

**BOARD OF EDUCATION
TOWNSHIP OF WESTAMPTON
COUNTY OF BURLINGTON**

**AUDITORS MANAGEMENT REPORT
ON ADMINISTRATIVE FINDINGS
- FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

INVERSO & STEWART
Marlton, New Jersey

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

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

The Honorable President and
Members of the Board of Education
Westampton Township School District
Westampton, New Jersey

I 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 Westampton Township School District, in the County of Burlington for the year ended June 30, 2020, and have issued my report thereon dated December 18, 2020.

As part of my audit, I performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the Westampton Township Board of Education and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Public School Accountant No. CS001095

Marlton, New Jersey
December 18, 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 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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Karen Greer	Board Secretary	\$ 110,000

There is a Public Employees' Faithful Performance Blanket Position Bond covering all other employees with multiple coverage of \$500,000.

Tuition Charges

There were no tuition charges which would require the School District to make the necessary adjustment per *N.J.A.C. 6:23A-3.1(f)3*.

Financial Planning, Accounting, and Reporting

Examination of Claims

An examination of claims paid during the period under audit did not indicate any discrepancies with respect to signatures, certifications or supporting documentation.

Payroll Account

The net salaries of all employees of the School District 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 Board Secretary/Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the general fund.

Financial Planning, Accounting, and Reporting (Continued)

Payroll Account (Continued)

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

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators to the NJ Dept. of Treasury was filed by the March 15 due date.

The Payroll Account records were maintained in good condition.

Position Control Roster

No exceptions were noted during my examination of the Employee Position Control Roster

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable. My review did not indicate any material discrepancies with respect to classification of orders.

Obligations of Federal Grant Awards and Requests for Reimbursement of Expenditures against those Federal Grant Awards

No exceptions were noted during my examination of obligations of federal grant awards and requests for reimbursement of expenditures against those federal grant awards made during the period under audit.

Travel

No exceptions were noted in my study of compliance for travel expenses.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A:23A-16.2(f)* as part of my test of transactions of randomly selected expenditure items. I also reviewed the coding of all expenditures included in my compliance and single audit testing procedures. In addition to randomly selecting a test sample, my sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-8.2*. My review did not indicate any material discrepancies with respect to classification of expenditures.

Board Secretary/Business Administrator's Record

The financial and accounting records of the Board Secretary/Business Administrator's office were maintained in good condition.

Treasurer's Records

The financial and accounting records of the Treasurer were maintained in good condition.

Financial Planning, Accounting, and Reporting (Continued)

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

The E.S.E.A/ESSA 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 study of compliance for E.S.E.A/ESSA did not indicate any exceptions.

Other Special Federal and/or State Projects

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

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

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

The study of compliance for the special projects did not indicate any exceptions.

T.P.A.F. Reimbursement

My audit procedures included a test 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.

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 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 60 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

Nonpublic State Aid

The study of compliance for Nonpublic State Aid did not indicate any exceptions.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is \$19,000.

The School District 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.

School Purchasing Programs (Continued)

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

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 and 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.

Net cash resources did not exceed three months average expenditures.

The school food service program was not selected as a major federal and/or state program. However, the program expenditures exceeded \$100,000 in federal and/or state support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA’s expenditures of school food service revenues were limited to allowable direct and indirect costs. 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.

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.

Student Body Activities

The financial records for the Student Activity Fund were maintained in satisfactory condition.

Application for State School Aid

My 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, low-income and bilingual. I also performed a review 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 my 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

My 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 my procedures are presented in the Schedule of Audited Enrollments.

My procedures also included a review of transportation related contracts and purchases. Based on my review, the School District complied with proper bidding procedures and award of contracts. No exceptions were noted in my review of transportation related purchases of goods and services.

Testing for Lead of all Drinking Water in Educational Facilities

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

Follow-up on Prior Years' Findings

In accordance with government auditing standards, my procedures included a review of all prior year findings. There were no prior year findings.

