

**GREENWICH TOWNSHIP SCHOOL DISTRICT**

**Greenwich, New Jersey**

**Auditor's Management Report on Administrative  
Findings, Financial, Compliance and Performance  
For the Year Ended June 30, 2020**

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

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# NIGHTLINGER, COLAVITA & VOLPA

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## REPORT OF INDEPENDENT AUDITORS

Honorable President and  
Members of the Board of Education  
Greenwich Township School District  
Cumberland County, New Jersey

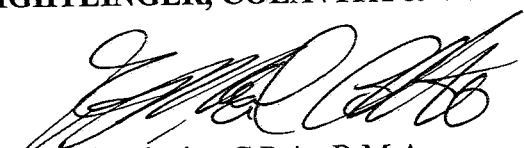
We have audited, in accordance with generally accepted audit standards and **Government Auditing Standards** issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Greenwich Township School District in the County of Cumberland for the year ended June 30, 2020, and have issued our report thereon dated December 23, 2020.

As part of our audit, we performed procedures required by the Division of Administration and Finance, 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 Greenwich Township School District, for the fiscal year ended June 30, 2020 and is intended for the information of the 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,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**



Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915  
December 23, 2020

## **ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING**

### **Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, the activities of the Board of Education, and the records of the various funds under the auspices of the Board of Education.

### **ADMINISTRATIVE PRACTICES AND PROCEDURES**

#### **Insurance**

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

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Susan G. Robostello	Treasurer	\$ 130,000

#### **Tuition Charges**

These charges represent payments from parents of students not residing in the school district.

#### **District Internal Control Policies**

District boards of education and administration are responsible for developing internal controls policies and procedures and maintaining a strong internal control environment. N.J.A.C. 6A:23A-6.4 requires that the district's internal control policies include specific requirements at N.J.A.C. 6A:23A-6.5 through 6.13.

All Internal Control Policies were found in accordance with N.J.A.C. 6A:23A-6.5 through 6.13.

## **FINANCIAL PLANNING, ACCOUNTING AND REPORTING**

### **Examination of Claims**

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

### **Certification of Income Tax Compliance**

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (Superintendent and Business Administrator) to the N.J. Department of Treasury was filed by the March 15 due date.

## **Financial Planning, Accounting and Reporting (Continued)**

### **Payroll Account**

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

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

Salary withholdings were promptly remitted to the proper agencies, including health benefit premiums. Amounts withheld and due to the general fund.

Payrolls were delivered to the treasurer of school moneys with a warrant made to her order for the full amount of each payroll.

### **Employee Position Control Roster**

An inquiry and subsequent review of the Position Control Roster did not find any discrepancies between the payroll records, employee benefit records, the general ledger accounts to where wages are posted, and the Position Control Roster.

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

A review of outstanding issued purchase orders was made as of June 30, 2020 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, 2020.

### **Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A:23A-16.2(f)* as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-8.3*. As a result of the procedures performed, a transaction error rate of 0% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

**A. General Classification Findings: None**

**B. Administrative Classification Findings: None**

## **Financial Planning, Accounting and Reporting (Continued)**

### **Board Secretary's Records**

The financial records, books of accounts maintained by the Secretary were in satisfactory condition.

Acknowledgment of the Board's receipt of the Board Secretary's and Treasurer's monthly financial reports was included in the minutes.

Monthly financial certificates of the Board Secretary and Board of Education for positive line item account status certifications (N.J.A.C. 6:2-2.13) were performed. Budgetary line item account transfers were approved monthly to cover any anticipated deficits.

Purchase orders were charged to the appropriate line item accounts in accordance with the State prescribed **Uniform Minimum Chart of Accounts (2R2) for New Jersey Public School.**

### **Treasurer's Records**

The Treasurer prepared cash reconciliations for the general operating account, payroll account and payroll agency account per N.J.S.A.18A:17-9.

All cash receipts were promptly deposited. (N.J.S.A.18A:17-34, 18A:17-9.1)

The Treasurer's records were in agreement with the records of the Board Secretary.

