

VERNON TOWNSHIP BOARD OF EDUCATION  
COUNTY OF SUSSEX  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2021

VERNON TOWNSHIP BOARD OF EDUCATION  
COUNTY OF SUSSEX  
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2021  
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Independent Member  
BKR International

October 4, 2021

The Honorable President and Members  
of the Board of Education  
Vernon Township Board of Education  
County of Sussex, 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 financial statements of the Board of Education of the Vernon Township Board of Education in the County of Sussex for the fiscal year ended June 30, 2021, and have issued our report thereon October 4, 2021.

As part of our audit, we 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 letter does not affect our report dated October 4, 2021, on the financial statements of the Board.

We will review the status of the comments during our next audit engagement. We have already discussed these comments and suggestions with various management personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

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

NISIVOCCIA LLP

*Raymond A Sarinelli*

Raymond Sarinelli  
Licensed Public School Accountant #2549  
Certified Public Accountant

VERNON TOWNSHIP BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2021

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer, 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

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

Officials in Office and Surety Bonds

There is a Blanket Employee Dishonesty Bond with the School Alliance Insurance Fund covering all other employees with multiple coverage of \$500,000.

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Nesta Jones	Treasurer	\$ 500,000
Theresa Linskey	Business Administrator	500,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The Board made a proper adjustment to the billings to sending districts for the change in per pupil costs in accordance with N.J.A.C.6:23-3.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

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

Payroll Account and Position Control Roster

The net salaries of 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. Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the General Fund.

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. Payrolls were delivered to the Treasurer of School Monies with a warrant to her order for the full amount of the payroll.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents and business administrators) to the NJ Department of Treasury was filed by the March 15 due date.

VERNON TOWNSHIP BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2021

Financial Planning, Accounting and Reporting (Cont'd)

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made on a test basis as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable.

Classification of Expenditures – General and Administrative

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, we reviewed administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A-23A-8.2. As a result of the procedures performed, we found no errors and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Board Secretary's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have following comment noted below.

Finding 2021-001:

During our review of purchase orders, we noted that some expenditures were charged to the incorrect account.

Recommendation:

It is recommended that all purchase orders be reviewed for accuracy and that all expenditures be charged to the correct account.

Management's Response:

The District will ensure all expenditures are charged to the correct account.

Treasurer's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Treasurer's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted herein.

No Child Left Behind (N.C.L.B.) 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 District's CAFR. This section of the CAFR documents the financial position pertaining to projects under Titles I, II, and IV of the Elementary and Secondary Education Act as amended and reauthorized.

VERNON TOWNSHIP BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Other Special Federal and/or State Projects

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

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

T.P.A.F. Reimbursement

Our 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 T.P.A.F. Reimbursement to the State for Federal Salary Expenditures was remitted to the State of New Jersey prior to the required deadline of October 1, 2021. The reimbursement form was reviewed and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 states:

a. "When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefore, except that the Board of Education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c. 198 the Board of Education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Commencing in the fifth year after the year in which P.L.1999, c. 440 takes effect and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made . . . ."

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the Board of Education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law . . . ."

VERNON TOWNSHIP BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

School Purchasing Programs (Cont'd)

Contracts and Agreements Requiring Advertisement for Bids (Cont'd)

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 2020-2021.

The 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 violation of the statute, the Attorney'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. General compliance was noted.

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", 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.

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.

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 were noted.

Cash receipts and bank records were reviewed for timely deposit. No exceptions were noted. The District utilizes a food service management company (FMSC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the FMSC Cost Reimbursable Fixed contract/addendum were reviewed and audited. The FMSC contract includes an operating results provision which guarantees that the food service program will breakeven. The operating results provision has been met. No exceptions were noted. All vendor discounts, rebates and credits from vendors and/or the FSMC were tracked and credited to the Food Service account and reconciled to supporting documentation at least annually. No exceptions were noted.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified on a test basis. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used. No exceptions were 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 nonprofit status of the School Food Service Fund. No exceptions were noted.

VERNON TOWNSHIP BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

School Food Service (Cont'd)

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 FSMC did not apply for and receive a loan in accordance with the Payroll Protection Plan and did not use the funds to pay for costs applicable to the Food Service Programs.

Finding 2021-004:

During our review of the school District records, it was noted that net cash resources of the Food Service Fund exceeded three months average expenditures. However, expenditure costs were lowered during 2021 due to the Covid-19 pandemic, the increase in expenditures as normal programming resumes will correct the excess of net cash resources, no formal recommendation is deemed necessary.

Time sheets and labor costs provided to the District by the Food Service contractor were reviewed on a test basis without exception. Payroll records were maintained on all School Food Service employees authorized by the Board of Education. No exceptions were noted.

