.

### **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 Years' Findings**

In accordance with government auditing standards, my procedures included a review of all prior year recommendations including findings. Corrective action had been taken on all prior year findings with exception of the following, which is repeated in this year's recommendations noted as current year finding "2019-01."

Budgetary line accounts were over-expended. (2019-01)

### **Acknowledgment**

I received the complete cooperation of all officials of the School District and we greatly appreciate the courtesies extended to the members of the audit team.

Should you have any questions concerning our comments or should you desire any assistance, please do not hesitate to call me.

Respectfully Submitted,



Brent W. Lee  
Certified Public Accountant  
Public School Accountant No. 700  
Brent W. Lee & Co., LLC

Cinnaminson, New Jersey  
December 3, 2019

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**ADDITIONAL INFORMATION**





**SCHEDULE OF MEAL COUNT ACTIVITY**

**WILLINGBORO TOWNSHIP SCHOOL DISTRICT  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - FEDERAL  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE	(OVER) UNDER CLAIM
National School Lunch (High Rate)	Paid	95,037	28,660	28,660		0.33	
National School Lunch (High Rate)	Reduced	39,078	11,770	11,770		2.93	
National School Lunch (High Rate)	Free	298,321	87,197	87,197		3.33	
	<b>TOTAL</b>	<u>432,436</u>	<u>127,627</u>	<u>127,627</u>			<u>          </u>
National School Lunch	HHFKA - PB Lunch Only	<u>437,028</u>	<u>136,967</u>	<u>136,967</u>		0.06	<u>          </u>
School Breakfast (Severe Needs Rate)	Paid	26,685	8,015	8,015		0.31	
	Reduced	14,947	5,011	5,011		1.84	
	Free	163,183	53,500	53,500		2.14	
	<b>TOTAL</b>	<u>204,815</u>	<u>66,526</u>	<u>66,526</u>			<u>          </u>
After School Snacks	Free (Area Eligible)	65,917	18,165	18,165	-	0.91	
<b>Total Net (Over)/under-claim</b>							<u>          </u>

**NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -STATE  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE	(OVER) UNDER CLAIM
State Reimbursement - National School Lunch (High Rate)	Paid	95,037	28,660	28,660		0.050	
State Reimbursement - National School Lunch (High Rate)	Reduced	39,078	11,770	11,770		0.055	
State Reimbursement - National School Lunch (High Rate)	Free	298,321	87,197	87,197		0.055	
	<b>TOTAL</b>	<u>432,436</u>	<u>127,627</u>	<u>127,627</u>			<u>          </u>
<b>Total Net (Over)/under-claim</b>							<u>          </u>

**WILLINGBORO TOWNSHIP SCHOOL DISTRICT**

**NET CASH RESOURCE SCHEDULE**

**Net cash resources did not exceed three months of expenditures  
Proprietary Funds - Food Service  
FYE 2019**

		<b>Food Service</b>	
		<b>B - 4/5</b>	
<b><u>Net Cash Resources:</u></b>			
<b>CAFR</b>	<b>*</b>	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	\$11,700
B-4		Interfund Accounts Receivable	68,689
B-4		Due from Other Gov'ts	310,385
B-4		Other Accounts Receivable	2,404
<b>CAFR</b>		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	210,460
B-4		Less Accruals	
B-4		Less Due to Other Funds	178,963
B-4		Less Unearned Revenue	
		<b>Net Cash Resources</b>	<b><u><u>\$3,755</u></u></b>

**(A)**

**Net Adj. Total Operating Expense:**

B-5	Tot. Operating Exp.	2,274,361	
B-5	Less Depreciation	<u>40,795</u>	
	Adj. Tot. Oper. Exp.	<b><u><u>\$ 2,233,566</u></u></b>	<b>(B)</b>

**Average Monthly Operating Expense:**

B / 10	<b><u><u>\$ 223,357</u></u></b>	<b>(C)</b>
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**Three times monthly Average:**

3 X C	<b><u><u>\$ 670,070</u></u></b>	<b>(D)</b>
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TOTAL IN BOX A	<u>\$3,755</u>
LESS TOTAL IN BOX D	<u>\$ 670,070</u>
NET	<b><u><u>(666,315)</u></u></b>

From above:

