

**WILLINGBORO TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
BURLINGTON COUNTY, NEW JERSEY**

**Auditor's Management Report on Administrative Findings-
Financial, Compliance and Performance
for the Fiscal Year Ended June 30, 2021**

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

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BRENT W. LEE & CO., LLC
Certified Public Accounting Firm

**REPORT OF INDEPENDENT AUDITORS
AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS, FINANCIAL COMPLIANCE AND PERFORMANCE**

Honorable President and
Members of the Board of
Education Willingboro
Township County of Burlington
Willingboro, New Jersey 08046

We have audited, in accordance with generally accepted audit standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Willingboro Township School District in the County of Burlington for the year ended June 30, 2021, and have issued our report thereon dated February 4, 2022.

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 report is intended for the information of the Willingboro 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.

Respectfully submitted,

Brent W. Lee
Certified Public Accountant
Public School Accountant No. 700
Brent W. Lee & Co., LLC

Cinnaminson, New Jersey
February 4, 2022

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3008 New Albany Rd., Cinnaminson, NJ 08077

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BRENT W. LEE & CO., LLC
Certified Public Accounting Firm

To the Honorable President and Members
of the Willingboro Township
Board of Education
Willingboro, New Jersey

**ADMINISTRATIVE FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, the activities of the Board of Education, the records of the Athletic Fund, the Student Activity Fund, Food Service Fund and Special Revenue Fund under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20 Insurance Schedule contained in the District's CAFR.

Official Bonds

| Name | Position | Amount |
|-----------------|--|---------------|
| Kelvin L. Smith | Business Administrator/Board Secretary | \$400,000 |
| William Tantum | Treasurer | 400,000 |

There is a public employees' faithful performance blanket position bond with the Selective Insurance Company covering all other employees with multiple coverage of \$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 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

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

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employee's payroll deductions and 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, the Board Secretary/Business Administrator, and the Chief School Administrator.

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

Payrolls were delivered to the treasurer of school moneys with a warrant made to their order for the full amount of each payroll.

Employee Position Control Roster

A sample inquiry and subsequent review of the Position Control Roster found no inconsistencies between the payroll records, employee benefit records (e.g. pension reports and health benefit coverage reports), the general ledger accounts to where wages are posted (administrative versus instruction), and the Position Control Roster.

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 and it was determined 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 reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C.6A:23A-16.2(f)* as part of my test of transactions of randomly selected expenditure items. I also reviewed the coding of all expenditures included in my compliance and single audit testing procedures. In addition to randomly selecting a test sample, my sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-8.3*. As a result of the procedures performed, no transaction errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

My review of the financial and accounting records maintained by the Board Secretary disclosed the following items:

Board Secretary's Records (continued):

Finding 2021-01:

Condition:

A total over-expenditure of \$139,470 occurred for one budgetary line item account.

Recommendation:

Approved budgetary line accounts should not be over-expended. All year-to-date expenditures must be posted timely along with executing approved budget transfers in order to cover such costs in order to be in compliance with N.J.A.C. 6A:23A-16.10.

Treasurer's Records

The Treasurer's records were reviewed and found to be in satisfactory condition.

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 and VI of the Elementary and Secondary Education Act as amended and reauthorized.

Other Special Federal and/or State Projects

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

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

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

The study of compliance for the special projects indicated no areas of noncompliance.

T.P.A.F. Reimbursement

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

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

The amount of the expenditure charged to the current year's Final 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. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Program

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 school contracts in general is available on the NJ Local Agency Procurement Laws webpage: <http://www.state.nj.us/dca/divisions/dlgs/programs/1pcl.html>.

Current statute is posted on the New Jersey Legislature (<http://www.njleg.state.nj.us>) website.

The bid thresholds in accordance with *N.J.S.A.18A:18A-2* and *18A:18A-3(a)* are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under *N.J.S.A. 18A:39-3* is \$19,600 for 2020-21.

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

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

School Food Service

In accordance with the Governor's Declaration of Emergency pertaining to the COVID 19 Virus all 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 (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 students during the emergency.

The school food service program was not selected as a major Federal and/or State program. However, the program expenditures exceeded \$100,000 in Federal and/or State support.

