

PEMBERTON TOWNSHIP SCHOOL DISTRICT

**Pemberton, 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
Pemberton Township School District
County of Burlington
Pemberton, 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 Pemberton Township School District in the County of Burlington for the year ended June 30, 2023, and have issued our report thereon dated March 20, 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 Pemberton 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 McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
March 20, 2024

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**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>
Pasquale Yacovelli	Board Secretary/School Business Administrator	\$ 510,000

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 Chief School 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*.

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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.

***Finding No. 2023-01 (ACFR Finding 2023-005)**

The District did not maintain an analysis of the balance detailing the amounts of withholdings payable to the various payroll agencies for the current fiscal year.

Recommendation:

That the District prepare a monthly analysis of the balance detailing the amounts of withholdings payable to the various payroll agencies. This analysis should be prepared shortly after the close of each month.

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*. No exceptions were noted.

Board Secretary's Records

During our review of the financial and accounting records maintained by the board secretary, we noted the following:

***Finding No. 2023-02 (ACFR Finding 2023-001)**

The District cash reconciliations for the bank accounts were not prepared accurately, on a monthly basis, in accordance with N.J.S.A. 18A:17-9 during the current fiscal year.

Recommendation:

That the District accurately reconcile all cash accounts on a monthly basis in accordance with N.J.S.A. 18A:17-9.

***Finding No. 2023-03 (ACFR Finding 2023-002)**

The District did not maintain an accurate general ledger that was reconciled monthly to other subsidiary records for the current fiscal year.

Recommendation:

That the District properly maintain a general ledger and reconcile the ledger monthly with other subsidiary records.

***Finding No. 2023-04 (ACFR Finding 2023-003)**

The District's daily deposits were not recorded in the District's accounting system in a timely manner during the current fiscal year.

Recommendation:

That the District promptly record all revenues when received and reconcile all deposits with supporting documentation.

***Finding No. 2023-05 (ACFR Finding 2023-004)**

The District over-encumbered funds within the Waste Water Treatment Plant Project in the amount of \$1,510,228. These encumbrances have been disallowed as of June 30, 2023.

Recommendation:

That the District comply with N.J.A.C. 6A:23A-16.10. The Board Secretary should ensure appropriate funds are available to be spent prior to contracting with any vendors.

***Finding No. 2023-06 (ACFR Finding 2023-006)**

The District did not provide the executive county superintendent with a copy of the December and June Board Secretary Reports within 60 days of the December month-end and August 1st, respectively.

Board Secretary's Records (continued)

Recommendation:

That the District comply with requirements of N.J.A.C. 6A:23A-16.10(c)(4)(iv) and N.J.S.A. 18A:17-10.

Finding No. 2023-07 (ACFR Finding 2023-007)

The District did not approve and file, on a monthly basis, the Board Secretary reports of the District.

Recommendation:

That the District comply with N.J.S.A. 18A:17-9a requirements.

Treasurer's Records

The School District does not maintain a Treasurer.

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

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, II, III and IV 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 website at: http://lis.njleg.state.nj.us/cgi-bin/om_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headigswithhits=on&infobase=statutes.nfo&softpage=TOC_Frame_Pg42

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 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 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.

School Food Service (continued)

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.

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. All prior year findings, except those marked with an asterisk (*), have been corrected.

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 McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
March 20, 2024

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ADDITIONAL INFORMATION

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SCHEDULE OF AUDITED ENROLLMENTS (1)

