

*TOWNSHIP OF WASHINGTON  
SCHOOL DISTRICT  
COUNTY OF GLOUCESTER*

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

*FOR THE FISCAL YEAR ENDED  
JUNE 30, 2021*

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Auditor's Management Report on Administrative  
 Findings - Financial, Compliance and Performance

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

The Honorable President and  
Members of the Board of Education  
Township of Washington School District  
County of Gloucester, 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 Board of Education of the Township of Washington School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2021, which were separately issued in the Annual Comprehensive Financial Report dated March 10, 2022.

As part of our audit, we also 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 issued in conjunction with the Annual Comprehensive Financial Report of the Board of Education of the Township of Washington School District, for the fiscal year ended June 30, 2021, and is intended for the information of the School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Todd R. Saler  
Certified Public Accountant  
Public School Accountant No. CS 02195

Voorhees, New Jersey  
March 10, 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 School District's Annual Comprehensive Financial Report (ACFR).

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

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>Amount</u></b>
Janine Wechter	Board Secretary / School Business Administrator	\$533,000.00

There is a Public Employees' Faithful Performance Blanket Position Bond covering all other employees with multiple coverage of \$500,000.00.

**Tuition Charges**

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The School District made a proper adjustment to the billings to sending districts for the decrease in per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f)3.

**FINANCIAL PLANNING, ACCOUNTING, AND REPORTING**

**Examination of Claims**

Sampled claims paid during the fiscal year under audit did not indicate any reportable noncompliance with respect to signatures, certification, or supporting documentation.

**Payroll Account**

The net salaries of sampled employees of the School District were deposited in the net payroll account. Employees' payroll deductions and the employer's share of fringe benefits were deposited in the payroll agency account.

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

Sampled salary withholdings were promptly remitted to the proper agencies, including health benefit premium withholdings due to the general fund.

Sampled payrolls were delivered to the Board Secretary who then deposited with warrants in separate bank accounts for net payroll and withholdings.

**Employee Position Control Roster**

A sample of the Employee Position Control Roster indicated that it was in satisfactory condition and was approved by the county office submission with the 2020-2021 budget review checklist.

**FINANCIAL PLANNING, ACCOUNTING, AND REPORTING (CONT'D)**

**Encumbrances and Accounts Payable**

A sample of outstanding issued purchase orders was made as of June 30 for proper classification of orders as encumbrances and accounts payable. Our sample did not indicate any reportable noncompliance with respect to classification of orders.

**Travel**

A sample of travel expenditures during the fiscal year under audit did not indicate any reportable noncompliance.

**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 randomly sampled expenditure transactions. We also tested the coding of all expenditures included in our compliance and single audit sampling procedures. In addition, a sample was selected that specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. Our samples did not indicate any reportable noncompliance with respect to classification of expenditures.

**Board Secretary's Records**

Our audit of the financial and accounting records maintained by the Board Secretary indicated that they were in satisfactory condition.

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

The E.S.S.A. 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 II, Title III and Title IV of the Every Student Succeeds Act.

The audit of compliance for E.S.S.A. did not indicate any reportable noncompliance.

**Other Special Federal and / or State Projects**

The School District's other special projects were approved as listed on exhibits K-3 and K-4 located in the ACFR.

Our audit of the federal and state funds on a sample 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 other special projects.

The audit of compliance for other special projects did not indicate any reportable noncompliance.

**TPAF Reimbursement**

Our audit procedures included a sample 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.

**TPAF Reimbursement to the State for Federal Salary Expenditures**

The amount of the expenditure charged to the current year's final report(s) 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 and N.J.S.A. 18A:66-90. The expenditure was inspected subsequent to the reimbursement and no exceptions were noted.

## **SCHOOL PURCHASING PROGRAMS**

### **Contracts and Agreements Requiring Advertisement for Bids**

N.J.S.A. 18A:18A-1 et seq. (Public School Contracts Law), the associated rules and related information on the statute, and the school contracts in general, are available on the following website:

<https://www.state.nj.us/dca/divisions/dlgs/programs/lpcl.html>

Current statute is posted on the New Jersey Legislature website at:

<http://www.njleg.state.nj.us/>

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$44,000.00 (with a Qualified Purchasing Agent) and \$32,000.00 (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 \$19,600.00 for 2020-21.

The School District's 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 solicitor's opinion should be sought before a commitment is made.

Based on the results of our audit, we did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the 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.

## **SCHOOL FOOD SERVICE**

### **Public Health Emergency**

In accordance with the Governor's Declaration of Emergency pertaining to the public health emergency 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 fiscal year 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 Service 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 free and reduced price meal eligible students during the emergency.