School Food Service (continued):

Accordingly, I inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursements overclaims or underclaims. No exceptions were noted.

I also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions noted.

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

I inquired of management the public health emergency procedures/practices that the SFA instituted to provide meals to all students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations. I also inquired if the FSMC received a loan in accordance with the Payroll Protection Plan and whether the funds were used to pay for costs applicable to the Food Service Programs. I also inquired if the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA.

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meals count records were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

The district utilizes a food service management company Sodexo 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 Cost Reimbursable Fixed Price or Non-Competitive Emergency Procurement Sodexo contract/addendum were reviewed and audited.

Expenditures should be 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.

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 FSA 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.

Net cash resources did not exceed three months average expenditures.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education. No exceptions were noted.

School Food Service (continued):

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.

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 and free milk policy was reviewed for uniform administration throughout the School System. 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.

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.

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

Finding 2021-02:

Condition:

It was noted during my audit that the District's Food Service Fund is operating at a deficit on an annual basis.

Recommendation:

That the District analyze revenue streams of the Food Service Fund and then, if necessary, properly fund any deficit through the District's General Fund budget.

Unemployment Compensation Insurance Trust Fund

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Expendable Trust Fund.

Student Activities Account

The Board adopted a policy, which effectively established the regulation of all student activity funds. My review of the financial and accounting records for student activities indicated they were in satisfactory condition.

Application for State School Aid (ASSA)

My audit procedures included a test of information reported in the October 15, 2019 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. I also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers. The information that was

Application for State School Aid (ASSA) (continued)

included on the workpapers was verified. The results of my procedures are presented in the Schedule of Audited Enrollments and no exceptions were noted.

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

The District written procedures appear to be adequate for the recording of student enrollment data.

Pupil Transportation

My audit procedures included a test of On Roll status reported in the 2019-2020 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with no exceptions. The results of my procedures are presented in the Schedule of Audited Enrollments.

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

Testing for Lead of All drinking Water in Educational Facilities

The school district adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities. 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 Years' Findings

In accordance with government auditing standards, my procedures included a review of all prior year recommendations including findings. Corrective action had been taken on all prior year findings with exception of the following, which is repeated in this year's recommendations noted as current year finding "2021-01."

One budgetary line account was over-expended. (2021-01)

Office of Fiscal Accountability and Compliance (OFAC) Findings

There was an Office of Fiscal Accountability and Compliance (OFAC) audit report issued during the fiscal year ended June 30, 2021. The District did issue a Corrective Action Plan in response to the OFAC audit report.

Acknowledgment

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

Should you have any questions concerning our comments or should you desire any assistance, please do not hesitate to call me.

Respectfully Submitted,



Brent W. Lee
Certified Public Accountant
Public School Accountant No. 700
Brent W. Lee & Co., LLC

Cinnaminson, New Jersey
February 4, 2022

ADDITIONAL INFORMATION

SCHEDULE OF AUDITED ENROLLMENTS (1)

