

**FRANKLIN TOWNSHIP PUBLIC SCHOOLS
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2021**

**FRANKLIN TOWNSHIP PUBLIC SCHOOLS
TABLE OF CONTENTS**

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

	<u>Page No.</u>
Report of Independent Auditor	1
Scope of Audit	2
Administrative Practices and Procedures	2
Financial Planning, Accounting and Reporting	2-4
School Purchasing Programs	5
School Food Service	5-6
Cultural Arts Recreation Enrichment (C.A.R.E.) Program	6
Student Body Activities	6
Application for State School Aid	6
Pupil Transportation	6
Facilities and Capital Assets	7
Testing for Lead of All Drinking Water in Educational Facilities	7
Suggestions to Management	7
Acknowledgement	7
Schedule of Meal County Activity	8
Schedule of Net Cash Resources	9
Schedule of Audited Enrollments	10-12
Excess Surplus Calculation	13
Recommendations	14



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AUDITOR'S MANAGEMENT REPORT

Honorable President and
Members of the Board of Trustees
Franklin Township Public Schools
Somerset, New Jersey

We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Franklin Township Public Schools as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated February 5, 2022.

As part of our audit, we performed procedures required by the Office of School Finance, Department of Education, State of New Jersey and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information and use of management, the Board of Trustees, others within the District and the New Jersey State Department of Education. However, this report is a Franklin Township Public Schools' matter of public record and its distribution is not limited.

LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants

Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
February 5, 2022

**FRANKLIN TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Scope of Audit

The audit covered the financial transactions of the Assistant Superintendent for Business/Board Secretary the activities of the Board of Education, 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 the Schedule of Insurance contained in the Statistical Section of the District's Comprehensive Annual Financial Report (the "CAFR").

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Jonathan Toth	Assistant Superintendent for Business/ Board Secretary	\$600,000

There is a Public Employees' Faithful Performance Blanket Bond with the Selective Insurance Company covering all other employees with multiple coverage of \$50,000.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made.

Financial Planning, Accounting and Reporting

Examination of Claims

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

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 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.

Payroll/Personnel

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 tested were approved by the Superintendent and were certified by the President of the Board, the Assistant Superintendent for Business/Board Secretary, and the Chief School Administrator.

Salary withholdings were promptly remitted to the proper agencies.

**FRANKLIN TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Financial Planning, Accounting and Reporting (Continued)

Employee Position Control Roster

The Board has implemented and maintains a personnel tracking and accounting (Position Control) system.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered to determine 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 received for propriety and to determine that goods were received and services were rendered, as of June 30.

Travel

The Board of Trustees has adopted a travel policy that complies with N.J.S.A. 18A:11-12.

Board Secretary's Records

The financial records, books of account and minutes were maintained by the Board Secretary.

The Board Secretary's monthly financial reports were presented to the Board on a timely basis and were submitted to the Executive County Superintendent as prescribed by N.J.S.A. 18A:17-9 and 18A:17-36.

The prescribed contractual order system was followed.

Bids received were summarized in the minutes (N.J.S.A. 18A:18A-21).

Finding 2021-1 (CAFR Finding 2021-001) - Our audit of the general ledger account balances revealed certain adjusting journal entries were required to reconcile the Board records to agree with subsidiary records, supporting documentation and to adjust the beginning balances.

Recommendation - Internal controls over financial accounting and reporting be reviewed and enhanced to ensure financial transactions are properly recorded and reported in the District's internal accounting records.

Finding 2021-2 – Our audit of the capital projects fund revealed that the modified budget by project in the District's accounting records is not in agreement with the project balances per the audit.

Recommendation – The modified budget by project in the capital projects fund be in agreement with the audit balances.

Worker's Compensation Insurance

The District has adopted a self-insurance plan for worker's compensation and the financial transactions of this account are reported in the General Fund.

