

PAULSBORO SCHOOL DISTRICT

Paulsboro, New Jersey
County of Gloucester

**Auditor's Management Report on Administrative Findings -
Financial, Compliance and Performance
YEAR ENDED JUNE 30, 2022**

**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
Paulsboro 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 Paulsboro School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2022, which were separately issued in the Annual Comprehensive Financial Report dated February 24, 2023.

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 the Paulsboro School District, for the fiscal year ended June 30, 2022, 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,

A handwritten signature in black ink that reads "Buckno Lisicky + Company".

Buckno Lisicky & Company
Certified Public Accountants & Consultants

A handwritten signature in black ink that reads "Chris Betley".

Chris Betley
Certified Public Accountant
Public School Accountant No. 20CS00261700

Allentown, Pennsylvania
February 24, 2023

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

SCOPE OF AUDIT

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

Name	Position	Amount
Anisah Coppin	Board Secretary/School Business Administrator	\$222,000.00
Michelle Jankauskas	Treasurer of School Moneys	\$215,000.00

There is a blanket dishonesty bond covering all other employees with the following coverage: \$100,000.00 per employee / \$500,000.00 per loss.

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 Treasurer of School Moneys with a warrant made to her order for the full amount of the payroll.

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 2021-2022 budget review checklist.

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, with the exception of the following findings:

Finding No. 2022-001 (ACFR Finding No. 2022-001)

The School District's general ledger was not properly maintained. Material adjustments were required to properly reflect the School District's financial position as of June 30, 2022.

Recommendation

That the School District reviews and implements internal controls to ensure the accuracy of all financial reports.

Finding No. 2022-002 (ACFR Finding No. 2022-002)

Bank reconciliations for various funds were not prepared in accordance with N.J.S.A. 18A:17-9 and several bank reconciliations were not prepared in a timely manner on a monthly basis.

Recommendation

That the School District reviews and implements internal controls to ensure the accuracy of all financial reports and that formal monthly cash reconciliations for all School District funds be prepared on a timely basis.

Finding No. 2022-003 (ACFR Finding No. 2022-003)

Not all required Board Secretary and Treasurer reports were prepared, reconciled and filed by applicable due dates.

Recommendation

That the Board Secretary and Treasurer reports be in agreement and filed by the applicable due dates.

Treasurer of School Moneys' Records

Our audit of the financial and accounting records maintained by the Treasurer of School Moneys indicated that they were not in satisfactory condition. See Finding No. 2022-003 (ACFR Finding No. 2022-003) above.

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 Titles I, II, III and 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 reports(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.statenj.us/dca/divisions>

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 \$20,200.00 for 2021-2022.

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. Governor Murphy's emergency declaration ended June 4, 2021; however, the United States Department of Agriculture's federal waiver continued through June 30, 2022. Food Service Agencies operated under this federal waiver.

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 could also choose to participate in the National School Lunch Program utilizing standard counting and claiming practices.

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 school food service program was selected as a major federal program for 2021-2022.

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records were reviewed on a test-check basis. Cash receipts and bank records were reviewed for timely deposit.

The School District utilizes a food service management company (FSMC) 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 FSMC Cost Reimbursable Fixed Price or Non-Competitive Emergency Procurement contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will break even. The operating results provision has been met. 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.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed, 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.

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/board of trustees. No exceptions were noted.

Reimbursement claims were submitted/certified in a timely manner.

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.

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

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, 2021 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 exceptions. 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 procedures appear to be adequate 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. 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. Corrective action had been taken on all prior year findings with the exception of the following, which are repeated in this year's recommendations noted as current year finding 2022-001, 2022-002, and 2022-003:

2021-001: The School District's general ledger was not properly maintained. Material adjustments were required to properly reflect the School District's financial position as of June 30, 2022.

2021-002: Bank reconciliations for various funds were not prepared in accordance with N.J.S.A. 18A:17-9 and several bank reconciliations were not prepared in a timely manner on a monthly basis.

2021-006: Not all required Board Secretary and Treasurer reports were prepared, reconciled and filed by applicable due dates.

There were no Office of Fiscal Accountability and Compliance audit reports issued during the fiscal year ended June 30, 2022.