The financial transactions and statistical records of the school food service fund were audited. The financial accounts, meal count records, and eligibility applications were tested on a sample basis. No exceptions were noted.

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

**SCHOOL FOOD SERVICE (CONT'D)**

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

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

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.

Net cash resources did not exceed three months average expenditures.

Sampled time sheets were tested and labor costs verified. Payroll records were maintained on all sampled school food service employees authorized by the School District. No exceptions were noted.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement claims were submitted / certified in a timely manner.

Sampled applications for free and reduced price meals were tested for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications and / or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy was inspected for uniform administration throughout the school system. The required verification procedures for free and reduced price applications were completed and available for audit.

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

Non-program foods were not purchased, prepared, sold, or offered for sale by the School District

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

**STUDENT BODY ACTIVITIES**

Our audit of the financial and accounting records for student activities indicated that they were in satisfactory condition.

**APPLICATION FOR STATE SCHOOL AID**

Our audit procedures included a sample 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, low-income, and bilingual. We also performed an inspection 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 our 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**

Our audit procedures included a sample of on-roll status reported in the 2020-21 District Report of Transported Resident Students (DRTRS). The information that was reported on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the schedule of audited enrollments.

Our procedures also included a sample of transportation related contracts and purchases. Based on our sample, the School District complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our sample of transportation related purchases of goods and services.

**FACILITIES AND CAPITAL ASSETS**

Our audit of the financial and accounting records for facilities and capital assets indicated that they were in satisfactory condition.

**MISCELLANEOUS**

**Continuing Disclosure Agreements**

The School District complied with its most recent continuing disclosure agreements made in relation to prior year bond issuances.

**Testing for Lead of All Drinking Water in Education Facilities**

The School District complied with all the requirements of N.J.A.C. 6A: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).

**FOLLOW-UP ON PRIOR YEAR'S FINDINGS**

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations.

There were no audit findings for the fiscal year ended June 30, 2020.

We have also inspected any findings contained in the audit reports issued by the Office of Fiscal Accountability and Compliance (OFAC). Corrective action had been taken on all findings in the report dated 10/20/21.



**ACKNOWLEDGMENT**

We received the complete cooperation of all of the officials of the School District and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

*Bowman : Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Todd R. Saler*

Todd R. Saler  
Public School Accountant No. CS 02195

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Schedule of Meal Count Activity  
 Food Service Fund  
 Number of Meals Served and (Over) / Underclaim - Federal  
 Enterprise Fund  
 For the Fiscal Year Ended June 30, 2021

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>Estimated (Over) / Under Claim</u>	
National School Lunch	HHFKA - PB Lunch Only	240,665	240,665	240,665	-	0.07	-	
Seamless Summer Option (SSO) Breakfast	Free	36,985	36,985	36,985	-	1.89	-	
	Severe Need	158,625	158,625	158,625		2.26		
Lunch	Free	240,665	240,665	240,665	-	3.51	-	
	Total	436,275	436,275	436,275	-		-	
Total Net Underclaim / (Overclaim)							<u>\$</u>	<u>-</u>

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Schedule of Net Cash Resources  
 Net Cash Resources Did Not Exceed Three Months of Expenditures  
 Proprietary Funds - Food Service Fund  
 For the Fiscal Year Ended June 30, 2021

<u>Net Cash Resources:</u>	<u>Food Service</u> <u>B - 4/5</u>	
<b>ACFR</b>	<b>Current Assets</b>	
B-4	Cash & Cash Equivalents	\$ 652,449.65
B-4	Due from Other Governments	136,306.01
B-4	Due from Other Funds	3,600.00
B-4	Accounts Receivable	7,589.81
B-4	Investments	
<b>ACFR</b>	<b>Current Liabilities</b>	
B-4	Less Accounts Payable	(27,892.30)
B-4	Less Accruals	(9,627.94)
B-4	Less Due to Other Funds	(999,277.00)
B-4	Less Unearned Revenue	(43,154.79)
	<b>Net Cash Resources</b>	<b><u>\$ (280,006.56)</u></b> (A)
 <b><u>Net Adjusted Total Operating Expense:</u></b>		
B-5	Total Operating Expenditures	\$ 2,420,414.46
B-5	Less Depreciation	(22,806.33)
	Adjusted Total Operating Expense	<b><u>\$ 2,397,608.13</u></b> (B)
 <b><u>Average Monthly Operating Expense:</u></b>		
	B / 10	<b><u>\$ 239,760.81</u></b> (C)
 <b><u>Three Times Monthly Average:</u></b>		
	3 X C	<b><u>\$ 719,282.44</u></b> (D)

TOTAL IN BOX A	\$ (280,006.56)
LESS TOTAL IN BOX D	\$ 719,282.44
NET	<b><u>\$ (999,289.00)</u></b>
From above:	
A is greater than D, cash exceeds 3 X average monthly operating expenses.	
D is greater than A, cash does not exceed 3 X average monthly operating expenses.	