During the 2020/2021 school year the District utilized PMA Group as Claims Administrator. At June 30, 2021, the Claim Administrators estimated the value of loss reserves to be \$1,827,637. In addition, the District's actuary has estimated incurred but not reported claims to be \$556,985 at June 30, 2020. These reserves have not been reduced for potential recoveries for losses which were incurred in the prior school years that exceeded the aggregate stop loss. The District's risk manager has estimated the recoverable claims to be minimal. Consequently, the financial statements have not been adjusted for any potential recoveries.

**FRANKLIN TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Financial Planning, Accounting and Reporting (Continued)

Unemployment Compensation Insurance

The Board has adopted the direct reimbursement method. The financial transactions of this fund are reported in the General Fund.

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 Title I, II, III and IV of the Elementary and Secondary Education Act, as amended.

The audit 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

The district's Special Projects were approved as listed on Exhibit K-3 and Exhibit K-4 located in the CAFR.

Our audit 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.

I.D.E.A. Part B

Separate accounting records were maintained for each approved project. Grant application approvals and acceptance of grant funds were made by Board resolution.

T.P.A.F. Reimbursements

Our audit procedures included a test of the semi-monthly 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.

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.

Nonpublic State Aid

Project Completion Reports were finalized and transmitted to the State by the due date.

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 \$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 currently \$19,600. The Board has designated the Purchasing Manager as the qualified purchasing agent.

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 Board Attorney's opinion should be sought before a commitment is made.

**FRANKLIN TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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.

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 reveal, however, that purchases were made through the use of State contracts.

School Food Service

PUBLIC HEALTH 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.

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

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.

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

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

The SFA recorded and maintained separate supporting documentation for additional costs (food, supplies, transportation, etc.) applicable to the implementation of the COVID-19 meal service under SSO or SFSP program requirements.

The number of meals claimed for reimbursement was verified against sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement vouchers were timely filed, and meals claimed agreed with meal count records, as detailed on the Schedule of Meal Activity.

All vendor discounts, rebates and credits from vendors were tracked and credited to the Food Service account and reconciled to supporting documentation at least annually.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served did not exceed the number of valid applications on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy is uniformly administered throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review.

Expenses were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all school food services employees authorized by the board of education.

**FRANKLIN TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

School Food Service (Continued)

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expense records were maintained in order to substantiate the non-profit status of the school food service.

Net cash resources did exceed the monthly average expenditures.

U.S.D.A. commodities were received and a separate inventory was maintained on a first-in, first-out basis.

The Statement of Revenues, Expenses, and Changes in Fund Net Position (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

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

Cultural Arts Recreation Enrichment (C.A.R.E.) Program

The financial records of the C.A.R.E. were maintained in good condition.

Student Body Activities

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

Cash receipts and disbursements records for the student activity funds were maintained in good condition.

Application for State School Aid

Our 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 disabled, bilingual 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 District workpapers with exceptions. The information on the workpapers was verified with exceptions. 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.

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

Finding 2021-3 (CAFR Finding 2021-003) – Our audit of the District’s Application for State School Aid (ASSA) revealed that amounts were not always in agreement with supporting workpapers and documentation for the respective categories.

Recommendation – Internal controls be enhanced to ensure that documentation is in agreement with students reported on the Application for State School Aid.

Pupil Transportation

Our audit 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 exceptions. 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. No exceptions were noted in our review of transportation related purchases of goods and services.

**FRANKLIN TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Facilities and Capital Assets

Our procedures included a review of the SDA grant agreements for consistency with recording SDA revenue, transfer of local funds from the General Fund or from the Capital Reserve Account and awarding of contracts per eligible facilities construction.

Finding 2021-4 (CAFR Finding 2021-2) Our audit of the District's capital assets maintained by a third party provider noted the following:

- Current year additions in the amount of \$6,498,206 in the governmental funds was not added to the capital asset report.
- Prior year additions in the amount of \$7,928,766 in the governmental funds have not been added to the capital asset report.
- Certain assets were added to the capital assets report twice.
- Prior year additions in the amount of \$76,665 in the enterprise funds have not been added to the capital asset report.
- The balance of \$11,407,720 in construction in progress has not been reviewed by the Board to determine which projects are completed.