The number of meals claimed for reimbursement was compared to sales and meal count records on a test basis. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner. No exceptions were 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 policy was reviewed for uniform administration throughout the school district. 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 were noted.

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

Non-program foods were not purchased, prepared or offered for sale.

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

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Student Activities records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have the following comment.

Finding 2021-002:

During our review of the student activities fund, we noted that some expenditures did not have proper supporting documentation.



VERNON TOWNSHIP BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

Student Body Activities (Cont'd)

Recommendation:

It is recommended that all expenditures have proper supporting documentation.

Management's Response:

The District will ensure all student activities expenditures have proper supporting documentation.

Application for State School Aid

Our audit procedures included a test of enrollments reported in the October 15, 2020 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, bilingual education, 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 with several minor exceptions. The information that was included on the workpapers was verified on a test basis with exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District did maintain workpapers on the prescribed State forms or their equivalent.

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

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 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 with no 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.

Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal policy and procedure pertaining to travel and expense reimbursement for its employees and board members. The regulations require the District to establish a maximum travel amount for the year and to ensure that the maximum is not exceeded.

The regulations also require that all travel be preapproved by the Board of Education and that the approval must be itemized by event, event total cost, and individuals attending. Overall compliance was noted.

Testing for Lead of all Drinking Water in Educational Facilities

The District did submit the annual Statement of Assurance to the NJ Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

VERNON TOWNSHIP BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

Sick and Vacation Leave

Finding 2021-003:

During our review of sick and vacation leave, we noted that the District did not consult with its attorney to ensure that its negotiated labor contracts, individual employee agreements and employee policies, as applicable, are in accordance with New Jersey statutes regarding unused sick and vacation leave.

Recommendation:

It is recommended that the District consult with its attorney to ensure that its negotiated labor contracts, individual employee agreements and employee policies, as applicable, are in accordance with New Jersey statutes regarding unused sick and vacation leave.

Management's Response:

The District will consult with its attorney to ensure that its negotiated labor contracts, individual employee agreements and employee policies, as applicable, are in accordance with New Jersey statutes regarding unused sick and vacation leave.

Management Suggestions

Governmental Accounting Standards Board (GASB) Statements

GASB Statement No. 87, *Leases*, is effective for the fiscal year ended June 30, 2022. Under this statement, the District will be required to recognize a lease liability and an intangible right-to-use asset for each lease agreement with a lease term in excess of 12 months. This statement will enhance the comparability of financial statements among governments by requiring the reporting of leases under a single model. Additionally, certain leases that are currently not reported will be under this statement.

COVID-19 Federal Funding

It is likely that the District will undergo some review of its COVID-19 federal funding if only at a desk review level by state and/or federal agencies. We strongly suggest that the District ensures that these funds are utilized in accordance with the applicable federal requirements especially with respect to procurement. Additionally, we strongly suggest that the District ensures that these funds are accounted for in the state account numbers designated by the NJ Department of Education and that any applicable Board policies are current with respect to federal grant requirements.

Status on Prior Year Finding/Recommendation

There was one recommendation in the prior year report regarding the accuracy of the application for state school aid, which has been resolved.

VERNON TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2021  
 (Continued)

ENTERPRISE FUND - FOOD SERVICE FUND - NET CASH RESOURCES SCHEDULE

**Net Cash Resources:**

<b>CAFR</b>	*	<b>Current Assets</b>		
B-4		Cash and Cash Equivalents	\$	397,651
B-4		Due from Other Governments		87,084
<b>CAFR</b>		<b>Current Liabilities</b>		
B-4		Less Accounts Payable		<u>(61,707)</u>
		<b>Net Cash Resources</b>	<b>\$</b>	<b><u>423,028</u></b> (A)

**Net Adjusted Total Operating Expense:**

G-2	Total Operating Expenses	\$	696,497
G-2	Less Depreciation		<u>(21,273)</u>
	<b>Adjusted Total Operating Expenses</b>	<b>\$</b>	<b><u>675,224</u></b> (B)

**Average Monthly Operating Expense:**

B / 10	\$	<u>67,522</u>	(C)
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**Three times monthly Average:**

3 X C	\$	<u>202,566</u>	(D)
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TOTAL IN BOX A	\$	423,028	(A)
LESS TOTAL IN BOX D		<u>202,566</u>	(D)
NET	\$	<u>220,462</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.