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,



Buckno Lisicky & Company
Certified Public Accountants & Consultants



Chris Betley
Certified Public Accountant
Public School Accountant No. 20CS00261700

Allentown, Pennsylvania
February 24, 2023

ADDITIONAL INFORMATION

School Food Service

SCHEDULE OF MEAL COUNT ACTIVITY

PAULSBORO SCHOOL DISTRICT

FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - FEDERAL

ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>PROGRAM</u>	<u>DATES</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
Seamless Summer Option (SSO)								
Federal:								
Breakfast	7.1.21-12.31.21	Free	37,669.00	37,669.00	37,669.00	-	2.4630	-
Breakfast	1.1.22-6.30.22	Free	53,645.00	53,645.00	53,645.00	-	2.6050	-
Lunch	7.1.21-12.31.21	Free	58,321.00	58,321.00	58,321.00	-	4.3175	-
Lunch	1.1.22-6.30.22	Free	<u>87,502.00</u>	<u>87,502.00</u>	<u>87,502.00</u>	-	4.5625	-
			<u>237,137.00</u>	<u>237,137.00</u>	<u>237,137.00</u>			-

Auditor Notation:

(a) Reimbursement rates are subject to annual change. Rates indicated in this sample schedule are for illustrative purposes only. Refer to the detailed schedule of reimbursement rates presented on page II-60.29 of this Audit Program. (b) Overclaims or underclaims must be reflected by program on the Schedule of Findings and Questioned Costs (where applicable) and in the AMR. (c) If underclaims are identified and total \$100.00 or more by program, please contact the DOA for requirements to request reimbursement from USDA. Underclaim requests may or may not be approved by USDA for reimbursement. (d) Child and Adult Care Food Program-(CACFP)-At-Risk Dinners

School Food Service

SCHEDULE OF MEAL COUNT ACTIVITY

PAULSBORO SCHOOL DISTRICT
FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - STATE
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
Seamless Summer Option (SSO)							
Lunch	Free	<u>143,108.00</u>	<u>143,108.00</u>	<u>143,108.00</u>	-	0.1050	<u>-</u>
		<u>143,108.00</u>	<u>143,108.00</u>	<u>143,108.00</u>			<u>-</u>

Auditor Notation:

(a) Reimbursement rates are subject to annual change. Rates indicated in this sample schedule are for illustrative purposes only. Refer to the detailed schedule of reimbursement rates presented on page II-60.29 of this Audit Program. (b) Overclaims or underclaims must be reflected by program on the Schedule of Findings and Questioned Costs (where applicable) and in the AMR. (c) If underclaims are identified and total \$100.00 or more by program, please contact the DOA for requirements to request reimbursement from USDA. Underclaim requests may or may not be approved by USDA for reimbursement. (d) Child and Adult Care Food Program-(CACFP)-At-Risk Dinners

NET CASH RESOURCE SCHEDULE

**Net cash resources did not exceed three months of expenditures
Proprietary Funds - Food Service
FYE 2022**

<u>Net Cash Resources:</u>		Food Service B - 4/5	
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 111,290
B-4		Due from Other Gov'ts	-
B-4		Accounts Receivable	40,279
B-4		Interfund Receivable	69,113
B-4		Investments	-
CAFR		Current Liabilities	
B-4		Less Accounts Payable	(3,566)
B-4		Less Accruals	-
B-4		Less Due to Other Funds	-
B-4		Less Deferred Revenue	-
		Net Cash Resources	<u>\$ 217,116.00</u> (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	816,029	
B-5	Less Depreciation	<u>(1,189)</u>	
	Adj. Tot. Oper. Exp.	<u>\$ 814,840.00</u>	(B)

Average Monthly Operating Expense:

B / 10 **\$ 81,484.00** (C)

Three times monthly Average:

3 X C **\$ 244,452.00** (D)

TOTAL IN BOX A	\$ 217,116.00
LESS TOTAL IN BOX D	\$ 244,452.00
NET	<u>\$ (27,336.00)</u>

From above:

D is greater than A, cash does not exceed 3 X average monthly operating expenses.

* Inventories are not to be included in total current assets.