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Application for State School Aid Summary  
 Schedule of Audited Enrollments  
 Enrollment as of October 15, 2020

	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 Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Veri- fication	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool	11		11					11		11						
Full Day Preschool																
Half Day Kindergarten																
Full Day Kindergarten	373		373					56		56						
One	448		448					95		95						
Two	435		435					58		58						
Three	455		455					67		67						
Four	483		483					85		85						
Five	470		470					92		92						
Six	497		497					140		140						
Seven	484		484					190		190						
Eight	479		479					162		162						
Nine	463		463					463		463						
Ten	443		443					443		443						
Eleven	507		507					507		507						
Twelve	502		502					502		502						
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14CR.)																
<b>Subtotal</b>	<b>6,050</b>	<b>-</b>	<b>6,050</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,871</b>	<b>-</b>	<b>2,871</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Special Education-Elementary	409		409				18		18				13	11	11	
Special Education-Middle School	239		239				10		10				9	8	8	
Special Education-High School	289		289				13		13				27	24	24	
<b>Subtotal</b>	<b>937</b>	<b>-</b>	<b>937</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41</b>	<b>-</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49</b>	<b>43</b>	<b>43</b>	<b>-</b>
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Totals</b>	<b>6,987</b>	<b>-</b>	<b>6,987</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,912</b>	<b>-</b>	<b>2,912</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49</b>	<b>43</b>	<b>43</b>	<b>-</b>
Percentage Error																

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Application for State School Aid Summary  
 Schedule of Audited Enrollments  
 Enrollment as of October 15, 2020

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Application, Test Score and Register	Sample Errors
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten	37	37		10	10		3	3		3	3	
One	73	73		17	17		9	9		9	9	
Two	70	70		20	20		7	7		5	5	
Three	101	101		23	23		9	9		7	7	
Four	68	68		19	19		3	3		2	2	
Five	91	91		20	20		1	1		1	1	
Six	87	87		22	22		2	2		1	1	
Seven	106	106		23	23							
Eight	98	98		23	23		1	1		1	1	
Nine	89	89		19	19		2	2		2	2	
Ten	84	84		19	19		1	1		1	1	
Eleven	85	85		19	19							
Twelve	85	85		19	19		1	1		1	1	
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14CR.)												
Subtotal	1,074	1,074	-	253	253	-	39	39	-	33	33	-
Special Education-Elementary	192	192		4	4		7	7		3	3	
Special Education-Middle School	100	100		2	2		3	3		3	3	
Special Education-High School	114	114		5	5		1	1		1	1	
Subtotal	406	406	-	11	11	-	11	11	-	7	7	-
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Subtotal			-			-	-	-	-	-	-	-
Totals	1,480	1,480	-	264	264	-	50	50	-	40	40	-
Percentage Error			-			-			-			-

Transportation

	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors			
							Reported	Re-Calculated	
Reg. - Public Schools, Col. 1	2,855	2,855		214	214		Reg. Avg. (Mileage) = Regular Including Grade PK students (Part A)	4.1	4.1
Reg. - SpEd, Col. 4	541	541		40	40		Reg. Avg. (Mileage) = Regular Excluding Grade PK students (Part B)	4.1	4.1
Transported - Non-Public, Col. 3	332	332		25	25		Spec. Avg. (Mileage) = Special Ed. with Special Needs	6.0	6.0
Special Needs, Col. 6	227	227		16	16				
Totals	3,955	3,955	-	295	295	-			
Percentage Error			-			-			

**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
 Application for State School Aid Summary  
 Schedule of Audited Enrollments  
 Enrollment as of October 15, 2020

	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 Test Score and Register	Sample Errors
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten	6	6		5	5	
One	3	3		2	2	
Two	1	1				
Three	4	4		2	2	
Four	1	1				
Five	2	2		1	1	
Six	1	1		1	1	
Seven						
Eight	1	1		1	1	
Nine						
Ten	1	1		1	1	
Eleven	1	1		1	1	
Twelve						
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14CR.)						
Subtotal	21	21	-	14	14	-
Special Education-Elementary	1	1		1	1	
Special Education-Middle School						
Special Education-High School						
Subtotal	1	1	-	1	1	-
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Subtotal	-	-	-	-	-	-
Totals	22	22	-	15	15	-
Percentage Error			-			-

