

**BOARD OF EDUCATION**  
**PENNS GROVE-CARNEYS POINT**  
**REGIONAL SCHOOL DISTRICT**  
**COUNTY OF SALEM**  
**AUDITOR'S MANAGEMENT REPORT ON**  
**ADMINISTRATIVE FINDINGS -**  
**FINANCIAL, COMPLIANCE AND PERFORMANCE**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2020**

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## REPORT OF INDEPENDENT AUDITORS

Honorable President and  
Members of the Board of Education  
Penns Grove-Carneys Point Regional School District  
County of Salem, New Jersey 08318

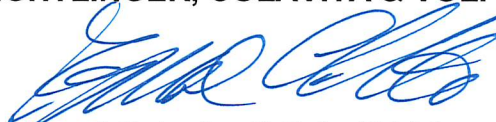
We have audited, in accordance with generally accepted auditing standards and **Government Auditing Standards** issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Penns Grove-Carneys Point Regional School District in the County of Salem for the year ended June 30, 2020, and have issued our report thereon dated December 22, 2020.

As part of our audit, we performed procedures required by the District 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 Penns Grove-Carneys Point Regional School District 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 22, 2020

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

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the Financial Services Coordinator, District personnel entrusted with duties formally under the auspices of the Treasurer of School Monies, the activities of the School District, 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**.

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Brian Ferguson	Interim School Business Administrator/ Board Secretary	\$ 275,000

There is a Public Employees' Faithful Performance Blanket Position Bond with Selective Insurance Company covering all employees with coverage of \$250,000.

**Tuition Charges**

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

**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. NJAC 6A:23A-6.4 requires that the district's internal control policies include specific requirements at NJAC 6A:23A-6.5 through 6.13.

Internal Control Policies were found in accordance with NJAC 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 indicate any material discrepancies with respect to signatures, certification, itemization and other documentation.

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

### **Payroll Account and Position Control Roster**

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

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

Salary withholdings were promptly remitted to the proper agencies, including health benefit premium withholdings due to the general fund. In addition, we did not identify any instance of noncompliance with the provisions covering the flexible spending account.

Payrolls were delivered to the secretary of the board who then deposited warrants in separate bank accounts for net payroll and withholdings.

### **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, no transaction errors were 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**

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

The financial records and board minutes of the Board Secretary were found to be in satisfactory condition.

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

### **Board Secretary's Records (Cont'd)**

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

Monthly financial certifications of the Board Secretary and Board of Education for positive line item account status certification (**N.J.A.C. 6:20-2.13**) were approved monthly.

### **Treasurer's Records – Board Secretary's Office**

Board Secretary personnel performed cash reconciliations for the general operating account, payroll account and payroll agency account per **N.J.S.A. 18A:17-9**.

Cash receipts appeared to be deposited promptly.

The Treasury records were in agreement with the records of the Board Secretary.

The Treasury reports were filed in a timely manner.

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

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-A, II-A, and III of the Elementary and Secondary Education Act as amended and reauthorized.

Our audit of the E.S.E.A. 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 study of compliance for E.S.E.A. indicated that all E.S.E.A. programs were in compliance.

### **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** and labeled as Exhibits K-3 and K-4. Our audit of the federal and state funds, on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the **CAFR**. This section of the **CAFR** documents the financial position pertaining to the aforementioned special projects.

The study of compliance for special projects indicated no areas of noncompliance and/or questionable costs.

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

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

### **T.P.A.F. Reimbursement to the State for Federal Salary Expenditures.**

The amount of the expenditure charged to the current year's Final 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 school contracts in general are available on the website: <http://www.state.nj.us/dca/divisions/dlgs/programs/lpcl.html>.

The current statute is posted on the New Jersey Legislature website at: [http://lis.njleg.state.nj.us/cgi-bin/om\\_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headingswithhits=on&infobase=statutes.nfo&softpage=TOC\\_Frame\\_pg42](http://lis.njleg.state.nj.us/cgi-bin/om_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headingswithhits=on&infobase=statutes.nfo&softpage=TOC_Frame_pg42)

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 District 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.

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 as amended.

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

## **School Purchasing Programs (Continued)**

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

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 exceptions, with regard to purchases from vendors approved for 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. Our examination indicated that the Board of Education complied with these provisions.