Acknowledgment

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

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Public School Accountant

December 18, 2020

SCHEDULE OF AUDITED ENROLLMENTS

Westampton Township School District

Application for State School Aid Summary

Enrollment as of October 15, 2019

	<u>2020-2021 Application for State School Aid</u>						<u>Sample for Verification</u>						<u>Private Schools for Disabled</u>			
	<u>Reported on</u>		<u>Reported on</u>		<u>Errors</u>		<u>Sample</u>		<u>Verified per</u>		<u>Errors per</u>		<u>Reported on</u>	<u>Sample</u>	<u>Sample</u>	<u>Sample</u>
	<u>ASSA</u>	<u>On Roll</u>	<u>Workpapers</u>	<u>On Roll</u>	<u>Full</u>	<u>Shared</u>	<u>Selected From</u>	<u>Workpapers</u>	<u>Registers</u>	<u>On Roll</u>	<u>Registers</u>	<u>On Roll</u>				
	<u>Full</u>	<u>Shared</u>	<u>Full</u>	<u>Shared</u>	<u>Full</u>	<u>Shared</u>	<u>Full</u>	<u>Shared</u>	<u>Full</u>	<u>Shared</u>	<u>Full</u>	<u>Shared</u>	<u>Schools</u>	<u>Verifi-</u>	<u>Sample</u>	<u>Sample</u>
Half Day Pre K 3	5		5		-		1		1		-					
Half Day Pre K 4	16		16		-		4		4		-					
Full Day K	89		89		-		22		22		-					
One	95		95		-		24		24		-					
Two	82		82		-		21		21		-					
Three	99		99		-		25		25		-					
Four	81		81		-		20		20		-					
Five	81		81		-		20		20		-					
Six	97		97		-		24		24		-					
Seven	99		99		-		25		25		-					
Eight	90		90		-		23		23		-					
Subtotal	834	-	834	-	-	-	209	-	209	-	-	-	-	-	-	-
SpEd Elementary	135		135		-		34		34		-		3	3	3	-
SpEd Middle School	56		56		-		14		14		-					
Subtotal	191	-	191	-	-	-	48	-	48	-	-	-	3	3	3	-
Totals	1,025	-	1,025	-	-	-	256	-	256	-	-	-	3	3	3	-
Percentage Error					0.00%	-					0.00%	-				0.00%

Schedule of Audited Enrollments

Westampton Township School District

Application for State School Aid Summary

Enrollment as of October 15, 2019

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on ASSA as NOT Low Income</u>	<u>Reported 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 Pre K 3						
Half Day Pre K 4						
Full Day K	3	3	-	2	2	-
One	3	3	-	2	2	-
Two	2	2	-	1	1	-
Three	2	2	-	1	1	-
Four						
Five						
Six						
Seven	1	1	-	1	1	-
Eight						
Subtotal	<u>11</u>	<u>11</u>	<u>-</u>	<u>7</u>	<u>7</u>	<u>-</u>
SpEd Elementary	1	1	-	1	1	-
SpEd Middle School						
Subtotal	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Totals	<u>12</u>	<u>12</u>	<u>-</u>	<u>8</u>	<u>8</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

Schedule of Audited Enrollments

Westampton Township School District

Application for 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 ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on ASSA 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 Pre K 3												
Half Day Pre K 4												
Full Day K	20	20	-	10	10	-	4	4	-	4	4	-
One	26	26	-	14	14	-	1	1	-	1	1	-
Two	14	14	-	7	7	-	1	1	-	1	1	-
Three	27	27	-	14	14	-	1	1	-	1	1	-
Four	20	20	-	10	10	-						
Five	22	22	-	11	11	-						
Six	21	21	-	11	11	-						
Seven	30	30	-	16	16	-						
Eight	18	18	-	9	9	-						
	<u>198</u>	<u>198</u>	<u>-</u>	<u>102</u>	<u>102</u>	<u>-</u>	<u>7</u>	<u>7</u>	<u>-</u>	<u>7</u>	<u>7</u>	<u>-</u>
SpEd Elementary	45	45	-	23	23	-						
SpEd Middle School	23	23	-	12	12	-						
Subtotal	<u>68</u>	<u>68</u>	<u>-</u>	<u>35</u>	<u>35</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DCF Reg Day School	1	1	-	1	1	-						
	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>267</u>	<u>267</u>	<u>-</u>	<u>138</u>	<u>138</u>	<u>-</u>	<u>7</u>	<u>7</u>	<u>-</u>	<u>7</u>	<u>7</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