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2020**

| | 2021-2022 Application for State School Aid | | | | Sample for Verification | | | | Private Schools for Handicapped | | | | |
|-------------------------|--|--------|------------|--------|-------------------------|--------|----------------------|------|---------------------------------|------------------------|------------|--------------|------------------|
| | Reported on | | Workpapers | | Selected From | | Errors Per | | Reported on | | Sample for | | |
| | A.S.S.A. On Roll | Shared | Full | Shared | Workpapers Full | Shared | Registers On Roll | Full | Shared | A.S.S.A. Workpapers | Errors | Verification | Sample Errors |
| Full Day Preschool 3 Yr | 96 | | 96 | | 12 | | 12 | | | | | | |
| Full Day Preschool 4 Yr | 165 | | 165 | | 19 | | 19 | | | | | | |
| Full Day Kindergarten | 191 | | 191 | | 14 | | 14 | | | | | | |
| One | 231 | | 231 | | 17 | | 17 | | | | | | |
| Two | 227 | | 227 | | 18 | | 18 | | | | | | |
| Three | 205 | | 205 | | 13 | | 13 | | | | | | |
| Four | 219 | | 219 | | 17 | | 17 | | | | | | |
| Five | 229 | | 229 | | 13 | | 13 | | | | | | |
| Six | 223 | | 223 | | 17 | | 17 | | | | | | |
| Seven | 253 | | 253 | | 17 | | 17 | | | | | | |
| Eight | 222 | | 222 | | 15 | | 15 | | | | | | |
| Nine | 146 | | 146 | | 18 | | 18 | | | | | | |
| Ten | 118 | | 118 | | 16 | | 16 | | | | | | |
| Eleven | 109 | | 109 | | 12 | | 12 | | | | | | |
| Twelve | 156 | | 156 | | 16 | | 16 | | | | | | |
| Subtotal | 2,790 | | 2,790 | | 234 | | 234 | | | | | | |
| Sp Ed - Elementary | 268 | | 268 | | 32 | | 32 | | | 12 | | 7 | 7 |
| Sp Ed - Middle | 156 | | 156 | | 11 | | 11 | | | 7 | | 5 | 5 |
| Sp Ed - High School | 182 | | 182 | | 18 | | 18 | | | 34 | | 28 | 28 |
| Subtotal | 606 | | 606 | | 61 | | 61 | | | 53 | | 40 | 40 |
| Totals | 3,396 | | 3,396 | | 295 | | 295 | | | 53 | | 40 | 40 |

Percentage Error

SCHEDULE OF AUDITED ENROLLMENTS (2)

WILLINGBORO TOWNSHIP BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
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 | Sample Selected From Workpapers | Verified to Application & Register | Sample Errors | Reported on A.S.S.A. as LEP Low Income | Reported on Workpapers as LEP Low Income | Sample Selected From Workpapers | Verified to Test Score and Register | Sample Errors |
| Full Day Kindergarten | 121 | 121 | 59 | 59 | | 3 | 3 | 3 | 3 | |
| One | 188 | 188 | 20 | 20 | | 1 | 1 | 1 | 1 | |
| Two | 175 | 175 | 15 | 15 | | 3 | 3 | 2 | 2 | |
| Three | 172 | 172 | 20 | 20 | | 5 | 5 | 5 | 5 | |
| Four | 173 | 173 | 22 | 22 | | 6 | 6 | 6 | 6 | |
| Five | 162 | 162 | 22 | 22 | | 2 | 2 | 2 | 2 | |
| Six | 166 | 166 | 28 | 28 | | 2 | 2 | 2 | 2 | |
| Seven | 187 | 187 | 21 | 21 | | 6 | 6 | 6 | 6 | |
| Eight | 171 | 171 | 26 | 26 | | 1 | 1 | 1 | 1 | |
| Nine | 96 | 96 | 19 | 19 | | 1 | 1 | 1 | 1 | |
| Ten | 79 | 79 | 12 | 12 | | 2 | 2 | 2 | 2 | |
| Eleven | 72 | 72 | 8 | 8 | | 1 | 1 | 1 | 1 | |
| Twelve | 92 | 92 | 12 | 12 | | 1 | 1 | 1 | 1 | |
| Subtotal | 1,854 | 1,854 | 284 | 284 | | 33 | 33 | 31 | 31 | |

| | | | | | | | | | | |
|---------------------|-------|-------|-----|-----|--|----|----|----|----|--|
| Sp Ed - Elementary | 205 | 205 | | | | 1 | 1 | 1 | 1 | |
| Sp Ed - Middle | 126 | 126 | | | | 4 | 4 | 4 | 4 | |
| Sp Ed - High School | 162 | 162 | | | | 1 | 1 | 1 | 1 | |
| Subtotal | 493 | 493 | | | | 6 | 6 | 6 | 6 | |
| Totals | 2,347 | 2,347 | 284 | 284 | | 39 | 39 | 37 | 37 | |