VERNON TOWNSHIP BOARD OF EDUCATION  
 SCHEDULE OF MEAL COUNT ACTIVITY  
 FOOD SERVICE FUND  
 NUMBER OF MEALS SERVED AND (OVER)/UNDER CLAIM  
 ENTERPRISE FUND  
 FISCAL YEAR ENDED JUNE 30, 2021

SCHEDULE OF MEAL COUNT ACTIVITY  
ENTERPRISE FUND - FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - FEDERAL

<u>Program</u>	<u>Meals</u> <u>Claimed</u>	<u>Meals</u> <u>Tested</u>	<u>Meals</u> <u>Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over)/</u> <u>Under</u> <u>Claim</u>
National School Lunch:						
Seamless Summer Option	142,310	63,082	63,082	-0-	\$ 3.51	\$ -0-
HHFKA	142,310	63,082	63,082	-0-	0.07	-0-
School Breakfast:						
Seamless Summer Option	101,857	44,032	44,032	-0-	2.26	<u>-0-</u>
Total Net Overclaim						<u>\$ -0-</u>

VERNON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2020

	2020-2021 Application for State School Aid						Sample for Verification					
	Reported on		Reported on		Errors		Sample		Registers		Errors	
	On Roll	Shared	On Roll	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool 3 Years Old	8		8				8		8			
Half Day Preschool 4 Years Old	10		10				10		10			
Full Day Kindergarten	139		139				139		139			
Grade One	197		197				197		197			
Grade Two	156		156				156		156			
Grade Three	163		163				163		163			
Grade Four	176		176				176		176			
Grade Five	162		162				162		162			
Grade Six	144		144				144		144			
Grade Seven	169		169				169		169			
Grade Eight	196		196				196		196			
Grade Nine	186	1	186	1			186	1	186	1		
Grade Ten	181		181				181		181			
Grade Eleven	210	1	210	1			210	1	210	1		
Grade Twelve	198		198				198		198			
Subtotal	2,295	2	2,295	2			2,295	2	2,295	2		
Special Education:												
Elementary	238		238				25		25			
Middle	131		131				13		13			
High	183	1	183	1			18		18			
Subtotal	552	1	552	1			56		56			
Totals	2,847	3	2,847	3			2,351	2	2,351	2		-0-
Percentage Error												0.00%
												0.00%

VERNON TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF AUDITED ENROLLMENT  
 APPLICATION FOR STATE SCHOOL AID SUMMARY  
 ENROLLMENT AS OF OCTOBER 15, 2020

	Private Schools for Disabled				Resident Low Income					
	Reported on ASOA as Private Schools	Reported on Workpapers as Private Schools	Sample for Verification	Sample Verified	Sample Errors	Reported on ASOA as Low Income	Reported on Workpapers as Low Income	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool 3 Years Old						1	1			
Half Day Preschool 4 Years Old						1	1			
Full Day Kindergarten						14	14	1	1	
Grade One						31	31	1	1	
Grade Two						32	32	2	2	
Grade Three						37	37	1	1	
Grade Four						40	40	2	2	
Grade Five						23	23	1	1	
Grade Six						26	26	2	2	
Grade Seven						36	36	2	2	
Grade Eight						42	42	2	2	
Grade Nine						31	31	1	1	
Grade Ten						22	22	1	1	
Grade Eleven						34	34	2	2	
Grade Twelve						31	31	1	1	
Subtotal						401	401	19	19	
Special Education:										
Elementary School	2	2	2	2		51	51	2	2	
Middle School	9	9	1	1		41	41	2	2	
High School	20	20	4	4		54	54	2	2	
Subtotal	31	31	7	7		146	146	6	6	
Totals	31	31	7	7	-0-	547	547	-0-	25	-0-
Percentage Error			0.00%		0.00%			0.00%		0.00%

VERNON TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF AUDITED ENROLLMENT  
 APPLICATION FOR STATE SCHOOL AID SUMMARY  
 ENROLLMENT AS OF OCTOBER 15, 2020

	Resident LEP Low Income				Resident LEP Not Low Income				
	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Selected from Workpapers	Reported on ASSA as LEP Not Low Income	Reported on Workpapers as LEP Not Low Income	Verified to Test Scores and Register	Sample Errors
Half Day Preschool 3 Years Old									
Half Day Preschool 4 Years Old									
Full Day Preschool									
Full Day Kindergarten									
Grade One	1	1	1	1		2	1	1	
Grade Two	2	2	1	1		1			
Grade Three	1	1							
Grade Four									
Grade Five									
Grade Six									
Grade Seven	1	1	1	1		1	1	1	
Grade Eight									
Grade Nine	1	1	1	1		1	1	1	
Grade Ten						1	1	1	
Grade Eleven						1	1	1	
Grade Twelve									
Subtotal	8	8	4	4	4	6	6	3	3
Special Education:									
Elementary School									
Middle School									
High School									
Subtotal									
Totals	9	9	5	5	5	7	7	4	-0-
Percentage Error			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

VERNON TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2020

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	2,254	2,254		25	25	
Regular - Special Education	444	444		25	25	
Transported - Non Public	51	51		5	5	
AIL - Non Public	38	38		4	4	
Special Needs - Public	86	86		7	7	
Special Needs - Private	22	22		4	4	
Totals	2,895	2,895	-0-	70	70	-0-
Percentage Error			0.00%			0.00%