### **School Food Service**

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. No exceptions noted.

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

Expenditures should be separately recorded as food, labor and other costs. Vendor invoices were reviewed, and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used. No exceptions noted.

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. No exceptions noted.

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

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

### **Recommendation**

The District 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.

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



### **School Food Service (Cont'd)**

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. No exceptions noted.

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. No exceptions noted.

USDA Food Distribution Program (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (CAFR Schedule B-5) does separate program and non-program revenue AND program and non-program cost of goods sold. No exceptions noted.

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

### **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.

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 Academy Enterprise Fund**

The Academy Fund activity (representing tuition program fee revenues and payment of related operating expenditures) is reported as an enterprise fund and such activity is covered within Board Policy.

The analysis of Receipts and Disbursements submitted for audit, reconciled with the bank at June 30, 2020. Deposits were generally traceable to the monthly bank statements and made on a timely basis. Expenditures were supported by invoices and other documentation. Receipts and disbursements were reconciled to the bank account.

### **Student Body Activities**

Cash receipts and disbursements journals were maintained in good condition and reconciled to the monthly bank statements. Deposits were traceable to the bank and made on a timely basis. Expenditures were supported by invoices and other documentation.

### **Internal Service Funds**

The cash receipts and disbursements covering the cafeteria services, provided to another district, appeared to be properly maintained.

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

Our audit procedures included a test of the 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 without exception.

The results of our procedures are presented in the Schedule of Audited Enrollments.

The district maintained workpapers on the prescribed state forms or their equivalent and 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 2019-20 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report. The DRTRS Eligibility Summary Report was compared to the County Summary Report. All items were in agreement. The results 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. Bid specifications were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services, as well as for any purchase of buses.

### **Facilities and Capital Assets**

As part of the GASB 34 reporting format, fixed assets are recorded in accordance with GAAP, including a provision for depreciation expense.

Our procedures included a review of the NJSDA 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. As of June 30, 2020, \$295,365 remained unspent on prior year projects for various renovations and improvements.

### **Testing for Lead of all Drinking Water in Educational Facilities**

The school district adhered to all the requirements of NJAC 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 N.J.A.C.6A:26-12.4(g).

### **Follow-up on Prior Year Findings**

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. There is one finding that has not been resolved.

#### **Finding 2019-1**

Net cash resources exceeded three months average expenditures.

#### **Status**

Unresolved

### **Acknowledgment**

We received the complete cooperation of all the officials of the School District, and we greatly appreciate the courtesies extended to each member of our 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  
Fiscal Year Ending 2020  
Penns Grove-Carneys Point Regional School District**

<u>Net Cash Resources:</u>	<u>Food Service B - 4/5</u>	
<b>CAFR</b>	<b>Current Assets</b>	*
B-4	Cash & Cash Equiv.	\$ 5,419
B-4	Due from Other Gov'ts	567,283
B-4	Accounts Receivable	88,282
B-4	Investments	
<b>CAFR</b>	<b>Current Liabilities</b>	
B-4	Less Accounts Payable	(18,290)
B-4	Less Accruals	(1,961)
B-4	Less Due to Other Funds	
B-4	Less Deferred Revenue	<u>(19,161)</u>
	<b>Net Cash Resources</b>	<b><u>\$ 621,572</u> (A)</b>
 <b><u>Net Adj. Total Operating Expense:</u></b>		
B-5	Tot. Operating Exp.	\$ 1,216,763
B-5	Less Depreciation	<u>(23,402)</u>
	Adj. Tot. Oper. Exp.	<b><u>\$ 1,193,361</u> (B)</b>
 <b><u>Average Monthly Operating Expense:</u></b>		
	B / 10	<b><u>\$ 119,336</u> (C)</b>
 <b><u>Three times monthly Average:</u></b>		
	3 X C	<b><u>\$ 358,008</u> (D)</b>

TOTAL IN BOX A	\$	621,572	
LESS TOTAL IN BOX D	\$	358,008	
NET	\$	<u>263,564</u>	
From above:			
<b>A is greater than D, cash exceeds 3 X average monthly operating expenses.</b>			
<b>D is greater than A, cash does not exceed 3 X average monthly operating expenses.</b>			

