

FLORENCE TOWNSHIP SCHOOL DISTRICT

Florence, 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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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

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

Honorable President and Members
of the Board of Education
Florence Township School District
County of Burlington
Florence, New Jersey

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 Florence Township School District in the County of Burlington for the year ended June 30, 2023, and have issued our report thereon dated January 5, 2024.

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 Florence Township 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,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
January 5, 2024

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Certified Public Accountants & Advisors

**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 ACFR.

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Donald J. Cammus	Treasurer	\$300,000
Mark Leung	Board Secretary/School Business Administrator	\$300,000

There is a Public Employee's Faithful Performance Blanket Position Bond covering all other employees with coverage of \$25,000.

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 project data certification was completed by the School Business Administrator. The School District Chapter 44 data was submitted timely.

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 cost 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 the review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account

The net salaries of sampled 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 and the School Business Administrator/Board Secretary.

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

Payrolls were delivered to the School Business Administrator/Board Secretary who then deposited with warrants in separate bank accounts for net payroll and withholdings.

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 were noted.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A:23 A-16.29(f)* as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of a sample of expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our 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, a transaction error rate of 0% percent overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

Our review of the financial and accounting records maintained by the board secretary were found to be in satisfactory condition.

Treasurer's Records

Our review of the financial and accounting records maintained by the Treasurer of School Monies were 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 ACFR. This section of the ACFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

Other Special Federal and/or State Projects

The School 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 sample 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 ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

T.P.A.F. Reimbursement

Our audit procedures included a sample test of the biweekly reimbursements forms 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 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 school contracts in general is available on the website: <http://www.state.nj.us/dca/divisions/dlgs/programs/lpcl.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

School Purchasing Programs (continued)

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 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 tests on sample basis, 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

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, we inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement 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 were noted.

The State 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 about 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. We also inquired if the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA.

Net cash resources did exceed three months average expenditures.

Student Body Activities

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 sample 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 and low-income, and bilingual. We also performed a review on a sample basis of the School District's procedures related to its completion. The information on the ASSA 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 of their equivalent.

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

Pupil Transportation

Our audit procedures included a sample test of on roll status reported in the 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 sample of transportation 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 sampling 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 Year Findings

In accordance with audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, our procedures included a review of all prior year findings reported in the prior year's Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance.

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

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

Respectfully submitted,

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
January 5, 2024

ADDITIONAL INFORMATION

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SCHEDULE OF AUDITED ENROLLMENTS (1)

Florence Township School District
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2022

	2023-2024 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		Sample Selected from Workpapers		Registers Verified per On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools		Sample for Verification	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool - 3 Yrs	2	-	2	-	1	-	1	-	-	-	-	-	-	-
Half Day Preschool - 4 Yrs	9	-	9	-	2	-	2	-	-	-	-	-	-	-
Full Day Kindergarten	72	-	72	-	13	-	13	-	-	-	-	-	-	-
One	79	-	79	-	14	-	14	-	-	-	-	-	-	-
Two	68	-	68	-	12	-	12	-	-	-	-	-	-	-
Three	66	-	66	-	12	-	12	-	-	-	-	-	-	-
Four	96	-	96	-	17	-	17	-	-	-	-	-	-	-
Five	111	-	111	-	20	-	20	-	-	-	-	-	-	-
Six	112	-	112	-	20	-	20	-	-	-	-	-	-	-
Seven	109	-	109	-	20	-	20	-	-	-	-	-	-	-
Eight	120	-	120	-	22	-	22	-	-	-	-	-	-	-
Nine	91	-	91	-	16	-	16	-	-	-	-	-	-	-
Ten	106	-	106	-	19	-	19	-	-	-	-	-	-	-
Eleven	108	-	108	-	19	-	19	-	-	-	-	-	-	-
Twelve	110	-	110	-	20	-	20	-	-	-	-	-	-	-
Subtotal	1,259	-	1,259	-	227	-	227	-	-	-	-	-	-	-
Special Ed - Elementary	110	-	110	-	20	-	20	-	-	-	2	2	2	2
Special Ed - Middle School	67	-	67	-	12	-	12	-	-	-	3	3	3	3
Special Ed - High School	72	-	72	-	13	-	13	-	-	-	11	9	9	9
Subtotal	249	-	249	-	45	-	45	-	-	-	16	14	14	14
Totals	1,508	-	1,508	-	272	-	272	-	-	-	16	14	14	14
Percentage Error	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

SCHEDULE OF AUDITED ENROLLMENTS (2)

Florence Township School District
 APPLICATION FOR STATE/SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2022

	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 Test Score and Register	Sample Errors
Half Day Preschool - 4 Yrs	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	39	39	-	15	15	-	3	3	-	2	2	-
One	31	31	-	12	12	-	3	3	-	3	3	-
Two	32	32	-	13	13	-	4	4	-	3	3	-
Three	24	24	-	9	9	-	2	2	-	2	2	-
Four	28	28	-	11	11	-	4	4	-	3	3	-
Five	38	38	-	15	15	-	1	1	-	1	1	-
Six	18	18	-	8	8	-	-	-	-	-	-	-
Seven	32	32	-	13	13	-	-	-	-	-	-	-
Eight	32	32	-	12	12	-	-	-	-	-	-	-
Nine	24	24	-	9	9	-	2	2	-	2	2	-
Ten	30	30	-	11	11	-	-	-	-	-	-	-
Eleven	29	29	-	12	12	-	1	1	-	1	1	-
Twelve	29	29	-	12	12	-	1	1	-	1	1	-
Subtotal	386	386	-	152	152	-	21	21	-	18	18	-
Special Ed - Elementary	48	48	-	19	19	-	1	1	-	1	1	-
Special Ed - Middle	38	38	-	15	15	-	1	1	-	1	1	-
Special Ed - High	28	28	-	11	11	-	-	-	-	-	-	-
Subtotal	114	114	-	45	45	-	2	2	-	2	2	-
Totals	500	500	-	197	197	-	23	23	-	20	20	-
Percentage Error	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