**PEMBERTON TOWNSHIP BOARD OF EDUCATION
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			Workpapers			Errors			Sample Selected from Workpapers			Verified per Registers On Roll			Errors per Registers On Roll			Reported on A.S.S.A. as Private Schools			for Verification								
	Full	Shared		Full	Shared		Full	Shared		Full	Shared		Full	Shared		Full	Shared		Full	Shared		Full	Shared		Full	Shared		Sample Verified	Sample Verified	Sample Errors
Full Day Preschool - 3 Yr. Old	196	-		196	-		-	-		14	-		-	-		-	-		-	-		-	-		-	-		-	-	
Full Day Preschool - 4 Yr. Old	244	-		244	-		-	-		17	-		-	-		-	-		-	-		-	-		-	-		-	-	
Full Day Kindergarten	303	-		303	-		-	-		21	-		-	-		21	-		-	-		-	-		-	-		-	-	
One	279	-		279	-		-	-		19	-		-	-		19	-		-	-		-	-		-	-		-	-	
Two	260	-		260	-		-	-		18	-		-	-		18	-		-	-		-	-		-	-		-	-	
Three	293	-		293	-		-	-		20	-		-	-		20	-		-	-		-	-		-	-		-	-	
Four	236	-		236	-		-	-		16	-		-	-		16	-		-	-		-	-		-	-		-	-	
Five	246	-		246	-		-	-		17	-		-	-		17	-		-	-		-	-		-	-		-	-	
Six	251	-		251	-		-	-		18	-		-	-		18	-		-	-		-	-		-	-		-	-	
Seven	236	-		236	-		-	-		16	-		-	-		16	-		-	-		-	-		-	-		-	-	
Eight	255	-		255	-		-	-		18	-		-	-		18	-		-	-		-	-		-	-		-	-	
Nine	249	-		249	-		-	-		17	-		-	-		17	-		-	-		-	-		-	-		-	-	
Ten	204	-		204	-		-	-		14	-		-	-		14	-		-	-		-	-		-	-		-	-	
Eleven	184	-		184	-		-	-		13	-		-	-		13	-		-	-		-	-		-	-		-	-	
Twelve	196	-		196	-		-	-		14	-		-	-		14	-		-	-		-	-		-	-		-	-	
Subtotal	3,632	-		3,632	-		-	-		252	-		-	-		252	-		-	-		-	-		-	-		-	-	
Special Ed - Elementary	304	-		304	-		-	-		21	-		-	-		21	-		-	-		-	-		15	13		13	-	-
Special Ed - Middle School	179	-		179	-		-	-		12	-		-	-		12	-		-	-		-	-		7	6		6	-	-
Special Ed - High School	228	-		228	-		-	-		16	-		-	-		16	-		-	-		-	-		10	9		9	-	-
Subtotal	711	-		711	-		-	-		49	-		-	-		49	-		-	-		-	-		32	28		28	-	-
Totals	4,343	-		4,343	-		-	-		301	-		-	-		301	-		-	-		-	-		32	28		28	-	-
Percentage Error	-	-		-	-		-	-		-	-		-	-		-	-		-	-		-	-		-	-		-	-	

SCHEDULE OF AUDITED ENROLLMENTS (2)

PEMBERTON TOWNSHIP BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2022

	Resident Low Income			Sample for Verification			Reported on A.S.S.A. as LEP low Income			Resident LEP Low Income		
	Reported on A.S.S.A. as Low Income	Workpapers as Low Income	Errors	Sample Selected from Workpapers	Application and Register	Sample Errors	Reported on A.S.S.A. as LEP low Income	Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Test Score & Register	Sample Errors
Full Day Kindergarten	172	172	-	22	22	-	6	6	-	6	6	-
One	153	153	-	19	19	-	2	2	-	2	2	-
Two	148	148	-	19	19	-	4	4	-	4	4	-
Three	163	163	-	21	21	-	8	8	-	8	8	-
Four	128	128	-	16	16	-	1	1	-	1	1	-
Five	138	138	-	18	18	-	1	1	-	1	1	-
Six	149	149	-	19	19	-	1	1	-	1	1	-
Seven	135	135	-	17	17	-	5	5	-	5	5	-
Eight	151	151	-	19	19	-	2	2	-	2	2	-
Nine	159	159	-	20	20	-	3	3	-	3	3	-
Ten	109	109	-	14	14	-	2	2	-	2	2	-
Eleven	103	103	-	13	13	-	-	-	-	-	-	-
Twelve	86	86	-	11	11	-	1	1	-	1	1	-
Subtotal	1,794	1,794	-	228	228	-	36	36	-	36	36	-
Special Ed - Elementary	203	203	-	26	26	-	-	-	-	-	-	-
Special Ed - Middle School	122	122	-	16	16	-	-	-	-	-	-	-
Special Ed - High School	152	152	-	20	20	-	-	-	-	-	-	-
Subtotal	477	477	-	62	62	-	-	-	-	-	-	-
Totals	2,271	2,271	-	290	290	-	36	36	-	36	36	-
Percentage Error	-	-	-	-	-	-	-	-	-	-	-	-

