

**BOARD OF EDUCATION OF THE  
TOWNSHIP OF EVESHAM SCHOOL DISTRICT  
COUNTY OF BURLINGTON**

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

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2020**

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
Auditor's Management Report on Administrative  
Findings - Financial, Compliance and Performance

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

The Honorable President and  
Members of the Board of Education  
Township of Evesham School District  
County of Burlington, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Township of Evesham School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2020, which were separately issued in the Comprehensive Annual Financial Report dated January 25, 2021.

As part of our audit, we also 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 issued in conjunction with the Comprehensive Annual Financial Report of the Board of Education of the Township of Evesham School District, for the fiscal year ended June 30, 2020, and is intended for the information of the School District's management and the Office of School Finance, Department of Education, State of New Jersey. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Daniel M. DiGangi*

Daniel M. DiGangi  
Certified Public Accountant  
Public School Accountant No. CS 002376

Voorhees, New Jersey  
January 25, 2021

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

**SCOPE OF AUDIT**

The audit covered the financial transactions of the Board Secretary / School Business Administrator and the Accounting Manager, 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 Comprehensive Annual Financial Report ("CAFR").

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
John Recchinti	Board Secretary / School Business Administrator	\$100,000.00

The School District maintains crime coverage through the Burlington County Joint Insurance Fund with \$500,000.00 of coverage and a \$500.00 deductible.

**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 costs in accordance with N.J.A.C. 6A:23A-17.1(f)3.

**FINANCIAL PLANNING, ACCOUNTING, AND REPORTING**

**Examination of Claims**

Sampled claims paid during the fiscal year under audit did not indicate any reportable noncompliance with respect to signatures, certification, or supporting documentation.

**Payroll Account**

The net salaries of sampled employees of the School District were deposited in the Net Payroll Account. Employees' payroll deductions and the employer's share of fringe benefits were deposited in the Agency Payroll Account.

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

Sampled salary withholdings were promptly remitted to the proper agencies, including health benefit premium withholdings due to the General Fund.

Payrolls were delivered to the Board Secretary / School Business Administrator who then deposited warrants in separate bank accounts for net payroll and withholdings.

**FINANCIAL PLANNING, ACCOUNTING, AND REPORTING (CONT'D)**

**Employee Position Control Roster**

A sample of the Employee Position Control Roster indicated that it was in satisfactory condition and was approved by the county office submission with the 2019-2020 budget review checklist.

**Encumbrances and Accounts Payable**

A sample of outstanding issued purchase orders was made as of June 30 for proper classification of orders as encumbrances and accounts payable. Our sample did not indicate any reportable noncompliance with respect to classification of orders.

**Travel**

A sample of travel expenditures during the fiscal year under audit did not indicate any reportable noncompliance.

**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 randomly sampled expenditure transactions. We also tested the coding of all expenditures included in our compliance and single audit sampling procedures. In addition, a sample was selected that specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. Our samples did not indicate any reportable noncompliance with respect to classification of expenditures.

**Board Secretary's Records**

Our audit of the financial and accounting records maintained by the Board Secretary indicated that they were in satisfactory condition.

**Accounting Manager's Records**

Our audit of the financial and accounting records maintained by the Accounting Manager indicated that they were in satisfactory condition.

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

The E.S.S.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 Titles I, II, III and IV of the Elementary and Secondary Education Act as amended and reauthorized.

The audit of compliance for E.S.S.A. did not indicate any reportable noncompliance.

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

The School District's Other Special Projects were approved as listed on Exhibits K-3 and K-4 located in the CAFR.

Our audit of the federal and state funds on a sample 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 other special projects.

The audit of compliance for Other Special Projects did not indicate any reportable noncompliance.