Recommendation - Procedures pertaining to the classification and reporting of capital assets be reviewed and enhanced.

Testing for Lead of all Drinking Water in Educational Facilities

The school district adhered to all 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).

Suggestions to Management

- Continued efforts be made to collect the outstanding School Development Authority capital grants receivable.
- Outstanding checks and other reconciling items on the District's bank reconciliations be reviewed and cleared of record.
- Prior year tuition receivables and other accounts receivables be reviewed and cleared of record.
- The District consider fully funding the reserve liability for its workers compensation claims.

Acknowledgement

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to us.

**FRANKLIN TOWNSHIP PUBLIC SCHOOLS
 FOOD SERVICE FUND
 NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
 ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

SCHEDULE OF MEAL COUNT ACTIVITY

<u>Program</u>	<u>Meals Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>
National School Lunch	SSO	<u>412,952</u>	<u>225,692</u>	<u>225,692</u>	
		412,952	225,692	225,692	-
National School Breakfast-Severe	SSO	<u>412,952</u>	<u>225,692</u>	<u>225,692</u>	
		412,952	225,692	225,692	-
		<u><u>825,904</u></u>	<u><u>451,384</u></u>	<u><u>451,384</u></u>	-

**FRANKLIN TOWNSHIP PUBLIC SCHOOLS
FOOD SERVICE FUND
NET CASH RESOURCE SCHEDULE
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Food Service
<u>Net Cash Resources:</u>	
Current Assets	
Cash & Cash Equiv.	\$ 1,739,868
Due from Other Gov'ts	415,149
Due from Other Funds	<u>11,767</u>
	2,166,784
Current Liabilities	
Less Unearned Revenue	<u>(97,271)</u>
Net Cash Resources	<u><u>\$ 2,069,513</u></u>
 <u>Net Adj. Total Operating Expense:</u>	
Total Operating Expenses	\$ 2,847,126
Less Depreciation Expense	<u>(73,725)</u>
Adjusted Total Operating Expenses	<u><u>\$ 2,773,401</u></u>
<u>Average Monthly Operating Expense:</u>	<u><u>\$ 277,340</u></u>
 <u>Three Times Monthly Average:</u>	 <u><u>\$ 832,020</u></u>
 Net Cash Resources	 \$ 2,069,513
Three Times Monthly Average	<u>832,020</u>
Excess Net Cash Resources	<u><u>\$ 1,237,493</u></u>

**FRANKLIN TOWNSHIP PUBLIC SCHOOLS
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2020
SCHEDULE OF AUDITED ENROLLMENTS**

	2021-2022 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 Register On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool - 3 yrs					-	-					-	-				
Half Day Preschool - 4 yrs					-	-					-	-				
Full Day Preschool - 3 yrs	15		15		-	-	5		5		-	-				
Full Day Preschool - 4 yrs	331		331		-	-	89		89		-	-				
Full Day Kindergarten	446		447		(1)	-	48		48		-	-				
GRADE 1	413		413		-	-	58		58		-	-				
GRADE 2	415		415		-	-	74		74		-	-				
GRADE 3	408		408		-	-	40		40		-	-				
GRADE 4	403		403		-	-	66		66		-	-				
GRADE 5	398		398		-	-	52		52		-	-				
GRADE 6	357		357		-	-	149		149		-	-				
GRADE 7	388		388		-	-	223		223		-	-				
GRADE 8	420		418		2	-	202		202		-	-				
GRADE 9	478		478		-	-	478		478		-	-				
GRADE 10	483	2	483	2	-	-	483	2	483	2	-	-				
GRADE 11	414	2	414	2	-	-	414	2	414	2	-	-				
GRADE 12	462	4	462	4	-	-	462	4	462	4	-	-				
Subtotal	5,831	8	5,830	8	1	-	2,843	8	2,843	8	-	-				
Spec Ed - Elementary	484	-	484	-	-	-	31		31		-	-	10	8	8	-
Spec Ed- Middle School	261	-	261	-	-	-	17		17		-	-	11	8	7	1.0
Spec Ed - High School	303	1	303	1	-	-	20		18		2	-	44	33	33	-
Subtotal	1,048	1	1,048	1	-	-	68	-	66	-	2	-	65	49	48	1
Totals	6,879	9	6,878	9	1	-	2,911	8	2,909	8	2	-	65.0	49.0	48.0	1.0
Percentage Error					0.01%	0.00%					0.07%	0.00%				1.54%