The Treasurer filed her reports in a timely manner.

### **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 Titles I, II and IV of the Elementary and Secondary Education Act as amended and reauthorized.

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

### **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.**

Our audit of the federal and state funds on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

### **Other Special Federal and/or State Projects (Continued)**

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 items of noncompliance and/or questioned costs.

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

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

### **TPAF Reimbursement to the State for Federal Salary Expenditures**

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

## **SCHOOL PURCHASING PROGRAMS**

### **Contracts and Agreements Requiring Advertisement for Bids**

**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 are 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.

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 currently \$19,000 for 2019-20.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal 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.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

## **SCHOOL PURCHASING PROGRAMS (Continued)**

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

Based on the results of our examination, 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 provisions of N.J.S.A. 18A:18A-4, amended.

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

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977; therefore, the extent of such purchases could not reasonably be ascertained. Our examination did not reveal any purchases by state contract. The review of contracts and agreements did not disclose any areas of statutory noncompliance.

Although a particular contract is exempt from the formal requirements of public advertising and competitive bidding, N.J.S.A. 18A:18A-37 requires that quotations be obtained, whenever practical, for any contract less than the bid threshold but 15% or more of that amount, except for contracts for professional services. All contracts and agreements, which are subject to quotations, shall be awarded on the basis of the lowest responsible quotation received, which is most advantageous to the Board of Education, price and other factors considered.

### **School Food Service**

The school food service program was not selected as a major federal and/or State program and expended less than \$100,000 in Federal and/or State Support for its Child Nutrition Program.

#### **Finding 2020-1 (CAFR Finding 2020-1)**

Net cash resources in the Food Service Fund exceeded three months average expenditures.

#### **Recommendation**

The Board should implement a corrective action plan to effectively reduce the net cash resources on hand in the Food Service Fund through capital expenditure or otherwise.

#### **Finding 2020-2**

Various receipt and expenditures were not adequately recorded in order to provide an accurate bank reconciliation or amount payable to the district supplying meals.



## **School Food Service (Continued)**

### **Recommendation**

Procedures to document and record meal service, deposits, and the breakout of expenditures should be reviewed and revised, in order to provide the necessary expenditure allocation, bank reconciliation, and account payable.

### **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.

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.

### **Student Body Activities**

The Board has a policy, which clearly established the regulation of student activity funds.

All receipts appeared to be deposited promptly in the bank.

A monthly report of student activity funds is being submitted to the Board. Vouchers and supporting invoices were maintained for the student activity fund purchases. All disbursements appeared to be supported by appropriate documentation.

### **Finding 2020-3**

A bank reconciliation was not available for the student activity fund.

### **Recommendation**

The procedures should be reviewed and revised in order to provide a student activity bank reconciliation in the Treasurer's report

### **Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2019 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, and low-income. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers without exception. The information that was included on the workpapers was verified, with one exception. There was one LEP student reported that was no longer attending the Greenwich School District. No other exceptions were noted and a recommendation was not warranted. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

### **Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2019-2020 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 review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

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

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

### **Facilities and Capital Assets**

The general fixed asset records are required to be updated each year though implementation of in-house software or an outside vendor.

Our procedures included inquiry as to SDA grant agreements, if any, for consistency with recording SDA revenue, transfer of local funds from the general fund or from the capital reserve account and awarding of contracts for eligible facilities construction. There were no existing NJSDA grants during 2019-20.

### **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, our procedures included a review of all prior year recommendations. Corrective action had been taken on all prior year findings.