Transportation

	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors		
							Reported	Recalculated
Reg. Public School , col. 1	466	466	-	466	466	-		
Reg. Special Education, col. 4	88	88	-	88	88	-	Avg. Mileage - Regular Including Grade PK students	3.4
Transported-Non-Public, col. 2							Avg. Mileage - Regular Excluding Grade PK students	3.4
Special Needs, Col. 6	41	41	-	41	41	-	Avg. Mileage - Special Ed. with Special Needs	2.8
	<u>595</u>	<u>595</u>	<u>-</u>	<u>595</u>	<u>595</u>	<u>-</u>		
Percentage Error			<u>0.00%</u>			<u>0.00%</u>		

WESTAMPTON SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

SECTION 1 - Regular Districts

A. 2% Calculation of Excess Surplus

2019-2020 Total General Fund Expenditures per the CAFR, Ex C-1	\$	<u>16,655,453</u>	(B)
Increased by:			
Transfer from Capital Outlay to Capital Projects Fund	\$	<u> </u>	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$	<u> </u>	(B1b)
Transfer from General Fund to SRF for PreK-Regular	\$	<u> </u>	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$	<u> </u>	(B1d)
Decreased by:			
On-Behalf TPAF Pension & Social Security	\$	<u>(2,226,058)</u>	(B2a)
Assets Acquired Under Capital Leases	\$	<u> </u>	(B2b)
Adjusted 2019-20 General Fund Expenditures [(B)+(B1s)+(B2s)]	\$	<u>14,429,395</u>	(B3)
2% of Adjusted 2019-20 General Fund Expenditures [(B3) times .02]	\$	<u>288,588</u>	(B4)
Enter Greater of (B4) or \$250,000	\$	<u>288,588</u>	(B5)
Increased by: Allowable Adjustment	\$	<u>26,007</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]			\$ <u><u>314,595</u></u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-20 (Per CAFR Budgetary Comparison Schedule C-1)	\$	<u>4,649,753</u>	(C)
Decreased by:			
Year-end Encumbrances	\$	<u>38,357</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$	<u> </u>	(C2)
Legally Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	\$	<u>606,041</u>	(C3)
Other Restricted Fund Balances	\$	<u>2,940,950</u>	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$	<u>164,711</u>	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]			\$ <u><u>899,694</u></u> (U1)

WESTAMPTON SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

SECTION 3 - All Districts

Restricted Fund Balance - Excess Surplus [(U2)-(M)] IF NEGATIVE ENTER -0- \$ 585,099 (E)

Recapitulation of Excess Surplus as of June 30, 2020

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures \$ 606,041 (C3)

Reserved Excess Surplus [(E)] \$ 585,099 (E)

Total [(C3) + (E)] \$ 1,191,140 (D)

Detail of Allowable Adjustments

Impact Aid \$ _____ (H)

Sale & Lease-back \$ _____ (I)

Extraordinary Aid \$ 26,007 (J1)

Additional Nonpublic School Transportation Aid \$ _____ (J2)

Current Year School Bus Advertising Revenue \$ _____ (J3)

Family Crisis Transportation Aid \$ _____ (J4)

Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)] \$ 26,007 (K)

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal \$ _____

Sale/lease-back reserve \$ _____

Capital reserve \$ 2,394,038

Maintenance reserve \$ 546,912

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 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 \$ 2,940,950 (C4)

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
None
5. Student Body Activities
None
6. Application for State School Aid
None
7. Pupil Transportation
None
8. Facilities and Capital Assets
None
9. Miscellaneous
None
10. Status of Prior Year Audit Findings/Recommendations
There were no prior year findings.