

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

**AUDITORS MANAGEMENT REPORT  
ON ADMINISTRATIVE FINDINGS  
- FINANCIAL, COMPLIANCE AND PERFORMANCE  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2021**

***INVERSO & STEWART LLC***  
**Marlton, New Jersey**

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

	<u>Page No.</u>
Auditors' Management Report on Administrative Findings- Financial, Compliance and Performance.....	1
Scope of Audit.....	2
Administrative Practices and Procedures	
Insurance.....	2
Official Bonds.....	2
Tuition Charges.....	2
Financial Planning, Accounting and Reporting	
Examination of Claims.....	2
Payroll Account and Position Control Roster.....	2
Reserve for Encumbrances and Accounts Payable.....	3
Obligations of Federal Grant Awards and Requests for Reimbursement of Expenditures against those Federal Grant Awards.....	3
Travel.....	3
Classification of Expenditures.....	3
Board Secretary/Business Administrator's Records.....	3
Elementary and Secondary Education Act, as amended by the Every Student Succeeds Act (E.S.S.A.).....	3
Other Special Federal and/or State Projects.....	3
T.P.A.F. Reimbursement.....	3-4
Nonpublic State Aid.....	4
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids.....	4
School Food Service.....	4-5
Student Body Activities.....	5
Application for State School Aid.....	5
Pupil Transportation.....	5
Facilities and Capital Assets .....	5
Testing for Lead of all Drinking Water in Educational Facilities.....	5
Follow-up on Prior Year Findings.....	6
Acknowledgment.....	6
Schedule of Meal Count Activity.....	N/A
Net Cash Resource Schedule.....	N/A
Schedule of Audited Enrollment.....	7-9
Excess Surplus Calculation.....	10-11
Audit Recommendations Summary.....	12

***INVERSO & STEWART, LLC***

**Certified Public Accountants**

651 Route 73 North, Suite 402  
Marlton, New Jersey 08053  
(856) 983-2244  
Fax (856) 983-6674  
E-Mail: [rinverso@inversocpa.com](mailto:rinverso@inversocpa.com)

-Member of-  
American Institute of CPAs  
New Jersey Society of CPAs

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

The Honorable President and  
Members of the Board of Education  
Burlington Township School District  
Burlington, 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 Burlington Township School District, in the County of Burlington for the year ended June 30, 2021, and have issued my report thereon dated January 28, 2022.

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 Burlington 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

January 28, 2022

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

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator, 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 ACFR.

**Officials Bonds**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Nicholas Bice	Board Secretary / Business Administrator	\$ 300,000

There is a Public Employees' Faithful Performance Blanket Position Bond with Utica Mutual Insurance Company covering all other employees with multiple coverage of \$400,000.

**Tuition Charges**

A comparison of tentative tuition charges and actual certified tuition charges was made. The proper increases/decreases were made by the Board to be in compliance with N.J.A.C. 6A:23-3.1(f)3.

**Examination of Claims**

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

**Payroll Account**

The net salaries of all employees of the 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, the Board Secretary/Business Administrator, and the Chief School Administrator.

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

Payrolls were delivered to the Assistant Business Administrator with a warrant made to her order for the full amount of each payroll.

The Payroll Account records were maintained in satisfactory condition.

**Employee 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 to the 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/School Business Administrator's Record**

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

**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 ACFR. This section of the ACFR documents the financial position pertaining to the projects under Title I, Title IIA, Title III, and Title IV of the Elementary and Secondary Education Act, as amended by the No Child Left Behind Act.

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

**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 ACFR.

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 ACFR. This section of the ACFR 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**

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

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

The amount of the expenditure charged to the current year’s Final 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.

**Nonpublic State Aid**

The study of compliance for nonpublic state aid indicated no areas of noncompliance and/or questionable costs.

**School Purchasing Programs**

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (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 \$19,600 for 2020-21.

The district 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 a violation of the statute, the solicitor’s opinion should be sought before a commitment is made.