**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,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**



Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915

# NET CASH RESOURCE SCHEDULE

Net cash resources did exceed three months of expenditures  
Proprietary Funds - Food Service  
FYE 2020  
Greenwich Township School District

<u>Net Cash Resources:</u>			Food Service B - 4/5	
CAFR	*	<b>Current Assets</b>		
B-4		Cash & Cash Equiv.	\$ 22,228.00	
B-4		Due from Other Gov'ts	43,530.00	
B-4		Accounts Receivable	51.00	
B-4		Investments		
CAFR		<b>Current Liabilities</b>		
B-4		Less Accounts Payable	(24,422.00)	
B-4		Less Accruals		
B-4		Less Due to Other Funds		
B-4		Less Deferred Revenue	<u>(1,015.00)</u>	
		<b>Net Cash Resources</b>	<u>\$ 40,372.00</u>	(A)

Net Adj. Total Operating Expense:

B-5		Tot. Operating Exp.	45,501.00	
B-5		Less Depreciation	<u>                    </u>	
		Adj. Tot. Oper. Exp.	<u>\$ 45,501.00</u>	(B)

Average Monthly Operating Expense:

B / 10		<u>\$ 4,550.10</u>	(C)
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Three times monthly Average:

3 X C		<u>\$ 13,650.30</u>	(D)
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TOTAL IN BOX A	\$ 40,372.00
LESS TOTAL IN BOX D	\$ 13,650.30
NET	<u>\$ 26,721.70</u>

From above:

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

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

SOURCE - USDA resource management comprehensive review form

**SCHEDULE OF MEAL COUNT ACTIVITY**  
**GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**FOOD SERVICE FUND**  
**NUMBER OF MEALS/MILKS SERVED AND (OVER)/UNDERCLAIM-FEDERAL**  
**ENTERPRISE FUNDS**  
**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>(OVER) UNDER CLAIM (b)</u>
National School Lunch (Severe Need Rate)	Paid	2,739	2,739	2,739		\$ 0.32	\$
	Reduced	517	517	517		3.01	
	Free	3,736	3,736	3,736		3.41	
	<b>TOTAL</b>	<b>6,992</b>	<b>6,992</b>	<b>6,992</b>			
	HHFKA - PB Lunch Only	6,992	6,992	6,992		0.06	
School Breakfast (Severe Need Rate)	Paid	833	833	833		0.31	
	Reduced	347	347	347		1.90	
	Free	2,288	2,288	2,338	50	2.20	110.00
	<b>TOTAL</b>	<b>3,468</b>	<b>3,468</b>	<b>3,518</b>	<b>50</b>		<b>110.00</b>
	After School Snack	Paid					0.08
Reduced						0.45	
Free						0.91	
<b>Total Net Under Claim</b>							<b>\$ 110.00</b>

**SCHEDULE OF MEAL COUNT ACTIVITY**  
**GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**FOOD SERVICE FUND**  
**NUMBER OF MEALS/MILKS SERVED AND (OVER)/UNDERCLAIM-STATE**  
**ENTERPRISE FUNDS**  
**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>(OVER) UNDER CLAIM</u>
State Reimbursement - National School Lunch (Regular Rate)	Paid	2,739	2,739	2,739	0	\$ 0.050	\$ 0.00
	Reduced	517	517	517	0	0.055	0.00
	Free	3,736	3,736	3,736	0	0.055	0.00
	<b>TOTAL</b>	<u>6,992</u>	<u>6,992</u>	<u>6,992</u>			
	<b>Total Net Overclaim</b>						<u>\$ 0.00</u>