**FINANCIAL PLANNING, ACCOUNTING, AND REPORTING (CONT'D)**

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

Our audit procedures included a sample of the biweekly reimbursements filed with the Department of Education for School 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 Reports 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 the school contracts in general, are available on the following website: <https://www.state.nj.us/dca/divisions/dlgs/programs/lpcl.html>

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

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$40,000.00 (with a Qualified Purchasing Agent) and \$29,000.00 (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 \$19,000.00 for 2019-20.

The School District's 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 audit, 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**

**COVID-19 Emergency**

In accordance with the Governor's Declaration of Emergency pertaining to the COVID 19 Virus all public, charter, non-public schools were ordered to close effective as of March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, school food authorities (SFA) were required to institute alternate procedures to provide meals to free and reduced price eligible students during the period of school closures.

Therefore, 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 free and reduced price meal eligible students.

**SCHOOL FOOD SERVICE (CONT'D)**

**COVID-19 Emergency**

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 free and reduced price meal eligible students during the emergency.

We also inquired of management about the emergency COVID-19 procedures / practices that the SFA instituted to provide meals to eligible students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations.

The financial transactions and statistical records of the school food service fund were audited. The financial accounts, meal count records, and eligibility applications were tested on a sample basis. No exceptions were noted.

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

Expenditures should be separately recorded as food, labor, and other costs. Vendor invoices were sampled 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.

***Finding No. 2020-001 (CAFR Finding No. 2020-001)***

The School District's Food Service Fund Net Cash Resources exceeded its three months average expenditures by \$93,010.94.

***Recommendation***

That the School District develop a plan to reduce the Food Services Fund's Net Cash Resources below its three month average expenditures.

Sampled time sheets were tested and labor costs verified. Payroll records were maintained on all sampled school food service employees authorized by the School District. 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.

Sampled applications for free and reduced price meals were tested for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications and / 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 inspected 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 audit.

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 exhibit B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

**SCHOOL FOOD SERVICE (CONT'D)**

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section G of the CAFR.

**STUDENT BODY ACTIVITIES**

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

**APPLICATION FOR STATE SCHOOL AID**

Our audit procedures included a sample of information reported in the October 15, 2019 Application for State School Aid ("A.S.S.A.") for on-roll, private schools for the disabled, low-income, and bilingual. We also performed an inspection of the School District procedures related to its completion. The information on the A.S.S.A. 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 or their equivalent.

The School District has adequate written procedures for the recording of student enrollment data.

**PUPIL TRANSPORTATION**

Our audit procedures included a sample of on-roll status reported in the 2019-2020 District Report of Transported Resident Students ("DRTRS"). The information that was reported 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 related contracts and purchases. Based on our sample, the School District complied with proper bidding procedures and award of contracts. No exceptions were noted in our sample of transportation related purchases of goods and services.

**FACILITIES AND CAPITAL ASSETS**

Our audit of the financial and accounting records for facilities and capital assets indicated that they were in satisfactory condition.

**MISCELLANEOUS**

**Continuing Disclosure Agreements**

The School District complied with its most recent continuing disclosure agreements made in relation to prior year bond issuances.

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

The School District complied with all the requirements of N.J.A.C. 6A: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'S FINDINGS**

There were no audit findings for the fiscal year ended June 30, 2019.

There were no Office of Fiscal Accountability and Compliance audit reports issued during the fiscal year ended June 30, 2020.

**ACKNOWLEDGMENT**

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

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Daniel M DiGangi*

Daniel M. DiGangi  
Public School Accountant No. 002376

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Schedule of Meal Count Activity  
 Food Service Fund  
 Number of Meals Served and (Over) / Underclaim - Federal  
 Enterprise Fund  
 For the Fiscal Year Ended June 30, 2020