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	6.3	6.3
Average Mileage - Regular Excluding Grade PK Students	6.3	6.3
Average Mileage - Special Education with Special Needs	11.0	11.0



VERNON TOWNSHIP BOARD OF EDUCATION  
EXCESS SURPLUS CALCULATION  
FISCAL YEAR ENDED JUNE 30, 2021

**EXCESS SURPLUS CALCULATION**

**REGULAR DISTRICT**

**SECTION 1**

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

2020-2021 Total General Fund Expenditures per the CAFR, Ex. C-1	<u>\$ 73,130,911</u> (B)	
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -0-</u> (B1a)	
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ -0-</u> (B1b)	
Transfer from General Fund to SRF for PreK-Regular	<u>\$ -0-</u> (B1c)	
Transfer from General Fund to SRF for PreK-Inclusion	<u>\$ -0-</u> (B1d)	
Decreased by:		
On-Behalf TPAF Pension and Social Security	<u>\$ 12,448,022</u> (B2a)	
Assets Acquired Under Capital Leases	<u>\$ 107,053</u> (B2b)	
Adjusted 2020-2021 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 60,575,836</u> (B3)	
4% of Adjusted 2020-2021 General Fund Expenditures [(B3) times .04]	<u>\$ 2,423,033</u> (B4)	
Enter Greater of (B4) or \$250,000	<u>\$ 2,423,033</u> (B5)	
Increased by: Allowable Adjustment	<u>\$ 327,917</u> (K)	
Maximum Unassigned Fund Balance [(B5)+(K)]		<u>\$ 2,750,950</u> (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6/30/2021 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 11,090,552</u> (C)	
Decreased by:		
Year End Encumbrances	<u>\$ 283,502</u> (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C2)	
Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 2,922,734</u> (C3)	
Other Restricted Fund Balances	<u>\$ 4,418,246</u> (C4)	
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C5)	
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		<u>\$ 3,466,070</u> (U1)

VERNON TOWNSHIP BOARD OF EDUCATION  
EXCESS SURPLUS CALCULATION  
FISCAL YEAR ENDED JUNE 30, 2021

**SECTION 3**

Restricted Fund Balance - Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0-	\$ <u>715,120</u> (E)
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**Recapitulation of Excess Surplus as of June 30, 2021**

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 2,922,734 (C3)
Restricted Excess Surplus [(E)]	\$ <u>715,120</u> (E)

Total [(C3)+(E)]	\$ <u>3,637,854</u> (D)
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Detail of Allowable Adjustments

Impact Aid	\$ -0- (H)
Sale and Lease Back	\$ -0- (I)
Extraordinary Aid	\$ 304,107 (J1)
Additional Nonpublic School Transportation Aid	\$ 23,810 (J2)
Current Year School Bus Advertising Revenue Recognized	\$ -0- (J3)

Total Adjustments ((H)+(I)+(J1)+(J2)+(J3))	\$ <u>327,917</u> (K)
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Detail of Other Restricted Fund Balance

Statutory Restrictions	
Approved Unspent Separate Proposal	\$ -0-
Sale/Lease-Back Reserve	\$ -0-
Capital Reserve	\$ 4,173,621
Maintenance Reserve	\$ 2,470
Emergency Reserve	\$ -0-
Tuition Reserve	\$ -0-
Other State/Governmental Mandated Reserve	\$ -0-
Unemployment Compensation	\$ 242,155
Other Reserved Fund Balance not Noted Above	\$ -0-

Total Other Restricted Fund Balance	\$ <u>4,418,246</u> (C4)
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VERNON TOWNSHIP BOARD OF EDUCATION  
SUMMARY OF RECOMMENDATIONS  
FISCAL YEAR ENDED JUNE 30, 2021

It is recommended that:

1. Administrative Practices and Procedures  
None
2. Financial Planning, Accounting and Reporting  
Finding 2021-001: All purchase orders be reviewed for accuracy and that all expenditures be charged to the proper account.
3. School Purchasing Program  
None
4. School Food Service  
None
5. Student Body Activities  
Finding 2021-002: All expenditures have proper supporting documentation.
6. Application for State School Aid  
None
7. Pupil Transportation  
None
8. Facilities and Capital Assets  
None
9. Travel Expense and Reimbursement Policy  
None
10. Miscellaneous  
Finding 2021-003: The District consult with its attorney to ensure that its negotiated labor contracts, individual employee agreements and employee policies, as applicable, are in accordance with New Jersey statutes regarding unused sick and vacation leave.
11. Status of Prior Year's Findings/Recommendations  
The prior year recommendation regarding the accuracy of the application for state school aid has been resolved.