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

SOURCE - USDA resource management comprehensive review form

**SCHEDULE OF MEAL COUNT ACTIVITY**  
**PENNS GROVE CARNEYS POINT REGIONAL 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	19,956	19,956	19,956		\$ 0.34	\$
	Reduced	7,768	7,768	7,768		3.03	
	Free	199,374	199,374	199,374		3.43	
	TOTAL	<u>227,098</u>	<u>227,098</u>	<u>227,098</u>			
National School Lunch	HHFKA - PB Lunch Only	<u>227,098</u>	<u>227,098</u>	<u>227,098</u>		0.07	
School Breakfast (Severe Need Rate)	Paid	9,175	9,175	9,175		0.31	\$
	Reduced	4,200	4,200	4,200		1.90	
	Free	163,019	163,019	163,019		2.20	
	TOTAL	<u>176,394</u>	<u>176,394</u>	<u>176,394</u>			
After School Snack	Free	<u>24,171</u>	<u>24,171</u>	<u>24,171</u>		0.94	
<b>Total Net Over/(Under) Claim</b>							<b>\$</b>



**SCHEDULE OF AUDITED ENROLLMENTS**

**PENNS GROVE - CARNEYS POINT BOARD OF EDUCATION  
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				
	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 Private Schools	Sample for Verification	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Half Day Preschool 4 Years Old	124		124					16		16							
Full Day Kindergarten	151		151					22		22							
One	152		152					20		20							
Two	142		142					19		19							
Three	147		147					18		18							
Four	137		137					19		19							
Five	146		146					20		20							
Six	156		156					17		17							
Seven	131		131					16		16							
Eight	113		113					15		15							
Nine	108		108					15		15							
Ten	103		103					13		13							
Eleven	92	2	92	2				11		11							
Twelve	75		75					10		10							
Post-Graduate Adult H.S. (15+CR.) Adult H.S. (1-14 CR.) Subtotal	1,777	2	1,777	2	0	0		231	0	231	0	0	0	0	0	0	0
Special Ed - Elementary	177		177					22		22				1	1	1	
Special Ed - Middle	98		98					14		14				3	1	1	
Special Ed - High	112	19	112	19				15	3	15	3			6	2	2	
Subtotal	387	19	387	19	0	0		51	3	51	3	0	0	10	4	4	0
Totals	2,164	21	2,164	21	0	0		282	3	282	3	0	0	10	4	4	0
Percentage Error					0.00%	0.00%						0.00%	0.00%				0.00%

**SCHEDULE OF AUDITED ENROLLMENTS**

**PENNS GROVE - CARNEYS POINT BOARD OF EDUCATION  
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
Half Day Preschool												
Full Day Kindergarten	103	103		18	18		32	32		19	19	
One	121	121		21	21		36	36		21	21	
Two	109	109		19	19		18	18		10	10	
Three	116	116		20	20		12	12		6	6	
Four	108	108		19	19		15	15		8	8	
Five	105	105		18	18		8	8		5	5	
Six	126	126		22	22		8	8		4	4	
Seven	94	94		16	16		4	4		3	3	
Eight	80	80		14	14		3	3		2	2	
Nine	78	78		14	14		9	9		5	5	
Ten	72	72		12	12		4	4		3	3	
Eleven	68.5	69		12	12		9	9		5	5	
Twelve	48	48		8	8		4	4		2	2	
Subtotal	1,228.5	1,229	0	213	213	0	162	162	0	93	93	0
Special Ed - Elementary	145	145		25	25		2	2		1	1	
Special Ed - Middle	84	84		15	15			0				
Special Ed - High	112	112		19	19		1.5	1.5		1	1	
Subtotal	341	341	0	59	59	0	3.5	3.5	0	2	2	0
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	1,569.5	1,569.5	0	272	272	0	165.5	165.5	0	95	95	0
Percentage Error			0.00%			0.00%			0.00%			0.00%

**TRANSPORTATION**

	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors	Reported	Re-Calculated
	Reg. - Public Schools	312.0	312.0					
Aid in Lieu - Non-Public	48.0	48.0		19	19			
Transported - Non-Public								
Reg. - Special Ed.								
Special Needs - Public	144.0	144.0		56	56			
Totals	504.0	504.0	0	197.0	197.0	0		
Percentage Error			0.000			0.00%		
							Avg. Mileage - Regular Including Grade PK students	7.1
							Avg. Mileage - Regular Excluding Grade PK students	7.2
							Avg. Mileage - Special Ed with Special Needs	2.6