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>Estimated (Over) / Under Claim</u>
National School Lunch (Regular Rate)	Paid	121,233	9,417	9,417	-	\$ 0.32	\$ -
	Reduced	7,900	644	644	-	3.01	-
	Free	<u>25,771</u>	<u>1,929</u>	<u>1,929</u>	<u>-</u>	3.41	<u>-</u>
	Total	<u>154,904</u>	<u>11,990</u>	<u>11,990</u>	<u>-</u>		<u>-</u>
National School Lunch	HHFKA - PB Lunch Only	<u>154,904</u>	<u>11,990</u>	<u>11,990</u>	<u>-</u>	0.07	<u>-</u>
School Breakfast (Regular Rate)	Paid	2,096	188	188	-	0.31	-
	Reduced	888	67	67	-	1.54	-
	Free	<u>6,901</u>	<u>357</u>	<u>357</u>	<u>-</u>	1.84	<u>-</u>
	Total	<u>9,885</u>	<u>612</u>	<u>612</u>	<u>-</u>		<u>-</u>
Total Net Underclaim / (Overclaim)							<u>\$ -</u>

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Schedule of Net Cash Resources  
 Net Cash Resources Did Exceed Three Months of Expenditures  
 Proprietary Funds - Food Service Fund  
 For the Fiscal Year Ended June 30, 2020

<u>Net Cash Resources:</u>		<b>Food Service B - 4/5</b>	
<b>CAFR</b>	<b>Current Assets</b>		
B-4	Cash & Cash Equivalents	\$ 416,075.65	
B-4	Due from Other Governments	3,461.50	
B-4	Due from Other Funds		
B-4	Accounts Receivable	3,537.07	
<b>CAFR</b>	<b>Current Liabilities</b>		
B-4	Less Accounts Payable		
B-4	Less Accruals		
B-4	Less Due to Other Funds		
B-4	Less Unearned Revenue	(58,000.41)	
	<b>Net Cash Resources</b>	<b>\$ 365,073.81</b>	<b>(A)</b>

**Net Adjusted Total Operating Expense:**

B-5	Total Operating Expenditures	\$ 922,741.82	
B-5	Less Depreciation	(15,865.57)	
	<b>Adjusted Total Operating Expense</b>	<b>\$ 906,876.25</b>	<b>(B)</b>

**Average Monthly Operating Expense:**

B / 10	<b>\$ 90,687.63</b>	<b>(C)</b>
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**Three Times Monthly Average:**

3 X C	<b>\$ 272,062.88</b>	<b>(D)</b>
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TOTAL IN BOX A	\$ 365,073.81
LESS TOTAL IN BOX D	\$ 272,062.88
NET	\$ 93,010.94

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

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Application for State School Aid Summary  
 Schedule of Audited Enrollments  
 Enrollment as of October 15, 2019

	2020-2021 Application for State School Aid						Sample for Verification						Private Schools for the Disabled											
	Reported on A.S.S.A. On Roll			Reported on Workpapers On Roll			Sample Selected from Workpapers			Verified per Registers On Roll			Errors per Registers On Roll			Reported as Private Schools		Sample Verification		Sample Errors				
	Full	Shared		Full	Shared		Full	Shared		Full	Shared		Full	Shared		Full	Shared	Full	Shared	Full	Shared			
Half Day Preschool	79			79			79					79												
Full Day Preschool	398			398			79					79												
Half Day Kindergarten		195			195		34					34												
Full Day Kindergarten							50					50												
One	414			414			66					66												
Two	378			378			66					66												
Three	396			396			66					66												
Four	412			412			64					64												
Five	379			379			44					44												
Six	427			427			207					207												
Seven	412			412			207					207												
Eight	419			419			223					223												
Nine																								
Ten																								
Eleven																								
Twelve																								
Post-Graduate																								
Adult H.S. (15+CR.)																								
Adult H.S. (1-14CR.)																								
Subtotal	3,714	195		3,714	195		1,119					1,119												
Special Education-Elementary	418			418			10					10												
Special Education-Middle School	330			330			33					33												
Special Education-High School																								
Subtotal	748			748			43					43												
Co. Voc. - Regular																								
Co. Voc. Ft. Post Sec.																								
Subtotal																								
Totals	4,462	195		4,462	195		1,162					1,162												
Percentage Error																								