Transportation					
Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
2,813	2,813	-	231	231	-
581	581	-	48	48	-
67	67	-	6	6	-
179	179	-	15	15	-
3,640	3,640	-	300	300	-
Percentage Error	-	-	-	-	-

SCHEDULE OF AUDITED ENROLLMENTS (3)

**PEMBERTON TOWNSHIP BOARD OF EDUCATION
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 & Register	Sample Errors
Full Day Kindergarten	4	4	-	4	4	-
One	3	3	-	3	3	-
Two	4	4	-	4	4	-
Three	2	2	-	2	2	-
Four	4	4	-	4	4	-
Five	1	1	-	1	1	-
Six	-	-	-	-	-	-
Seven	-	-	-	-	-	-
Eight	-	-	-	-	-	-
Nine	1	1	-	1	1	-
Ten	3	3	-	3	3	-
Eleven	1	1	-	1	1	-
Twelve	-	-	-	-	-	-
Subtotal	23	23	-	23	23	-
Special Ed - Elementary	1	1	-	1	1	-
Special Ed - Middle School	1	1	-	1	1	-
Special Ed - High School	-	-	-	-	-	-
Subtotal	2	2	-	2	2	-
Totals	25	25	-	25	25	-
Percentage Error			-			-

EXCESS SURPLUS CALCULATION

SECTION 1

Calculation A: 2% Excess Surplus:

All Districts required to use school-based budgeting are required to complete this calculation using 2% on line A10.

2022-2023 Total General Fund Expenditures Reported on Exhibit (C-1)	\$ <u>114,121,697</u> (A)
Increased by Applicable Operating Transfers:	
Transfer from Capital Outlay to Capital Projects	\$ <u> -</u> (A1a)
Transfer from Capital Reserve to Capital Projects	\$ <u> 700,000</u> (A1a)
Transfer from General Fund to SRF for PreK-Regular	\$ <u> -</u> (A1a)
Transfer from General Fund to SRF for PreK-Inclusion	\$ <u> 712,920</u> (A1a)
Less: Expenditures Allocated to Restricted Federal Resources as Reported on Exhibit D-2	\$ <u> -</u> (A1b)
2022-2023 Adjusted General Fund & Other State Expenditures [(A)-(A1)]	\$ <u>115,534,617</u> (A2)
Decreased by:	
On-Behalf TPAF Pension & Social Security	\$ <u>22,692,488</u> (A3)
Assets Acquired Under Leases:	
General Fund Assets Acquired Under Leases reported on Exhibit C-1a	\$ <u> 902,032</u> (A4)
Add: General Fund & State Resources Portion of Fund 15 Assets Assets Acquired Under Leases:	
Assets Acquired Under Leases in Fund 15 Reported on Exhibit C-1a	\$ <u> -</u> (A5)
Combined General Fund Contribution & State Resources Percent of Fund 15 Resources Reported on Exhibit D-2	<u>100.00%</u> (A6)
General Fund & State Resources Portion of Fund 15 Assets Acquired Under Leases [(A5)*(A6)]	\$ <u> -</u> (A7)
Total Assets Acquired Under Leases [(A4)+(A7)]	\$ <u> 902,032</u> (A8)
2022-2023 General Fund Expenditures [(A-2)-(A-3)-(A-8)]	\$ <u>91,940,097</u> (A9)
2% of Adjusted 2022-2023 General Fund Expenditures [(A9) times .02]	\$ <u>1,838,802</u> (A10)
Enter Greater of (A10) or \$250,000	\$ <u>1,838,802</u> (A11)
Increased by: Allowable Adjustment *	\$ <u>3,415,404</u> (K)
Maximum Unassigned Fund Balance [(A11)+(K)]	\$ <u><u>5,254,206</u></u> (M)