SOURCE - USDA resource management comprehensive review form

PAULSBORO SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2021

	2022-2023 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		Reported on 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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool	45	-	45	-	-	-	10	-	10	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	72	-	72	-	-	-	15	-	15	-	-	-	-	-	-	-
One	80	-	80	-	-	-	17	-	17	-	-	-	-	-	-	-
Two	90	-	90	-	-	-	19	-	19	-	-	-	-	-	-	-
Three	73	-	73	-	-	-	16	-	16	-	-	-	-	-	-	-
Four	69	-	69	-	-	-	15	-	15	-	-	-	-	-	-	-
Five	71	-	71	-	-	-	15	-	15	-	-	-	-	-	-	-
Six	62	-	62	-	-	-	13	-	13	-	-	-	-	-	-	-
Seven	78	-	78	-	-	-	17	-	17	-	-	-	-	-	-	-
Eight	45	-	45	-	-	-	10	-	10	-	-	-	-	-	-	-
Nine	80	-	80	-	-	-	17	-	17	-	-	-	-	-	-	-
Ten	75	-	75	-	-	-	16	-	16	-	-	-	-	-	-	-
Eleven	59	-	59	-	-	-	13	-	13	-	-	-	-	-	-	-
Twelve	49	1	49	1	-	-	11	-	11	-	-	-	-	-	-	-
Subtotal	948	1	948	1	-	-	204	-	204	-	-	-	-	-	-	-
Special Ed - Elementary	77	-	77	-	-	-	17	-	17	-	-	-	2	2	2	-
Special Ed - Middle School	65	-	65	-	-	-	13	-	13	-	-	-	2	2	2	-
Special Ed - High School	95	-	95	-	-	-	20	-	20	-	-	-	7	5	5	-
Subtotal	237	-	237	-	-	-	50	-	50	-	-	-	11	9	9	-
Totals	1,185	1	1,185	1	-	-	254	-	254	-	-	-	11	9	9	-
Percentage Error					0%	0%				0%	0%					0%

**PAULSBORO SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2021**

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A as Low Income</u>	<u>Reported on Workpapers as Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>	<u>Reported on A.S.S.A as LEP Low Income</u>	<u>Reported on Workpapers LEP Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Full Day Kindergarten	23	23	-	8	8	-	1	1	-	1	1	-
One	40	40	-	14	14	-	-	-	-	-	-	-
Two	45	45	-	16	16	-	1	1	-	1	1	-
Three	41	41	-	15	15	-	-	-	-	-	-	-
Four	39	39	-	14	14	-	1	1	-	1	1	-
Five	37	37	-	13	13	-	-	-	-	-	-	-
Six	34	34	-	12	12	-	2	2	-	2	2	-
Seven	40	40	-	14	14	-	1	1	-	1	1	-
Eight	25	25	-	9	9	-	-	-	-	-	-	-
Nine	30	30	-	11	11	-	-	-	-	-	-	-
Ten	26	26	-	9	9	-	-	-	-	-	-	-
Eleven	26	26	-	9	9	-	-	-	-	-	-	-
Twelve	12	12	-	4	4	-	-	-	-	-	-	-
Subtotal	418	418	-	148	148	-	6	6	-	6	6	-
Special Ed - Elementary	46	46	-	16	16	-	2	2	-	2	2	-
Special Ed - Middle School	48	48	-	17	17	-	1	1	-	1	1	-
Special Ed - High School	43	43	-	16	16	-	-	-	-	-	-	-
Subtotal	137	137	-	49	49	-	3	3	-	3	3	-
Totals	555	555	-	197	197	-	9	9	-	9	9	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

Transportation

	<u>Reported on DRTRS by DOE/County</u>	<u>Reported on DRTRS by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>
Reg. - Public Schools, col. 1	73	73	-	50	50	-
Reg - Sp Ed, col. 4	11	11	-	8	8	-
Transported - Non-Public, col. 3	-	-	-	-	-	-
AIL - Non Public	-	-	-	-	-	-
Special Ed Spec, col. 6	31	31	-	21	21	-
Totals	115	115	-	79	79	-
Percentage Error						<u>0.00%</u>

Reg Avg.(Mileage) = Regular Including Grade PK students (Part A)
Reg Avg.(Mileage) = Regular Excluding Grade PK students (Part B)
Spec Avg. = Special Ed with Special Needs

	<u>Reported</u>	<u>Recalculated</u>
	11.8	11.8
If Applicable	9.2	9.2

PAULSBORO SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2021

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A as LEP Not Low Income</u>	<u>Reported on Workpapers LEP Not Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Test Score and Register</u>	<u>Sample Errors</u>
Full Day Kindergarten	-	-	-	-	-	-
One	-	-	-	-	-	-
Two	2	2	-	2	2	-
Three	1	1	-	1	1	-
Four	1	1	-	1	1	-
Five	1	1	-	1	1	-
Six	-	-	-	-	-	-
Seven	1	1	-	1	1	-
Eight	-	-	-	-	-	-
Nine	-	-	-	-	-	-
Ten	-	-	-	-	-	-
Eleven	-	-	-	-	-	-
Twelve	1	1	-	1	1	-
Subtotal	<u>7</u>	<u>7</u>	-	<u>7</u>	<u>7</u>	-
Special Ed - Elementary	-	-	-	-	-	-
Special Ed - Middle School	-	-	-	-	-	-
Special Ed - High School	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Totals	<u>7</u>	<u>7</u>	-	<u>7</u>	<u>7</u>	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