**FRANKLIN TOWNSHIP PUBLIC SCHOOLS
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2020
SCHEDULE OF AUDITED ENROLLMENTS**

	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 ASSA	Reported on Workpapers	Errors	Sample Selected	Sample Verified	Errors
Full Day Preschool - 3 years			-			-			-			-
Full Day Preschool - 4 years			-			-			-			-
Full Day Kindergarten	174	160	14	4	4	-	43.0	39.0	4	6.0	6.0	-
GRADE 1	186	182	4	4	4	-	48.0	45.0	3	6.0	6.0	-
GRADE 2	209	201	8	5	2	3	60.0	55.0	5	8.0	8.0	-
GRADE 3	206	198	8	4	4	-	70.0	58.0	12	9.0	7.0	2
GRADE 4	195	190	5	4	4	-	28.0	27.0	1	4.0	4.0	-
GRADE 5	206	196	10	4	4	-	32.0	29.0	3	4.0	4.0	-
GRADE 6	197	190	7	4	3	1	20	20	-	3	3	-
GRADE 7	210	207	3	5	5	-	27	26	1	4	4	-
GRADE 8	215	211	4	5	5	-	12	11	1	2	2	-
GRADE 9	234	226	8	5	5	-	11	9	2	1	1	-
GRADE 10	202	192	10	4	4	-	19	16	3	3	3	-
GRADE 11	165	162	3	4	4	-	13	14	(1)	2	2	-
GRADE 12	215	209	6	5	4	1	19	17	2	3	3	-
Subtotal	2,614	2,524	90	57	52	5	402	366	36	55	53	2
Spec Ed - Elementary	269.0	255.0	14	6.0	5.0	1	53.0	50.0	3	7.0	7.0	-
Spec Ed- Middle School	170.0	167.0	3	4.0	3.0	1	11.0	8.0	3	1.0	1.0	-
Spec Ed - High School	181.0	183.0	(2)	4.0	4.0	-	5.0	5.0	-	1.0	1.0	-
Subtotal	620	605	15	14	12	2	69	63	6	9	9	-
DYFS Residential Ctrs	1	-	1									
Train Sch/Secure Care	2	-	2									
Juvenile Detention Ctr	5.0	-	5									
Subtotal	8	-	8									
Totals	3,242.0	3,129.0	113.0	71.0	64.0	7.0	471.0	429.0	42.0	64.0	62.0	2.0
Percentage Error			<u>3.49%</u>			<u>9.86%</u>			<u>8.92%</u>			<u>3.13%</u>

	Transportation			Tested	Verified	Errors
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors			
Regular- Public Schools	4,608	4,608	-	51	51	-
Regular - Sped.	780	780	-	8	5	3
AIL - Non-Public	797	797	-	9	9	-
Transported- Non- Public	20	20	-	1	1	-
Special Needs- Public	277	277	-	3	2	1
Totals	6,482.0	6,482.0	-	72.0	68.0	4.0
Percentage Error			<u>0.00%</u>			<u>5.56%</u>