Percentage Error

TRANSPORTATION

| | Reported on | | Sample for Verification | | | Reported on | | Sample for Verification | | |
|-----------------------------------|--------------|-------------------|-------------------------|--------|----------|--------------|-------------------|-------------------------|--------|----------|
| | DRTRS by DOE | DRTRS on District | Errors | Tested | Verified | DRTRS by DOE | DRTRS on District | Errors | Tested | Verified |
| Regular - Public Schools Col 1 | 1,505 | 1,505 | | 191 | 191 | | | | | |
| Regular - Special Ed Col 4 | 262 | 262 | | 37 | 37 | | | | | |
| Transported - Nonpublic Col 2 | 159 | 159 | | 26 | 26 | | | | | |
| Transported - Nonpublic AIL Col 3 | 111 | 111 | | 30 | 30 | | | | | |
| Special Needs - Public Col 6 | 79 | 79 | | | | | | | | |
| Totals | 2,116 | 2,116 | | 284 | 284 | | | | | |

Percentage Errors

- 0 -

SCHEDULE OF AUDITED ENROLLMENTS (3)

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
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 Application & Register | Sample Errors |
| Full Day Kindergarten | | | | | | |
| One | 1 | 1 | | | | |
| Two | 2 | 2 | | | | |
| Three | 1 | 1 | | | | |
| Four | 2 | 2 | | | | |
| Five | 6 | 6 | | | | |
| Six | 2 | 2 | | | | |
| Seven | 2 | 2 | | 1 | 1 | |
| Eight | 4 | 4 | | 4 | 4 | |
| Nine | 3 | 3 | | 3 | 3 | |
| Ten | 2 | 2 | | 2 | 2 | |
| Eleven | 3 | 3 | | 3 | 3 | |
| Twelve | 1 | 1 | | 1 | 1 | |
| Subtotal | <u>29</u> | <u>29</u> | | <u>14</u> | <u>14</u> | |
| Sp Ed - Elementary | 2 | 2 | | 2 | 2 | |
| Sp Ed - Middle | | | | | | |
| Sp Ed - High School | | | | | | |
| Subtotal | <u>2</u> | <u>2</u> | | <u>2</u> | <u>2</u> | |
| Totals | <u><u>31</u></u> | <u><u>31</u></u> | | <u><u>16</u></u> | <u><u>16</u></u> | |
| Percentage Error | | | <u><u> </u></u> | | | <u><u> </u></u> |

EXCESS SURPLUS CALCULATION

REGULAR DISTRICT

SECTION 1

A. 4% Calculation of Excess Surplus

| | |
|---|--------------------------------------|
| 2020-21 Total General Fund Expenditures per the CAFR, Ex. C-1 | \$ <u>74,491,171</u> (B) |
| Increased by: | |
| Transfer from Capital Outlay to Capital Projects Fund | \$ <u>139,470</u> (B1a) |
| Transfer from Capital Reserve to Capital Projects Fund | \$ <u> </u> (B1b) |
| Transfer from General Fund to SRF for PreK-Regular | \$ <u> </u> (B1c) |
| Transfer from General Fund to SRF for PreK-Inclusion | \$ <u> </u> (B1d) |
| Decrease by: | |
| On-Behalf TPAF Pension & Social Security | \$ <u>12,398,580</u> (B2a) |
| Assets Acquired Under Capital Leases | \$ <u> </u> (B2b) |
| Adjusted 2020-21 General Fund Expenditures {(B)+(B1s)-(B2s)} | \$ <u><u>62,232,061</u></u> (B3) |
| 4% of adjusted 2020-21 General Fund Expenditures {(B3) times .04} | \$ <u>2,489,282</u> (B4) |
| Enter Greater of (B4) or \$250,000 | \$ <u>2,489,282</u> (B5) |
| Increased by: Allowable Adjustment * | \$ <u>1,166,999</u> (K) |
| Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)] | \$ <u><u>3,656,281</u></u> (M) |

SECTION 2

| | |
|---|-------------------------------------|
| Total General Fund - Fund Balance @6-30-21 (Per CAFR Budgetary Comparison Schedule C-1) | \$ <u>19,170,324</u> (C) |
| Decreased by: | |
| Reserved for Encumbrances | \$ <u>3,314,461</u> (C1) |
| Legally Restricted - Designated for Subsequent Year's Expenditures | \$ <u>7,013</u> (C2) |
| Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures** | \$ <u>5,119,176</u> (C3) |
| Other Reserved Fund Balances **** | \$ <u>504,452</u> (C4) |
| Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures | \$ <u> </u> (C5) |
| Total Unassigned Fund Balance {(C)-(C1)-(C2)-(C3)-(C4)-(C5)} | \$ <u>10,225,222</u> (U1) |