EXCESS SURPLUS CALCULATION (continued):

SECTION 2:

Total General Fund - Fund Balances @ 06/30/2023 (Per ACFR Budgetary Comparison Schedule C-1)	\$ <u>44,653,855</u> (C)
Decreased by:	
Year-End Encumbrances	\$ <u>1,773,912</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ <u>-</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>3,820,940</u> (C3)
Other Restricted Fund Balances ****	\$ <u>25,512,503</u> (C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ <u>3,347,685</u> (C5)
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	 \$ <u>10,198,815</u> (U)

SECTION 3

Restricted Fund Balance - Excess Surplus *** {(U)-(M)} IF NEGATIVE ENTER -0-	\$ <u>4,944,609</u> (E)
Restricted Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>-</u> (C3)
Restricted Excess Surplus *** {(E)}	\$ <u>4,944,609</u> (E)
 Total [(C3) + (E)]	 \$ <u>4,944,609</u> (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, effective for the year ending June 30, 2015 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 Transportation Aid;

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

(J4) Family Crisis Transportation Aid.

(J5) Supplemental Stabilization Aid received April 2023 & Maintenance of Equity Aid received July 2023

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

Detail of Allowable Adjustments

Impact Aid	\$ <u>2,003,671</u> (H)
Sale & Lease-back	\$ <u>-</u> (I)
Extraordinary Aid	\$ <u>417,791</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>20,904</u> (J2)
Current Year School Bus Advertising Revenue Recognized	\$ <u>-</u> (J3)
Family Crisis Transportation Aid	\$ <u>-</u> (J4)
Supplemental Stabilization Aid received April 2023 & Maintenance of Equity Aid received July 2023	\$ <u>973,038</u> (J5)
 Total Adjustments {(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)}	 \$ <u>3,415,404</u> (K)

EXCESS SURPLUS CALCULATION (continued):

SECTION 3 (continued):

- ** This amount represents the June 30, 2022 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.
- *** Amount entered must agree with the June 30, 2023 ACFR and Audit Summary Worksheet 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 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	\$ 9,000,731
Maintenance Reserve	\$ 4,492,745
Emergency Reserve	\$ 513,360
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)	\$ 11,154,521
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$ -
Other State/Government Mandated Reserve	\$ -
Unemployment Compensation	\$ 351,146
Other Restricted/Reserved Fund Balance Not Noted Above ****	\$ -
 Total Other Restricted/Reserved Fund Balance	 \$ 25,512,503 (C4)

AUDIT RECOMMENDATIONS SUMMARY
For the Fiscal Year Ended June 30, 2023
Pemberton Township School District

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

***2023-01** – That the District prepare a monthly analysis of the balance detailing the amounts of withholdings payable to the various payroll agencies. This analysis should be prepared shortly after the close of each month.

***2023-02** – That the District accurately reconcile all cash accounts on a monthly basis in accordance with N.J.S.A. 18A:17-9.

***2023-03** – That the District properly maintain a general ledger and reconcile the ledger monthly with other subsidiary records.

***2023-04** – That the District promptly record all revenues when received and reconcile all deposits with supporting documentation.

***2023-05** – That the District comply with N.J.A.C. 6A23A-16.10. The Board Secretary should ensure appropriate funds are available to be spent prior to contracting with any vendors.

***2023-06** – That the District comply with the requirements of N.J.A.C. 6A:23A-16.10(c)(4)(iv) and N.J.S.A. 18A:17-10 and provide the executive county superintendent with a copy of the December and June Board Secretary Reports within 60 days of the December month-end and August 1st, respectively.

2023-07 – That the District comply with N.J.S.A. 18A:17-9a requirements.

3. School Purchasing Programs

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

None

AUDIT RECOMMENDATIONS SUMMARY (continued)
For the Fiscal Year Ended June 30, 2023
Pemberton Township School District

Recommendations (continued):

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

None

10. Status of Prior Year Audit Findings/Recommendations

All findings from the prior year audit have been corrected, with the exception of those marked with an asterisk (*).