**SCHEDULE OF AUDITED ENROLLMENTS**

**GREENWICH TOWNSHIP SCHOOL DISTRICT  
APPLICATION OR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2019**

	2020-2021 APPLICATION FOR STATE SCHOOL AID						SAMPLE FOR VERIFICATION						PRIVATE SCHOOLS FOR DISABLED			
	Reported On A.S.S.A. On Roll		Reported On Workpapers On Roll		Errors		Sample Selected From Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported On A.S.S.A. as			
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Private Schools	Sample for Verification	Sample Verified	Sample Errors
Full Day PK 3 YR Olds	3		3				2		2							
Full Day PK 4 YR Olds	7		7				5		5							
Full Day Kindergarten	8		8				6		6							
One	7		7				5		5							
Two	11		11				8		8							
Three	7		7				5		5							
Four	4		4				3		3							
Five	5		5				4		4							
Six	6		6				5		5							
Seven	8		8				6		6							
Eight	11		11				8		8							
Subtotal	77	0	77	0	0	0	57	0	57	0	0	0	0	0	0	0
Special Ed - Elementary	4		4				3		3							
Special Ed - Middle	3		3				2		2							
Special Ed - High																
Subtotal	7	0	7	0	0	0	5	0	5	0	0	0	0	0	0	0
Totals	84	0	84	0	0	0	62	0	62	0	0	0	0	0	0	0
Percentage Error					0.00%	0.00%				0.00%	0.00%					0.00%

**SCHEDULE OF AUDITED ENROLLMENTS**

**GREENWICH TOWNSHIP SCHOOL DISTRICT  
APPLICATION OR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2019**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported On A.S.S.A. as Low Income	Reported On Workpapers as Low Income	Errors	Sample Selected From Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected From Workpapers	Verified to Test Score and Register	Sample Errors
Full Day Kindergarten	2	2		2	2							
One	4	4		3	3							
Two	6	6		5	5							
Three	2	2		2	2							
Four	2	2		2	2							
Five	1	1		1	1							
Six	2	2		2	2							
Seven	2	2		2	2							
Eight	3	3		3	3							
Subtotal	24	24	0	22	22	0	0	0	0	0	0	0
Special Ed - Elementary	3	3		3	3		1	1		1	0	1
Special Ed - Middle	3	3		3	3							
Special Ed - High												
Subtotal	6	6	0	6	6	0	1	1	0	1	0	1
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	30	30	0	28	28	0	1	1	0	1	0	1
Percentage Error			0.00%			0.00%						100.00%

**TRANSPORTATION**

	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors	Reported	Re-Calculated
Reg. - Public Schools	38	38		33	33			
Reg. - Special Ed.	2	2		2	2			
Transported - Non-Public							Avg. Mileage - Regular Including Grade PK students	4.2
Aid in Lieu - Non-Public	1	1		1	1		Avg. Mileage - Regular Excluding Grade PK students	4.3
Special Needs - Public	4	4		3	3		Avg. Mileage - Special Ed with Special Needs	5.0
Totals	45	45	0	39	39	0		
Percentage Error						0.00%		



**SCHEDULE OF AUDITED ENROLLMENTS**

**GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**APPLICATION OR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 15, 2019**

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Report On</u> <u>A.S.S.A. as</u> <u>NOT Low</u> <u>Income</u>	<u>Report On</u> <u>Workpapers as</u> <u>NOT Low</u> <u>Income</u>	<u>Errors</u>	<u>Sample</u> <u>Selected From</u> <u>Workpapers</u>	<u>Verified to</u> <u>Application</u> <u>and Register</u>	<u>Sample</u> <u>Errors</u>
Full Day Kindergarten						
One						
Two						
Three						
Four						
Five						
Six						
Seven						
Eight						
Subtotal	0	0	0	0	0	0
Special Ed - Elementary						
Special Ed - Middle						
Special Ed - High						
Subtotal	0	0	0	0	0	0
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	0	0	0	0	0	0
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**EXCESS SURPLUS CALCULATION**

