

MEMORANDUM

TO: Ms. Lisa Ridgway, Business Administrator/Board Secretary

FROM: Petroni & Associates LLC

SUBJECT: Audit Synopsis and Corrective Action Plan

DATE: May 26, 2021

The Board and Board Secretary must take certain steps to comply with the statutes upon receipt of the annual audit report (NJSA 18A:23-3 & 4).

1. The Board Secretary shall prepare a synopsis or summary of the audit report and have it available at the meeting of the Board when the audit report is discussed. We have prepared the synopsis for you and you may make copies for public distribution.
2. The Board must take specific action on the recommendations. Board action and disposition of each audit recommendation must be duly noted in the minutes of the Board. A general statement of the Board's acceptance of the audit recommendations is not considered compliance.
3. The minutes must address the corrective actions voted by the Board and a completed Corrective Action Plan must be included with the synopsis, if applicable. A sample format for the Corrective Action Plan is attached.
4. Not later than thirty (30) days after this Board meeting, you must submit a copy of the minutes, the synopsis and the corrective action plan to the County Superintendent of Schools, if applicable.
5. Electronic files of your audit are being emailed to you. It is your responsibility to access the OFAC CAFR Repository and upload the entire Audit Reporting package as soon as possible.
6. When all corrective actions have been fully implemented, but no later than June 30, 2021, a certification on District letterhead must be submitted to the NJ Department of Education, if applicable.
7. An electronic file of your audit is being emailed to you to file online at <http://emma.msrb.org> to comply with your secondary market disclosures, if applicable.

**SUMMARY OR SYNOPSIS OF 2019-2020 AUDIT REPORT OF THE
GLASSBORO SCHOOL DISTRICT BOARD OF EDUCATION
PURSUANT TO NJSA 18A:23-4**

GLASSBORO SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2020

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
ASSETS					
Cash and cash equivalents	\$ 6,293,389	\$ 262,116	\$ 110,456		\$ 6,665,961
Receivables from other governments	491,506	149,265			640,771
Other receivables, net	350,254	7,516			357,770
Interfund receivable	138,381	324,379	39,427	\$ 130,130	632,317
Restricted cash and cash equivalents	50,000				50,000
Total assets	\$ 7,323,530	\$ 743,276	\$ 149,883	\$ 130,130	8,346,819
LIABILITIES AND FUND BALANCES					
Liabilities:					
Cash deficit				\$ 150,323	150,323
Accounts payable	\$ 475,180	\$ 219,841			695,021
Other payables	7,775				7,775
Interfund payable	363,806		\$ 130,130		493,936
Payable to state government		31,414			31,414
Payable to federal government		86			86
Unearned revenue		612,415			612,415
Total liabilities	846,761	863,756	130,130	150,323	1,990,970
Fund balances:					
Restricted for:					
Excess surplus - designated for subsequent year's expenditures	2,703,299				2,703,299
Excess surplus	210,036				210,036
School bus advertising 50% fuel offset - prior year	8,147				8,147
School bus advertising 50% fuel offset - current year	8,146				8,146
Capital projects			19,753		19,753
Emergency reserves	50,000				50,000
Assigned to:					
Debt service fund				(20,193)	(20,193)
Designated for subsequent year's expenditures	3,830,049				3,830,049
Year-end encumbrances	169,859				169,859
Unassigned:					
General fund	(502,767)				(502,767)
Special revenue fund		(120,480)			(120,480)
Total fund balances	6,476,769	(120,480)	19,753	(20,193)	6,355,849
Total liabilities and fund balances	\$ 7,323,530	\$ 743,276	\$ 149,883	\$ 130,130	
Amounts reported for Governmental Activities in the Statement of Net Position (A-1) are different because:					
Capital assets used in Governmental Activities are not financial resources, and therefore, are not reported in the funds. The cost of assets is \$63,599,873 and the accumulated depreciation is \$22,304,878 (See Note 7).					
					41,294,995
Interest on long-term debt in the Statement of Activities is accrued, regardless of when due.					
					(298,616)
Internal Service Funds are used by management to charge the cost of certain activities to individual funds. Assets and liabilities of the internal service fund are included in Governmental Activities in the Statement of Net Position.					
					2,177
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported as liabilities in the funds (See Note 8).					
					(22,550,512)
Net pension liability adjustment					
					(12,940,363)
Net position of Governmental Activities					
					<u>\$ 11,863,530</u>

See accompanying notes to the basic financial statements.