**SCHEDULE OF AUDITED ENROLLMENTS**

**PENNS GROVE - CARNEYS POINT BOARD OF EDUCATION**  
**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 A.S.S.A. as NOT Low Income</u>	<u>Report On Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected From Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Half Day Preschool						
Full Day Kindergarten	6	6		2	2	
One	6	6		2	2	
Two	3	3		1	1	
Three						
Four						
Five	2	2				
Six						
Seven	3	3		1	1	
Eight	1	1				
Nine						
Ten	2	2				
Eleven	1	1				
Twelve						
Post Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	24	24	0	6	6	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	24	24	0	6	6	0
Percentage Error		<u>0.00%</u>			<u>0.00%</u>	

**PENNS GROVE-CARNEYS POINT REGIONAL 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>40,682,736</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			5,513,822		(B2a)
Assets Acquired Under Capital Leases			_____		(B2b)
Adjusted 2019-20 General Fund Expenditures [(B)+(B1s)-(B2s)]			<u>35,168,914</u>		(B3)
2% of Adjusted 2019-20 General Fund Expenditures					
[(B3) times .02]			703,378		(B4)
Enter Greater of (B4) or \$250,000			<u>703,378</u>		(B5)
Increased by: Allowable Adjustment*			4,213		(K)
Maximum Unassigned/Undesignated-Unreserved Fund Balance[(B5)+(K)]		\$		<u>707,591</u>	(M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-20 (Per CAFR Budgetary Comparison Schedule C-1)		\$	<u>5,661,965</u>		(C)
Decreased by:					
Year-end Encumbrances			596,259		(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures (Capital Reserve)			<u>600,000</u>		(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**			797,980		(C3)
Other Restricted Fund Balances****			<u>792,765</u>		(C4)
Assigned Fund balance Unreserved - Designated for Subsequent Year's Expenditures			<u>402,020</u>		(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		\$		<u>2,472,941</u>	(U1)

**SECTION 3**

Section 1 Restricted Fund Balance- Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0-		\$	<u>1,765,350</u>		(E)
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**Recapitulation of Excess Surplus as of June 30, 2020**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures**			797,980		(C3)
Reserved Excess Surplus ***[(E)]			<u>1,765,350</u>		(E)
_____					
Total Excess Surplus [(C3) + (E)]		\$		<u>2,563,330</u>	(D)

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT**  
**EXCESS SURPLUS CALCULATION**

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**

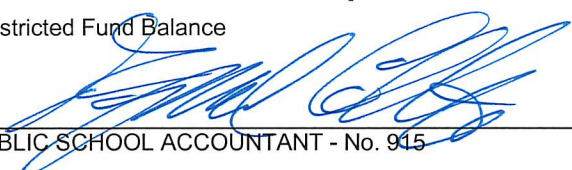
Impact Aid	\$ _____	(H)
Sale & Lease-Back	_____	(I)
Extraordinary Aid	4,213	(J1)
Additional Nonpublic School Transportation Aid	_____	(J2)
Current Year School Bus Advertising Revenue Recognized	_____	(J3)
Family Crisis Transportation Aid	_____	(J4)
Total Adjustments [(H) + (I) + (J1) + (J2) + (J3) + (J4)]	\$ 4,213	(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	773,888	
Maintenance reserve	18,877	
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	\$ 792,765	(C4)

SIGNATURE OF PUBLIC SCHOOL ACCOUNTANT - No. 915



**AUDIT RECOMMENDATIONS SUMMARY**  
**For the Fiscal Year Ended June 30, 2020**  
**Penns Grove Carneys Point 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 ( CAFR Finding 2020-1)**

**Recommendation**

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

5. Student Body Activities

None

6. Application for State School Aid

None

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

None

8. Pupil Transportation

None

9. Facilities and Capital Assets

None

10. Miscellaneous

None

**AUDIT RECOMMENDATIONS SUMMARY  
For the Fiscal Year Ended June 30, 2019  
Penns Grove Carneys Point School District**

11. Status of Prior Year Audit Findings/Recommendations

**Finding 2019-1**

**Recommendation**

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

**Status**

Unresolved