**A is greater than D, cash exceeds 3 X average monthly operating expenses.**

**D is greater than A, cash does not exceed 3 X average monthly operating expenses.**

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

SOURCE - USDA resource management comprehensive review form

**SCHEDULE OF AUDITED ENROLLMENTS (1)**

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2018**

	2018-2019 Application for State School Aid						Sample for Verification				Private Schools for Handicapped							
	Reported on		Workpapers		Errors		Selected From		Verified Per		Errors Per		Reported on		Sample for			
	A.S.S.A. On Roll	Shared	Full	Shared	Full	Shared	Workpapers Full	Shared	Registers On Roll	Shared	Full	Shared	A.S.S.A. Workpapers	Reported on	Workpapers	Errors	Sample Verified	Sample Errors
Full Day Preschool	243		243		24		29		29									
Full Day Kindergarten	246		246		29		28		28									
One	230		230		27		27		27									
Two	227		227		30		30		30									
Three	221		221		26		26		26									
Four	226		226		27		27		27									
Five	266		266		25		25		25									
Six	218		218		27		27		27									
Seven	208		208		28		28		28									
Eight	199		199		2		2		2									
Nine	106		106		4		4		4									
Ten	154		154		6		6		6									
Eleven	134		134		4		4		4									
Twelve	121		121															
Subtotal	2,799		2,799		287		287		287									
Sp Ed - Elementary	236		236		4		4		4				8		8		8	8
Sp Ed - Middle	136		136		3		3		3				13		13		8	8
Sp Ed - High School	175		175		1		1		1				17		17		17	17
Subtotal	547		547		8		8		8				38		38		33	33
Totals	3,346		3,346		295		295		295				38		38		33	33

Percentage Error

**SCHEDULE OF AUDITED ENROLLMENTS (2)**

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2018**

	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 & 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 Test Score and Register	Sample Errors
Full Day Kindergarten	92	92	46	46						
One	55	55	24	24						
Two	74	74	16	16						
Three	78	78	19	19		1	1	1	1	
Four	70	70	13	13						
Five	83	83	19	19						
Six	69	69	27	27		3	3	3	3	
Seven	74	74	27	27						
Eight	84	84	26	26						
Nine	30	30	7	7						
Ten	27	27	8	8						
Eleven	42	42	12	12		1	1			
Twelve	23	23	10	10		2	2	1	1	
Subtotal	801	801	254	254		7	7	5	5	

Sp Ed - Elementary	79									
Sp Ed - Middle	51									
Sp Ed - High School	73									
Subtotal	203	203								

Totals	1,004	1,004	254	254		7	7	5	5	
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Percentage Error

**TRANSPORTATION**

	Reported on		Sample for Verification			Reported on		Sample for Verification		
	DRTRS by DOE	DRTRS on District	Sample Selected From Workpapers	Verified to Application & Register	Sample Errors	DRTRS by DOE	DRTRS on District	Sample Selected From Workpapers	Verified to Test Score and Register	Sample Errors
Regular - Public Schools Col 1	1,485	1,485								
Regular - Special Ed Col 4	302	302								
Transported - Nonpublic Col 2	159	159								
Transported - Nonpublic AIL Col 3	172	172								
Special Needs - Public Col 6	92	92								
Totals	2,210	2,210		284	284		284	284		

Percentage Errors

- 0 -

**SCHEDULE OF AUDITED ENROLLMENTS (3)**

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2017**

	<b>Resident LEP NOT Low Income</b>			<b>Sample for Verification</b>		
	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 & Register	Sample Errors
Full Day Kindergarten						
One	3		3	2	2	
Two	2		2	2	2	
Three	6		6	2	2	
Four	2		2	2	2	
Five	5		5	3	3	
Six	3		3	3	3	
Seven	3		3	2	2	
Eight	5		5	5	5	
Nine	2		2	2	2	
Ten	3		3	2	2	
Eleven	3		3	2	2	
Twelve	3		3	3	3	
Subtotal	40		40	30	30	
Sp Ed - Elementary	6		6	5	5	
Sp Ed - Middle						
Sp Ed - High School						
Subtotal	6		6	5	5	
Totals	46		46	35	35	
Percentage Error			100%			

**EXCESS SURPLUS CALCULATION**

**REGULAR DISTRICT**

**SECTION 1**

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

2018-19 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>75,340,790</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	\$ <u>450,356</u> (B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ <u>                    </u> (B1b)
Transfer from General Fund to SRF for PreK-Regular	\$ <u>                    </u> (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$ <u>                    </u> (B1d)
Decrease by:	
On-Behalf TPAF Pension & Social Security	\$ <u>8,378,541</u> (B2a)
Assets Acquired Under Capital Leases	\$ <u>79,894</u> (B2b)
Adjusted 2018-19 General Fund Expenditures {(B)+(B1s)-(B2s)}	\$ <u><u>67,332,711</u></u> (B3)
2% of adjusted 2018-19 General Fund Expenditures {(B3) times .02}	\$ <u>1,346,654</u> (B4)
Enter Greater of (B4) or \$250,000	\$ <u>1,346,654</u> (B5)
Increased by: Allowable Adjustment *	\$ <u>1,101,339</u> (K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]	\$ <u><u>2,447,993</u></u> (M)