SECTION 3

Reserved Fund Balance - Excess Surplus *** {(U1)-(M)} IF NEGATIVE ENTER -0- \$ \$6,568,941 (E)

Recapitulation of excess surplus as of June 30, 2021

| | |
|--|-----------------------------------|
| Reserved Excess Surplus - Designated for Subsequent Year's Expenditures ** | \$ <u>5,119,176</u> (C3) |
| Reserved Excess Surplus *** {(E)} | \$ <u>6,568,941</u> (E) |
| Total Excess Surplus {(C3) + (E)} | \$ <u><u>\$11,688,117</u></u> (D) |

REGULAR DISTRICT (continued):

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, effective for the year ending June 30, 2017 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 to the portion of Federal Impact 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.

Detail of Allowable Adjustments

| | |
|--|-----------------------------|
| Impact Aid | \$ _____ (H) |
| Sale & Lease-back | \$ _____ (I) |
| Extraordinary Aid | \$ <u>1,118,179</u> (J1) |
| Additional Nonpublic School Transportation Aid | \$ <u>48,820</u> (J2) |
| Current Year School Bus Advertising Revenue Recognized | \$ _____ (J3) |
| Family Crisis Transportation Aid | \$ _____ (J4) |
| Total Adjustments {(H)+(I)+J1)+(J2)+(J3)+(J4)} | \$ <u>1,166,999</u> (K) |

** This amount represents the June 30, 2021 Excess Surplus (C3 above) and must be included in the Audit Summary Line 90031.

*** Amounts must agree to the June 30, 2021 CAFR and the sum of the two lines must agree to Audit Summary Line 90030

**** Amount for Other Reserved 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 Division of Administration and Finance prior to September 30.

Detail of Other Reserved Fund Balance

Statutory Restrictions:

| | |
|---|----------------------------|
| Approved Unspent Separate Proposal | \$ _____ |
| Sale/Lease-Back Reserve | \$ _____ |
| Capital Reserve | \$ <u>32,545</u> |
| Maintenance Reserve | \$ _____ |
| Emergency Reserve | \$ _____ |
| Tuition Reserve | \$ _____ |
| School Bus Advertising 50% Fuel Offset Reserve - current year | \$ _____ |
| Other State/Government Mandated Reserve | \$ _____ |
| Reserve for Unemployment | \$ <u>471,907</u> |
| {Other Reserved Fund Balance Not Noted Above} **** | \$ _____ |
| Total Other Reserved Fund Balance | \$ <u>504,452</u> (C4) |

AUDIT RECOMMENDATIONS SUMMARY
For the Fiscal Year Ended June 30, 2021
WILLINGBORO TOWNSHIP SCHOOL DISTRICT

RECOMMENDATIONS:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

Finding 2021-01:

A total over-expenditure of \$139,470 occurred for one budgetary line-item account.

3. School Purchasing Program

None

4. School Food Service

Finding 2021-02:

It was noted during my testing that the District's Food Service Fund is operating at a deficit on an annual basis.

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

AUDIT RECOMMENDATIONS SUMMARY
For the Fiscal Year Ended June 30, 2021
WILLINGBORO TOWNSHIP SCHOOL DISTRICT

RECOMMENDATIONS (continued):

10. Status of Prior Year Audit Findings/Recommendations

Finding 2020-01:

The following issues were noted during the testing of the District's health benefit coverage:

- * It was noted while testing the District's medical prescription coverage that the District's paid premiums for three (3) individuals that were no longer employees of the District.
- * While testing the District's dental coverage the District paid premiums for three (3) individuals that were no longer employees of the District. Also, two (2) employees that received dental coverage did not pay for such coverage.
- * While testing the District's State medical health coverage the District paid premiums for seven (7) individuals that were no longer employees of the District. Also, one (1) employee that received medical health coverage did not pay for such coverage.

Current Status:

This condition has been corrected.

Finding 2020-02:

One budgetary line account was over-expended totaling \$41,280.

Current Status:

This condition has not been corrected. Refer to Finding 2021-01.

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