**EXCESS SURPLUS CALCULATION**

**REGULAR DISTRICT / CHARTER SCHOOL / RENAISSANCE SCHOOL PROJECT**

**SECTION 1**

**4% Calculation of Excess Surplus**

2020-21 Total General Fund Expenditures Reported on ACFR Exhibit C-1	\$ 158,315,227.28 (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	_____ (B1a)
Transfer from Capital Reserve to Capital Projects Fund	366,031.80 (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	25,560,376.72 (B2a)
Assets Acquired Under Capital Leases	_____ (B2b)
Adjusted 2020-21 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ 133,120,882.36 (B3)
4% of Adjusted 2020-21 General Fund Expenditures [(B3) times .04]	\$ 5,324,835.29 (B4)
Enter Greater of (B4) or \$250,000	5,324,835.29 (B5)
Increased by: Allowable Adjustment *	2,538,712.00 (K)
Maximum Unassigned Fund Balance [(B5) + (K)]	\$ 7,863,547.29 (M)

**SECTION 2**

Total General Fund - Fund Balances at June 30, 2021 (Per ACFR Budgetary Comparison Schedule, Ex. C-1)	\$ 32,155,429.14 (C)
Decreased by:	
Year-End Encumbrances	1,086,125.92 (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	_____ (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	6,611,825.69 (C3)
Other Restricted Fund Balances ****	6,146,273.43 (C4)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	3,891,020.07 (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ 14,420,184.03 (U1)

**SECTION 3**

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER -0-	\$ 6,556,636.74 (E)
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**Recapitulation of Excess Surplus as of June 30, 2021**

Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 6,611,825.69 (C3)
Restricted - Excess Surplus *** [(E)]	6,556,636.74 (E)
Total Excess Surplus [(C3)+(E)]	\$ 13,168,462.43 (D)

**EXCESS SURPLUS CALCULATION (CONT'D)**

**REGULAR DISTRICT / CHARTER SCHOOL / RENAISSANCE SCHOOL PROJECT**

Footnotes:

\* Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:

(H) Federal Impact Aid. The passage of P.L.2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve – General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);

(I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);

(J1) Extraordinary Aid;

(J2) Additional Nonpublic School Transportation Aid;

(J3) Recognized current year School Bus Advertising Revenue; and

(J4) Family Crisis Transportation Aid.

Notes to auditor: Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid, and Additional Nonpublic School Transportation Aid.

**Detail of Allowable Adjustments**

Federal Impact Aid	\$	-	(H)
Sale & Lease-back			(I)
Extraordinary Aid		2,414,511.00	(J1)
Additional Nonpublic School Transportation Aid		120,930.00	(J2)
Current Year School Bus Advertising Revenue Recognized		3,271.00	(J3)
Family Crisis Transportation Aid			(J4)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]		 \$ 2,538,712.00	 (K)

\*\* This amount represents the Excess Surplus (C3 above) generated during June 30, 2020 and must be included in the Audit Summary Line 90031. This amount was to be appropriated in the 2021-2022 general fund budget.

\*\*\* Amounts must agree to the June 30, 2021 ACFR and must agree to Audit Summary Line 90030.

\*\*\*\* Amount for Other Restricted Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by another type of government, such as the judicial branch of government, must have departmental approval. District requests should be submitted to the Office of School Finance prior to September 30.

**Detail of Other Restricted Fund Balance**

Statutory restrictions:

Approved unspent separate proposal	\$	-	
Sale/lease-back reserve			
Capital reserve		4,660,716.25	
Maintenance reserve			
Emergency reserve			
Tuition reserve			
School bus advertising 50% fuel offset reserve - current year		1,635.50	
School bus advertising 50% fuel offset reserve - prior year		18,973.11	
Impact Aid General Fund Reserve (Sections 8002 and 8003)			
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)			
Other state/government mandated reserves			
Restricted for Unemployment		1,464,948.57	
[Other Restricted Fund Balance not noted above]****			
 Total Other Restricted Fund Balance		 \$ 6,146,273.43	 (C4)



**TOWNSHIP OF WASHINGTON SCHOOL DISTRICT**  
Audit Recommendations Summary  
For the Fiscal Year Ended June 30, 2021

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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. Follow-Up on Prior Year Findings

There were no prior year audit findings/recommendations.