EXCESS SURPLUS CALCULATION

REGULAR DISTRICT

SECTION 1

A. 4% Calculation of Excess Surplus

2021-22 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ 27,634,799.03	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$ -	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ -	(B1b)
Transfer from General Fund to SRF for PreK-Regular	\$ -	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$ -	(B1d)
Decrease by:		
On-Behalf TPAF Pension & Social Security	\$ 4,315,215.16	(B2a)
Assets Acquired Under Capital Leases	\$ -	(B2b)
 Adjusted 2021-2022 General Fund Expenditures [(B)+(B1s)-(B2s)]	 <u>\$ 23,319,583.87</u>	 (B3)
 4% of Adjusted 2021-22 General Fund Expenditures [(B3) times .04]	 <u>\$ 932,783.35</u>	 (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 932,783.35</u>	(B5)
Increased by: Allowable Adjustment *	<u>\$ 223,053.00</u>	(K)
 Maximum Unassigned Fund Balance [(B5)+(K)]		 <u>\$ 1,155,836.35</u> (M)

SECTION 2

Total General Fund - Fund Balances @ June 30, 2022		
Per CAFR Budgetary Comparison Schedule C-1)	\$ 6,130,441.37	(C)
Decreased by:		
Year-End Encumbrances	\$ 4,119.40	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ -	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ 1,412,695.55	(C3)
Other Restricted Fund Balances ****	\$ 518,259.80	(C4)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	\$ -	(C5)
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]		 <u>\$ 4,195,366.62</u> (U1)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER -0-] \$ 3,039,530.27 (E)

Recapitulation of Excess Surplus as of June 30, 2022

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 1,412,695.55	(C3)
Reserved Excess Surplus *** [(E)]	<u>\$ 3,039,530.27</u>	(E)
 Total Excess Surplus [(C3)+(E)]		 <u>\$ 4,452,225.82</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, 2016 the Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the 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

Federal Impact Aid	\$ -	(H)
Sale & Lease-back	\$ -	(I)
Extraordinary Aid	\$ 223,053.00	(J1)
Additional Nonpublic School Transportation Aid	\$ -	(J2)
Current Year School Bus Advertising Revenue Recognized	\$ -	(J3)
Family Crisis Transportation Aid	\$ -	(J4)
Total Adjustments [(H)+(I)+J1)+(J2)+(J3)+(J4)]	\$ 223,053.00	(K)

** This amount represents Excess Surplus (C3 above) generated during June 30, 2022 and must be included in the Audit Summary Line 90031. This amount was to be appropriated in the 2022-2023 general fund budget

*** Amounts must agree to the June 30, 2022 CAFR 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 Division of Administration and Finance prior to September 30.

Detail of Other Restricted Fund Balance

Statutory Restrictions:

Approved Unspent Separate Proposal	\$ -	
Sale/Lease-Back Reserve	\$ -	
Capital Reserve	\$ 508,246.38	
Maintenance Reserve	\$ 10,013.42	
Emergency Reserve	\$ -	
Tuition Reserve	\$ -	
School Bus Advertising 50% Fuel Offset Reserve - Current Year	\$ -	
School Bus Advertising 50% Fuel Offset Reserve - Prior Year	\$ -	
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ -	
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$ -	
Other State/Government Mandated Reserve	\$ -	
[Other Restricted Fund Balance Not Noted Above] ****	\$ -	
Total Other Restricted Fund Balance	\$ 518,259.80	(C4)

**Paulsboro School District
Audit Recommendations Summary
For The Year Ending June 30, 2022**

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

That the School District reviews and implements internal controls to ensure the accuracy of all financial reports.

That the School District reviews and implements internal controls to ensure the accuracy of all financial reports and that formal monthly cash reconciliations for all School District funds be prepared on a timely basis.

That the Board Secretary and Treasurer reports be in agreement and filed by the applicable due dates.

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

Paulsboro School District
Audit Recommendations Summary
For The Year Ending June 30, 2022

10. Follow-Up on Prior Year Findings

A review was performed on the prior year recommendations and corrective action was taken on all prior year findings, with the exception of the following, which is repeated in this year's recommendations:

That the School District reviews and implements internal controls to ensure the accuracy of all financial reports.

That the School District reviews and implements internal controls to ensure the accuracy of all financial reports and that formal monthly cash reconciliations for all School District funds be prepared on a timely basis.

That the Board Secretary and Treasurer reports be in agreement and filed by the applicable due dates.