**SECTION 2**

Total General Fund - Fund Balance @6-30-19 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>9,835,695</u> (C)
Decreased by:	
Reserved for Encumbrances	\$ <u>181,305</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ <u>751,836</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>2,341,903</u> (C3)
Other Reserved Fund Balances ****	\$ <u>978,769</u> (C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ <u>                    </u> (C5)
Total Unassigned Fund Balance {(C)-(C1)-(C2)-(C3)-(C4)-(C5)}	\$ <u>5,581,882</u> (U1)

**SECTION 3**

Reserved Fund Balance - Excess Surplus *** {(U1)-(M)} IF NEGATIVE ENTER -0-	\$ <u>\$3,133,889</u> (E)
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**Recapitulation of excess surplus as of June 30, 2019**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>2,341,903</u> (C3)
Reserved Excess Surplus *** {(E)}	\$ <u>3,133,889</u> (E)
Total Excess Surplus {(C3) + (E)}	\$ <u><u>\$5,475,792</u></u> (D)

**REGULAR DISTRICT (continued):**

**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, effective for the year ending June 30, 2017 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 to the portion of Federal Impact 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	\$ <u>1,041,004</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>60,335</u> (J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____ (J3)
Family Crisis Transportation Aid	\$ _____ (J4)
 Total Adjustments {(H)+(I)+J1)+(J2)+(J3)+(J4)}	 \$ <u>1,101,339</u> (K)

\*\* This amount represents the June 30, 2019 Excess Surplus (C3 above) and must be included in the Audit Summary Line 90031.

\*\*\* Amounts must agree to the June 30, 2019 CAFR and the sum of the two lines must agree to Audit Summary Line 90030

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

\*\*\*\*\* Increase in Assigned Fund Balance- Unreserved- Designated for Subsequent Year's expenditures July 1, 2019 to August 1, 2019 resulting from decrease in State Aid after adoption of 2019-2020 district budget.

**Detail of Other Reserved Fund Balance**

Statutory Restrictions:	
Approved Unspent Separate Proposal	\$ _____
Sale/Lease-Back Reserve	\$ _____
Capital Reserve	\$ <u>\$978,769</u>
Maintenance Reserve	\$ _____
Emergency Reserve	\$ _____
Tuition Reserve	\$ _____
School Bus Advertising 50% Fuel Offset Reserve - current year	\$ _____
Other State/Government Mandated Reserve	\$ _____
{Other Reserved Fund Balance Not Noted Above} *****	\$ _____
 Total Other Reserved Fund Balance	 \$ <u>\$978,769</u> (C4)

**AUDIT RECOMMENDATIONS SUMMARY**  
For the Fiscal Year Ended June 30, 2019  
**WILLINGBORO PUBLIC SCHOOL DISTRICT**

RECOMMENDATIONS:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

Finding 2019-01:

Approved budgetary line accounts should not be over-expended. All year to date expenditures must be posted timely along with executing approved budget transfers in order to cover such costs in order to be in compliance with N.J.A.C. 6A:23A-16.10.

Finding 2019-02:

The District should have approved a resolution to establish a capital reserve account in order to be in compliance with N.J.A.C. 6A:23A-14.1 as required.

3. School Purchasing Program

None

4. School Food Service

None

5. Student Body Activities

Finding 2019-03:

The Twin Hills School Student Activity bank account be completed timely and on a monthly basis.

6.

Application for State School Aid

None

7.

Pupil Transportation

None

8.

Miscellaneous

None

9.



Status of Prior Year Audit Findings/Recommendations

Finding 2018-01:

Condition:

Fifteen budgetary line accounts were overexpended totaling \$179,818.

Current Status:

This condition has not been corrected. Refer to Finding 2019-01.

Finding 2018-02:

The District did not adhere to its internal control procedures that are designed to reconcile the general ledger with other subsidiary records as required by N.J.A.C. 6A:23-A-6.1.

Current Status:

This condition has been corrected.

Finding 2018-03:

The District's fixed assets ledger is not being properly reconciled to the District's financial statements. \$859,361 of fixed assets purchased during 2016/2017 and 2017/2018 school years have not been recorded in the District's fixed asset ledger.

Current Status:

This condition has been corrected.

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