**SECTION 1**

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

2019-20 Total General Fund Expenditures per the CAFR, Ex. C-1	\$	<u>1,428,064</u>	(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		<u>201,528</u>	(B2a)	
Assets Acquired Under Capital Leases			(B2b)	M474
Adjusted 2018-19 General Fund Expenditures [(B)+(B1s)-(B2s)]		<u><u>1,226,536</u></u>	(B3)	
2% of Adjusted 2019-20 General Fund Expenditures [(B3) times .02]		<u>24,531</u>	(B4)	
Enter Greater of (B4) or \$250,000		<u>250,000</u>	(B5)	
Increased by: Allowable Adjustment*		<u>-</u>	(K)	
Maximum Unassigned/Undesignated-Unreserved Fund Balance[(B5)+(K)]				\$ <u><u>250,000</u></u> (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-20 (Per CAFR Budgetary Comparison Schedule C-1)	\$	<u>450,018</u>	(C)	
Decreased by:				
Year-end Encumbrances		<u>8,620</u>	(C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures (Capital Reserve)		<u>-</u>	(C2)	Capital
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**			(C3)	Surplus
Other Restricted Fund Balances****		<u>72,010</u>	(C4)	
Assigned Fund balance Unreserved - Designated for Subsequent Year's Expenditures			(C5)	Other
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]				\$ <u><u>369,388</u></u> (U1)

**GREENWICH TOWNSHIP SCHOOL DISTRICT**  
**EXCESS SURPLUS CALCULATION**

**SECTION 3**

Section 1

Restricted Fund Balance- Excess Surplus\*\*\* [(U1)-(M)] IF NEGATIVE ENTER -0- \$ 119,388 (E)

**Recapitulation of Excess Surplus as of June 30, 2020**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures**	(C3)
Reserved Excess Surplus ***[(E)]	<u>119,388</u> (E)
Total Excess Surplus [(C3) + (E)]	\$ <u>119,388</u> (D)

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 & 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.

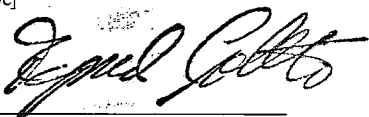
**Detail of Allowable Adjustments**

Impact Aid	\$ _____ (H)
Sale & Lease-Back	_____ (I)
Extraordinary Aid	_____ (J1)
Additional Nonpublic School Transportation Aid	_____ (J2)
Current Year School Bus Advertising Revenue Recognized	_____ (J3)
Family Crisis Transportation Aid	_____ (J4)
Total Adjustments [(H) + (I) + (J1) + (J2) + (J3) + (J4)]	\$ - (K)

- \*\* This amount represents the June 30, 2020 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.
- \*\*\* Amounts must agree to the June 30, 2020 CAFR and must agree to Audit Summary Worksheet 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.

**Detail of Other Restricted Fund Balance**

Statutory restrictions:	
Approved unspent separate proposal	\$ _____
Sale/lease-back reserve	_____
Capital reserve	<u>109</u>
Maintenance reserve	<u>71,901</u>
Emergency Reserve	_____
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 8007 and 8008)	_____
Impact Aid General Fund Reserve (Sections 8002 and 8003)	_____
Other state/government mandated reserve	_____
[Other Restricted Fund Balance not noted above] ****	_____
Total Other Restricted Fund Balance	\$ <u>72,010</u> (C4)



**AUDIT RECOMMENDATIONS SUMMARY**  
**For the Fiscal Year Ended June 30, 2020**  
**Greenwich Township School District**

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Programs

None

4. School Food Service

**Finding 2020-1:**

The Board should implement a corrective action plan to effectively reduce the net cash resources on hand through capital expenditure or otherwise.

**Finding 2020-2:**

Procedures to document and record meal service, deposits, and the breakout of expenditures should be reviewed and revised, in order to provide the necessary expenditure allocation, bank reconciliation, and account payable.

5. Student Body Activities

**Finding 2020-3:**

The procedures should be reviewed and revised in order to provide a student activity bank reconciliation in the Treasurer's report.

6. Application for State School Aid

None

7. Charter School Enrollment System(CHE) (Applicable to audits of charter schools)

None

8. Pupil Transportation

None

**AUDIT RECOMMENDATIONS SUMMARY**  
**For the Fiscal Year Ended June 30, 2020**  
**Greenwich Township School District**  
**(Continued)**

Recommendations: (Continued)

9. Facilities and Capital Assets

None

10. Miscellaneous

None

11. Status of Prior Year Audit Findings/Recommendations

A review was performed on the prior year recommendations and corrective action was taken on the following prior year findings.