**FRANKLIN TOWNSHIP PUBLIC SCHOOLS
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2020
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A as Not Low Income	Reported on Workpapers as Not Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Preschool - 3 years						
Full Day Preschool - 4 years			-			-
Full Day Kindergarten	35	35	-	10	10	-
GRADE 1	27	24	3	7	7	-
GRADE 2	21	23	(2)	8	8	-
GRADE 3	12	17	(5)	6	6	-
GRADE 4	19	19	-	5	5	-
GRADE 5	7	7	-	2	2	-
GRADE 6	5	5	-	2	2	-
GRADE 7	3	3	-	1	1	-
GRADE 8	3	3	-	1	1	-
GRADE 9	4	4	-	1	1	-
GRADE 10	8	7	1	2	2	-
GRADE 11	8	8	-	2	2	-
GRADE 12	5	5	-	1	1	-
Subtotal	157	160	(3)	48	48	-
Spec Ed - Elementary	8	21	(13)	4	4	-
Spec Ed- Middle School	2	4	(2)	1	1	-
Spec Ed - High School	1	1	-	-	-	-
	11	26	(15)	5	5	-
Totals	168	186	(18)	53	53	-
Percentage Error		-10.71%			0.00%	

**FRANKLIN TOWNSHIP PUBLIC SCHOOLS
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

2020-2021 Total General Fund Expenditures per the CAFR		\$ 180,792,074
Increased by:		
Transfer from Capital Reserve to Capital Projects		3,585,000
		184,377,074
Decreased by:		
Lease Purchase Proceeds		1,309,197
On-Behalf TPAF Pension & Social Security		25,151,249
Adjusted 2020-2021 General Fund Expenditures		\$ 157,916,628
4% of Adjusted 2020-2021 General Fund Expenditures		\$ 6,316,665
Increased by:		
Allowable Adjustment *		562,040
Maximum Unassigned Fund Balance		\$ 6,878,705
Total General Fund - Fund Balance at June 30, 2021 (Per CAFR Budgetary Comparison Schedule C-1)		\$ 28,238,150
Decreased by:		
Year-End Encumbrances	\$ 736,719	
Other Restricted Fund Balances		
Emergency Reserve	1,000,000	
Capital Reserve	11,344,502	
Maintenance Reserve	2,033,569	
Unemployment Claims	1,312,131	
FFCRA/SEMI	16,364	
Restricted - Excess Surplus Designated for Subsequent Year's Budget	2,420,128	
Assigned - Designated for Subsequent Year's Budget	62,818	
		18,926,231
Total Unassigned Fund Balance		\$ 9,311,919
Fund Balance - Excess Surplus		\$ 2,433,214
<u>Recapitulation of Excess Surplus as of June 30, 2021</u>		
Excess Surplus- Designated for 2021/22 Budget		\$ 2,420,128
Excess Surplus- Designated for 2022/23 Budget		2,433,214
		\$ 4,853,342
* <u>Detail of Allowable Adjustments</u>		
Unbudgeted Excess Extraordinary Aid		\$ 325,110
Additional Nonpublic School Transportation Aid		236,930
Total Adjustments		\$ 562,040

**FRANKLIN TOWNSHIP PUBLIC SCHOOLS
RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

- * 1. Internal controls over financial accounting and reporting be reviewed and enhanced to ensure financial transactions are properly recorded and reported in the District's internal accounting records.
- 2. The modified budget by project in the capital projects fund be in agreement with the audit balances.

III. School Purchasing Program

There are none.

IV. School Food Services

There are none.

V. Cultural Arts Recreation Enrichment (C.A.R.E. Program)

There are none.

VI. Student Body Activities

There are none.

VII. Application for State School Aid

- 3. Internal controls be enhanced to ensure that documentation is in agreement with students reported on the Application for State School Aid.

VIII. Pupil Transportation

There are none.

IX. Facilities and Capital Assets

- 4. Procedures pertaining to the classification and reporting of capital assets be reviewed and enhanced.

X. Miscellaneous

There are none.

XI. Status of Prior Years' Audit Findings/Recommendations

A review was performed on all prior years' recommendations and corrective action was taken on all, except the items denoted with an asterisk (*).