GLASSBORO SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
REVENUES:					
Local sources:					
Local tax levy	\$ 20,335,186			\$ 962,570	\$ 21,297,756
Tuition charges	328,738				328,738
Transportation fees	84,967				84,967
Interest earned	67,362		\$ 1,987		69,349
Miscellaneous	379,637	\$ 42,071			421,708
	21,195,890	42,071	1,987	962,570	22,202,518
State sources	22,626,675	515,847		672,521	23,815,043
Federal sources	100,576	1,767,815			1,868,391
Total revenues	43,923,141	2,325,733	1,987	1,635,091	47,885,952
EXPENDITURES:					
Current:					
Regular instruction	9,301,209				9,301,209
Special education instruction	3,174,013	1,883,580			5,057,593
Other special instruction	604,964				604,964
School sponsored activities	428,733				428,733
Other instruction	32,517				32,517
Support:					
Tuition	2,508,441				2,508,441
Student & instruction related services	3,562,717	591,961			4,154,678
General administration	677,160				677,160
School administrative services	1,344,667				1,344,667
Central services	469,854				469,854
Administrative information technology	559,712				559,712
Plant operations and maintenance	2,743,184				2,743,184
Pupil transportation	2,344,493				2,344,493
Employee benefits	13,822,681	226,421			14,049,102
Debt Service:					
Interest				666,225	666,225
Principal				980,000	980,000
Capital outlay	1,099,812	47,085	151,316		1,298,213
Transfer to charter schools	25,629				25,629
Total expenditures	42,699,786	2,749,047	151,316	1,646,225	47,246,374
Excess (deficiency) of revenues over expenditures	1,223,355	(423,314)	(149,329)	(11,134)	639,578
Other financing sources (uses):					
Capital leases/installment agreement (non-budgeted)	631,053				631,053
Transfers in		352,402		1,987	354,389
Transfers out	(352,402)		(1,987)		(354,389)
Total other financing sources (uses)	278,651	352,402	(1,987)	1,987	631,053
Net change in fund balances	1,502,006	(70,912)	(151,316)	(9,147)	1,270,631
Fund balance - July 1	4,974,763	(49,568)	171,069	(11,046)	5,085,218
Fund balance - June 30	\$ 6,476,769	\$ (120,480)	\$ 19,753	\$ (20,193)	\$ 6,355,849

See accompanying notes to the basic financial statements.

**GLASSBORO SCHOOL DISTRICT
BOARD OF EDUCATION
PURSUANT TO NJSA 18A:23-4
AUDIT RECOMMENDATIONS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting, and Reporting

2020-001: The Business Administrator develop the appropriate internal control structure and procedures for financial reporting in compliance with NJAC 6A:23A-16.2.

2020-002: The District adopt at a public meeting, an acceptable corrective action plan to eliminate the actual debt service fund deficit.

2020-003: The District develop internal control procedures to ensure newly hired employees are timely enrolled in the pension system.

2020-004: The Business Administrator maintain workpapers supporting the TPAF calculation and be filed by the statutory date.

2020-005: The Board Secretary's and Treasurer's reports be submitted to the Executive County Superintendent within 60 days of the December month-end.

2020-006: The Business Administrator obtain Executive County Superintendent approval for transfers to capital outlay, excluding equipment, for an "emergent circumstance" after an on-site inspection by the County Superintendent.

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

Not Applicable