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

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

**School Food Service**

**PUBLIC HEALTH EMERGENCY**

In accordance with the Governor’s Declaration of Emergency pertaining to the public health emergency 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 eligible students during the period of school closures.

During SY 2020-2021 the public health emergency was still applicable. As a result, School Food Authorities (SFAs) were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO) or the Summer Food Services Program (SFSP) option.

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 all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

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 students during the emergency.

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.

**School Food Service (continued)**

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 (ACFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

We inquired of management about the public health emergency procedures/practices that the SFA instituted to provide meals to all 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. We also inquired if the FSMC received a loan in accordance with the Payroll Protection Plan and whether the funds were used to pay for costs applicable to the Food Service Programs. We also inquired if the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA.

**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, 2020 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. I also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers with no exceptions noted. The results of my procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed state forms or their equivalent.

The 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 2020-2021 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 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.

**Facilities and Capital Assets**

My procedures included a review of the SDA grant agreement for consistency with recording SDA revenue and awarding of contracts for eligible facilities construction.

**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 recommendations. There were no prior year findings/recommendations.

**Acknowledgment**

I received the complete cooperation of all the officials of the Burlington 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  
Certified Public Accountant  
Public School Accountant

January 28, 2022



**SCHEDULE OF AUDITED ENROLLMENTS**

**Burlington Township School District**

**Application for State School Aid Summary**

**Enrollment as of October 15, 2020**

	2021-2022 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on ASSA On Roll		Reported on Workpapers On Roll		Errors		Sample Selected From Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on ASSA as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Full Day Pre K3	7		7		-			7		7						
Full Day Pre K 4	57		57		-			57		57						
Full Day K	194		194		-			194		194						
One	218		218		-			218		218						
Two	208		208		-			208		208						
Three	206		206		-			206		206						
Four	223		223		-			223		223						
Five	222		222		-			222		222						
Six	224		224		-			224		224						
Seven	257		257		-			257		257						
Eight	296		296		-			296		296						
Nine	239		239		-			239		239						
Ten	255		255		-			255		255						
Eleven	260		260		-			260		260						
Twelve	218		218		-			218		218						
Subtotal	<u>3,084</u>	<u>-</u>	<u>3,084</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,084</u>	<u>3,084</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
SpEd Elementary	232		232		-			232		232			2	2	2	-
SpEd Middle School	124		124		-			124		124			6	6	6	-
SpEd High School	150		150		-			150		150			8	8	8	-
Subtotal	<u>506</u>	<u>-</u>	<u>506</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>506</u>	<u>506</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>-</u>	<u>-</u>
Totals	<u>3,590</u>	<u>-</u>	<u>3,590</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,590</u>	<u>3,590</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>-</u>	<u>-</u>
Percentage Error					<u>0.00%</u>	<u>-</u>						<u>0.00%</u>	<u>-</u>			<u>0.00%</u>

Schedule of Audited Enrollments

**Burlington Township School District**

Application for State School Aid Summary

Enrollment as of October 15, 2020

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on ASSA as Low Income</u>	<u>Reported on Workpapers as Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>	<u>Reported on ASSA as LEP Low Income</u>	<u>Reported on Workpapers as LEP Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Test Score and Register</u>	<u>Sample Errors</u>
Full Day K	56	56	-	56	56	-	7	7	-	7	7	-
One	76	76	-	76	76	-	11	11	-	11	11	-
Two	55	55	-	55	55	-	4	4	-	4	4	-
Three	58	58	-	58	58	-	5	5	-	5	5	-
Four	57	57	-	57	57	-	2	2	-	2	2	-
Five	59	59	-	59	59	-	3	3	-	3	3	-
Six	50	50	-	50	50	-	1	1	-	1	1	-
Seven	59	59	-	59	59	-	4	4	-	4	4	-
Eight	65	65	-	65	65	-	1	1	-	1	1	-
Nine	43	43	-	43	43	-	1	1	-	1	1	-
Ten	49	49	-	49	49	-	1	1	-	1	1	-
Eleven	45	45	-	45	45	-	1	1	-	1	1	-
Twelve	48	48	-	48	48	-	1	1	-	1	1	-
Subtotal	720	720	-	720	720	-	42	42	-	42	42	-
SpEd Elementary	95	95	-	95	95	-	1	1	-	1	1	-
SpEd Middle School	53	53	-	53	53	-	-	-	-	-	-	-
SpEd High School	62	62	-	62	62	-	-	-	-	-	-	-
Subtotal	210	210	-	210	210	-	1	1	-	1	1	-
Totals	930	930	-	930	930	-	43	43	-	43	43	-
Percentage Error						0.00%			0.00%			0.00%