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Application for State School Aid Summary  
 Schedule of Audited Enrollments  
 Enrollment as of October 15, 2019

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.A. as Low Income	Reported on 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 Application and Register	Sample Errors
Half Day Preschool	21	21		7	7		2	2		1	1	
Full Day Preschool	1.5	1.5		0.5	0.5		0.5	0.5		1	1	
Half Day Kindergarten	32	32		15	15		1	1		1	1	
One	32	32		9	9							
Two	34	34		13	13		3	3		3	3	
Three	48	48		16	16		1	1		1	1	
Four	39	39		10	10		1	1		1	1	
Five	38	38		23	23							
Six	44	44		24	24		1	1		1	1	
Seven	41	41		22	22							
Eight												
Nine												
Ten												
Eleven												
Twelve												
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14CR.)												
<b>Subtotal</b>	<b>330.5</b>	<b>330.5</b>	<b>-</b>	<b>140</b>	<b>140</b>	<b>-</b>	<b>9.5</b>	<b>9.5</b>	<b>-</b>	<b>9</b>	<b>9</b>	<b>-</b>
Special Education-Elementary	71	71		20	20							
Special Education-Middle School	63	63		50	50		1	1		1	1	
Special Education-High School												
<b>Subtotal</b>	<b>134</b>	<b>134</b>	<b>-</b>	<b>70</b>	<b>70</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>
Co. Voc. - Regular												
Co. Voc. Ft. Post.Sec.												
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Totals</b>	<b>464.5</b>	<b>464.5</b>	<b>-</b>	<b>209.5</b>	<b>209.5</b>	<b>-</b>	<b>10.5</b>	<b>10.5</b>	<b>-</b>	<b>10</b>	<b>10</b>	<b>-</b>
Percentage Error												
Transportation												
	Reported on DRTS by DOE/County	Reported on DRTS by District	Errors	Tested	Verified	Errors				Reported	Re-Calculated	
Reg. - Public Schools, Col. 1	1,689	1,689		218	218					3.6	3.6	
Reg. - SpEd, Col. 4	55	55		7	7					3.6	3.6	
Transported - Non-Public, Col. 2	206	206		27	27					3.3	3.3	
Special Needs, Col. 6	205	205		27	27							
<b>Totals</b>	<b>2,155</b>	<b>2,155</b>	<b>-</b>	<b>279</b>	<b>279</b>	<b>-</b>						
Percentage Error												

Reg. Avg. (Mileage) = Regular Including Grade PK students (Part A)  
 Reg. Avg. (Mileage) = Regular Excluding Grade PK students (Part B)  
 Spec. Avg. (Mileage) = Special Ed. with Special Needs

**TOWNSHIP OF EVESHAM SCHOOL DISTRICT**  
 Application for State School Aid Summary  
 Schedule of Audited Enrollments  
 Enrollment as of October 15, 2019

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool	3	3		2	2	
Full Day Preschool	0.5	0.5		1	1	
Half Day Kindergarten	8	8		6	6	
Full Day Kindergarten	4	4		4	4	
One	2	2		2	2	
Two	6	6		4	4	
Three	2	2		1	1	
Four	2	2		2	2	
Five	2	2		1	1	
Six	2	2		2	2	
Seven						
Eight						
Nine						
Ten						
Eleven						
Twelve						
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14CR.)						
Subtotal	27.5	27.5	-	22	22	-
Special Education-Elementary	2	2		2	2	
Special Education-Middle School	1	1		1	1	
Special Education-High School						
Subtotal	3	3	-	3	3	-
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Subtotal	-	-	-	-	-	-
Totals	30.5	30.5	-	25	25	-
Percentage Error			-			-