	Transportation		
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors
Reg. - Public Schools, col. 1	452	452	-
Reg. - Sp Ed, col. 4	12	12	-
Transported - Non-Public, col. 3	90	90	-
Special Ed Spec, col. 6	81	81	-
Totals	635	635	-
Percentage Error	-0-	-0-	-0-

SCHEDULE OF AUDITED ENROLLMENTS (3)

**Florence Township School District
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2022**

	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 and Register	Sample Errors
Full Day Kindergarten	4	4	-	3	3	-
One	2	2	-	2	2	-
Two	2	2	-	2	2	-
Three	3	3	-	3	3	-
Four	2	2	-	2	2	-
Five	3	3	-	3	3	-
Six	-	-	-	-	-	-
Seven	1	1	-	1	1	-
Eight	-	-	-	-	-	-
Nine	1	1	-	1	1	-
Ten	-	-	-	-	-	-
Eleven	5	5	-	4	4	-
Twelve	-	-	-	-	-	-
Subtotal	23	23	-	21	21	-
Special Ed - Elementary	-	-	-	-	-	-
Special Ed - Middle	-	-	-	-	-	-
Special Ed - High	1	1	-	1	1	-
Subtotal	1	1	-	1	1	-
Totals	24	24	-	22	22	-
Percentage Error			-0-			-0-

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EXCESS SURPLUS CALCULATION

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2022-2023 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ <u>36,306,179</u> (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	\$ <u>(5,933,921)</u> (B2a)
Assets Acquired Under Financed Purchases	\$ <u>-</u> (B2b)
Adjusted 2022-2023 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ <u>30,372,258</u> (B3)
2% of adjusted 2022-2023 General Fund Expenditures [(B3) times .02]	\$ <u>607,445</u> (B4)
Enter Greater of (B4) or \$250,000	\$ <u>607,445</u> (B5)
Increased by: Allowable Adjustment *	\$ <u>28,080</u> (K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]	\$ <u>635,525</u> (M)

SECTION 2

Total General Fund - Fund Balance @ 6-30-2023 (Per ACFR Budgetary Comparison Schedule C-1)	\$ <u>6,528,662</u> (C)
Decreased by:	
Year-End Encumbrances	\$ <u>112,500</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ <u>-</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>1,312,666</u> (C3)
Other Restricted Fund Balances ****	\$ <u>1,204,266</u> (C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ <u>1,362,970</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ <u>2,536,260</u> (U1)

REGULAR DISTRICT (continued):

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U1-(M)] IF NEGATIVE ENTER -0- \$ 1,900,735 (E)

Recapitulation of excess surplus as of June 30, 2023

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures ** \$ 1,312,666 (C3)

Reserved Excess Surplus *** [(E)] \$ 1,900,735 (E)

Total [(C3) + (E)] \$ 3,213,401 (D)

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.

(J5) Maintenance of Equity Aid.

Detail of Allowable Adjustments

Impact Aid	\$ <u>-</u> (H)
Sale & Lease-back	\$ <u>-</u> (I)
Extraordinary Aid	\$ <u>-</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>28,080</u> (J2)
Current Year School Bus Advertising Revenue Recognized	\$ <u>-</u> (J3)
Family Crisis Transportation Aid	\$ <u>-</u> (J4)
Maintenance of Equity Aid	\$ <u>-</u> (J5)
Total Adjustments [(H)+(I)+J1)+(J2)+(J3)+(J4)+(J5)]	\$ <u>28,080</u> (K)

** This amount represents the June 30, 2022 Excess Surplus (C3 above) and must be included in the Audit Summary Line 90031.

*** Amounts must agree to the June 30, 2023 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 Division of Administration and Finance prior to September 30.

Detail of Other Restricted Fund Balance

Statutory Restrictions:

Capital Reserve	\$ <u>1,000,726</u>
Maintenance Reserve	\$ <u>59,000</u>
Emergency Reserve	\$ <u>-</u>
Tuition Reserve	\$ <u>-</u>
School Bus Advertising 50% Fuel Offset Reserve - current year	\$ <u>-</u>
School Bus Advertising 50% Fuel Offset Reserve - prior year	\$ <u>-</u>
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ <u>-</u>
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$ <u>-</u>
New Jersey Unemployment	\$ <u>144,540</u>
Other State/Government Mandated Reserve	\$ <u>-</u>
[Other Restricted Fund Balance not Noted Above]****	\$ <u>-</u>
Total Other Restricted Fund Balance	\$ <u>1,204,266</u> (C4)

AUDIT RECOMMENDATIONS SUMMARY

For the Fiscal Year Ended June 30, 2023

Florence Township School District

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. Status of Prior Year Audit Findings/Recommendations

There were no prior year findings.