

**BURLINGTON COUNTY SPECIAL SERVICES  
SCHOOL DISTRICT**

Westampton, New Jersey  
County of Burlington

**Auditor's Management Report on Administrative Findings-  
Financial, Compliance and Performance  
for the Fiscal Year Ended June 30, 2023**

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

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Elementary & Secondary School Education Act (E.S.E.A.), as amended by the Improving America's Schools Act of 1994 (I.A.S.A.)	N/A
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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  
Burlington County Special Services School  
District  
County of Burlington  
Westampton, New Jersey 08060

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 Burlington County Special Services School District in the County of Burlington for the year ended June 30, 2023, and have issued our report thereon dated November 30, 2023.

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 Burlington County Special Services 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,

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

Cinnaminson, New Jersey  
November 30, 2023

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39 Paddock Lane, Cinnaminson, NJ 08077

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Certified Public Accounting Firm

**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, 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 District's ACFR.

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

<b>Name</b>	<b>Position</b>	<b>Amount</b>
Andrew Willmott	Business Administrator/Board Secretary	\$100,000
Constance L. Stewart	Treasurer	\$400,000

There is a Public Employee's Faithful Performance Blanket Position Bond with the New Jersey School Board Association Insurance Group covering all other employees with multiple coverage of \$50,000 per loss.

**P.L. 2020,c,44**

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A. 18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by the school district.

The school district data certification was completed by the chief school administrator. The school district Chapter 44 data was submitted timely.

## **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 sample of outstanding issued purchase orders was made as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable. No exceptions noted.

### **Travel**

No exceptions were noted in my study of compliance for travel expenses.

### **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 were reviewed and found to be in satisfactory condition.

## **Treasurer's Records**

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

## **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 ACFR.

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

## **T.P.A.F. Reimbursement**

Our audit procedures included a sample 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.

## **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 \$20,200 for 2022-23.

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**

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. 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.

We 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 (ACFR Schedule B-5) does separate program and non-program revenue and program and non-program costs of goods sold.

We 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. We 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 (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 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.



### **School Food Service (Continued):**

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.

Net cash resources did 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.

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.

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

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

### **Student Activities Account**

During our review of the financial and accounting records for student activities indicated they were in satisfactory condition.

### **Application for State School Aid (ASSA)**

Our audit procedures included a test of information reported in the October 15, 2022 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 on a sample basis of the District's procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers. The information that was 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's written procedures appear to be adequate for the recording of student enrollment data.

## **Pupil Transportation**

Our procedures included a test of on roll status reported in 2022-2023 District Report of Transported Resident Students (DRTRS). The information that was included 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 review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

## **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.

## **Office of Fiscal Accountability and Compliance (OFAC) Findings**

There were no Office of Fiscal Accountability and Compliance (OFAC) audit reports issued during the fiscal year ended June 30, 2023.

## **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.

Respectfully Submitted,



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

Cinnaminson, New Jersey  
November 30, 2023

**ADDITIONAL INFORMATION**

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**NET CASH RESOURCE SCHEDULE**

**Net cash resources did not exceed three months of expenditures  
Proprietary Funds - Food Service  
FYE 2023**

		<b>Food Service B - 4/5</b>	
<b><u>Net Cash Resources:</u></b>			
<b>ACFR</b>	*	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	\$514,583
B-4		Interfund Accounts Receivable	
B-4		Due from Other Gov'ts	16,612
B-4		Other Accounts Receivable	1,452
<b>ACFR</b>		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	-
B-4		Less Accruals	
B-4		Less Due to Other Funds	250,000
B-4		Less Unearned Revenue	
			<hr/>
		<b>Net Cash Resources</b>	<b><u><u>\$282,647</u></u></b> (A)

**Net Adj. Total Operating Expense:**

B-5	Tot. Operating Exp.	944,809	
B-5	Less Depreciation	553	
		<hr/>	
	Adj. Tot. Oper. Exp.	<b><u><u>\$ 944,256</u></u></b>	(B)

**Average Monthly Operating Expense:**

B / 10	<b><u><u>\$ 94,426</u></u></b>	(C)
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**Three times monthly Average:**

3 X C	<b><u><u>\$ 283,277</u></u></b>	(D)
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TOTAL IN BOX A	\$282,647
LESS TOTAL IN BOX D	<u>\$ 283,277</u>
NET	<b><u><u>\$ (630)</u></u></b>
From above:	
<b>A is greater than D, cash exceeds 3 X average monthly operating expenses.</b>	
<b>D is greater than A, cash does not exceed 3 X average monthly operating expenses.</b>	

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

SOURCE - USDA resource management comprehensive review form

**SCHEDULE OF AUDITED ENROLLMENTS**

**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2022**

	2022-2023 Application for State School Aid						Sample for Verification					
	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	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Nine	4	-	4	-	-	-	3	-	3	-	-	-
Ten	17	-	17	-	-	-	3	-	3	-	-	-
Eleven	14	-	14	-	-	-	2	-	2	-	-	-
Twelve	11	-	11	-	-	-	1	-	1	-	-	-
Subtotal	46	-	46	-	-	-	9	-	9	-	-	-
Sp Ed - Elementary	131	-	131	-	-	-	26	-	26	-	-	-
Sp Ed - Middle	75	-	75	-	-	-	11	-	11	-	-	-
Sp Ed - High School	268	-	268	-	-	-	151	-	151	-	-	-
Subtotal	474	-	474	-	-	-	188	-	188	-	-	-
Totals	520	-	520	-	-	-	197	-	197	-	-	-
Percentage Error	- - - - -											

**AUDIT RECOMMENDATIONS SUMMARY**  
For the Fiscal Year Ended June 30, 2023  
**BURLINGTON COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

RECOMMENDATIONS:

1. Administrative Practices and Procedures  
None
2. Financial Planning, Accounting and Reporting  
None
3. School Purchasing Program  
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. Status of Prior Year Audit Findings/Recommendations  
None