Transportation

	<u>Reported on DRTRS by DOE</u>	<u>Reported on DRTRS by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>	<u>Reported</u>	<u>Recalculated</u>
	Reg. Public School , col. 1	2,426	2,426	-	251	251	-	
Reg. Special Education, col. 4	241	241	-	25	25	-	Avg. Mileage - Regular Including Grade PK students	3.5
ALL Transported-Non-Public, col. 3	85	85	-	8	8	-	Avg. Mileage - Regular Excluding Grade PK students	3.5
Special Needs, Col. 6	76	76	-	7	7	-	Avg. Mileage - Special Ed. with Special Needs	6.2
	2,828	2,828	-	291	291	-		
Percentage Error			0.00%			0.00%		

Schedule of Audited Enrollments

**Burlington Township School District**

Application for State School Aid Summary

Enrollment as of October 15, 2020

	<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>
Full Day K	8	8	-	9	9	-
One	7	7	-	8	8	-
Two	4	4	-	2	2	-
Three	6	6	-	6	6	-
Four	3	3	-	2	2	-
Five	3	3	-	3	3	-
Six	1	1	-	1	1	-
Seven	2	2	-	1	1	-
Eight	1	1	-	-	-	-
Nine	2	2	-	2	2	-
Ten	1	1	-	1	1	-
Eleven	2	2	-	1	1	-
Twelve	3	3	-	3	3	-
Subtotal	<u>43</u>	<u>43</u>	<u>-</u>	<u>39</u>	<u>39</u>	<u>-</u>
SpEd Elementary			-			-
SpEd Middle School			-			-
SpEd High School			-	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u><u>43</u></u>	<u><u>43</u></u>	<u><u>-</u></u>	<u><u>39</u></u>	<u><u>39</u></u>	<u><u>-</u></u>
Percentage Error			<u><u>0.00%</u></u>			<u><u>0.00%</u></u>

**BURLINGTON TOWNSHIP SCHOOL DISTRICT**

**EXCESS SURPLUS CALCULATION**

**SECTION 1 - Regular Districts**

**A. 4% Calculation of Excess Surplus**

2020-21 Total General Fund Expenditures per the CAFR, Ex C-1	\$ <u>75,164,850</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>(12,064,232)</u>	(B2a)
Assets Acquired Under Capital Leases	\$ _____	(B2b)
Adjusted 2020-21 General Fund Expenditures [(B)+(B1s)+(B2s)]	\$ <u>63,100,618</u>	(B3)
4% of Adjusted 2020-21 General Fund Expenditures [(B3) times .04]	\$ <u>2,524,025</u>	(B4)
Enter Greater of (B4) or \$250,000	\$ <u>2,524,025</u>	(B5)
Increased by: Allowable Adjustment	\$ <u>930,700</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]		\$ <u><u>3,454,725</u></u> (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-21 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>12,074,727</u>	(C)
Decreased by:		
Year-end Encumbrances	\$ <u>1,277,140</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ _____	(C2)
Legally Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	\$ _____	(C3)
Other Restricted Fund Balances	\$ <u>7,995,751</u>	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ <u>610,582</u>	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		\$ <u><u>2,191,254</u></u> (U1)



AUDIT RECOMMENDATIONS SUMMARY  
For the Fiscal Year Ended June 30, 2021

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/recommendations.