**EXCESS SURPLUS CALCULATION**

**REGULAR DISTRICT / CHARTER SCHOOL / RENAISSANCE SCHOOL PROJECT**

**SECTION 1**

**2% Calculation of Excess Surplus**

2019-20 Total General Fund Expenditures Reported on CAFR Exhibit C-1	\$ 88,524,490.45 (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	_____ (B1a)
Transfer from Capital Reserve to Capital Projects Fund	_____ (B1b)
Transfer from General Fund to SRF for PreK-Regular	_____ (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	_____ (B1d)
Decreased by:	
On-Behalf TPAF Pension & Social Security	11,996,850.74 (B2a)
Assets Acquired Under Capital Leases	593,172.00 (B2b)
Adjusted 2019-20 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ 75,934,467.71 (B3)
2% of Adjusted 2019-20 General Fund Expenditures [(B3) times .02]	\$ 1,518,689.35 (B4)
Enter Greater of (B4) or \$250,000	1,518,689.35 (B5)
Increased by: Allowable Adjustment *	200,125.00 (K)
Maximum Unassigned Fund Balance [(B5) + (K)]	\$ 1,718,814.35 (M)

**SECTION 2**

Total General Fund - Fund Balances at June 30, 2020 (Per CAFR Budgetary Comparison Schedule, Ex. C-1)	\$ 6,719,599.57 (C)
Decreased by:	
Year-End Encumbrances	192,292.84 (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	_____ (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	925,180.47 (C3)
Other Restricted Fund Balances ****	2,303,085.78 (C4)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	1,223,006.53 (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ 2,076,033.95 (U1)

**SECTION 3**

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER -0-	\$ 357,219.60 (E)
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**Recapitulation of Excess Surplus as of June 30, 2020**

Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 925,180.47 (C3)
Restricted - Excess Surplus *** [(E)]	357,219.60 (E)
Total Excess Surplus [(C3)+(E)]	\$ 1,282,400.07 (D)

**EXCESS SURPLUS CALCULATION (CONT'D)**

**REGULAR DISTRICT / CHARTER SCHOOL / RENAISSANCE SCHOOL PROJECT**

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 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.

Notes to auditor: Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid, and Additional Nonpublic School Transportation Aid.

**Detail of Allowable Adjustments**

Federal Impact Aid	_____ (H)
Sale & Lease-back	_____ (I)
Extraordinary Aid	\$ 193,811.00 (J1)
Additional Nonpublic School Transportation Aid	6,314.00 (J2)
Current Year School Bus Advertising Revenue Recognized	_____ (J3)
Family Crisis Transportation Aid	_____ (J4)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	 <u>\$ 200,125.00 (K)</u>

\*\* This amount represents the June 30, 2019 Excess Surplus (C3 above) and must be included in the Audit Summary Line 90031. This amount was to be appropriated in the 2019-2020 general fund budget.

\*\*\* Amounts must agree to the June 30, 2020 CAFR 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 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.

**Detail of Other Restricted Fund Balance**

Statutory restrictions:

Approved unspent separate proposal	_____
Sale/lease-back reserve	_____
Capital reserve	\$ 1,027,772.44
Maintenance reserve	1,190,008.77
Emergency reserve	85,304.57
Tuition reserve	_____
School bus advertising 50% fuel offset reserve - current year	_____
School bus advertising 50% fuel offset reserve - prior year	_____
Impact Aid General Fund Reserve (Sections 8002 and 8003)	_____
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	_____
Other state/government mandated reserves	_____
[Other Restricted Fund Balance not noted above]****	_____
 Total Other Restricted Fund Balance	 <u>\$ 2,303,085.78 (C4)</u>



**BOARD OF EDUCATION OF THE  
TOWNSHIP OF EVESHAM SCHOOL DISTRICT**

**AUDIT RECOMMENDATIONS SUMMARY  
For the Fiscal Year Ended June 30, 2020**

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Programs

None

4. School Food Service

That the School District develop a plan to reduce the Food Service Fund's Net Cash Resources below its three month average expenditures.

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

There were no audit findings for the prior fiscal year.