

GLASSBORO BOARD OF EDUCATION
Glassboro, New Jersey

Auditor's Management Report on Administrative
Findings – Financial, Compliance, and Performance
For The Year Ended June 30, 2020

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

Table of Contents

	<u>Page</u>
Report of Independent Auditors	1
Scope of Audit	2
Administrative Practices and Procedures	2
Insurance	2
Official Bonds	2
Tuition Charges	2
Financial Planning, Accounting, and Reporting	2
Examination of Claims	2
Payroll Account	2-3
Employee Position Control Roster	3
Reserve for Encumbrances and Accounts Payable	3
Travel	3
Obligations of Federal Grant Awards and Requests for Reimbursement of Expenditures Against Those Federal Grant Awards	N/A
Classification of Expenditures	3
Board Secretary's Records	3-4
Treasurer's Records (if the District has a Treasurer)	4
Elementary and Secondary Education Act (ESEA), as Amended by Every Student Succeeds Act (ESSA)	5
Other Special Federal and/or State Projects	5
TPAF Reimbursement	5
School Purchasing Programs	6
Contracts and Agreements Requiring Advertisement for Bids	6
School Food Service	7-8
Student Body Activities	8
Application for State School Aid (ASSA)	9
Pupil Transportation	9
Facilities and Capital Assets	N/A
Miscellaneous	9
Follow-up on Prior Year Findings	9
Acknowledgement	9
Schedule of Meal Count Activity	N/A
Net Cash Resource Schedule	N/A
Schedule of Audited Enrollments	10-12
Excess Surplus Calculation	13-14
Audit Recommendations Summary	15-16

PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
P.O. Box 279 • Glassboro, NJ 08028
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA
Denise R. Nevico, CPA
Deanna L. Roller, CPA, RMA

Report of Independent Auditors

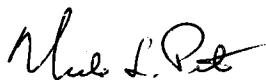
Honorable President and
Members of the Board of Education
Glassboro School District
560 Joseph Bowe Boulevard
Glassboro, New Jersey 08028

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 Glassboro School District in the County of Gloucester for the year ended June 30, 2020, and have issued our report thereon dated May 26, 2021.

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 Glassboro Board of Education's Management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542
Glassboro, New Jersey

May 26, 2021

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 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 CAFR.

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Karyn Paccione	Treasurer	\$280,000
Jennifer Johnson	Board Secretary/ School Business Administrator	\$300,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs of the items tested were less than the estimated costs charged.

Financial Planning, Accounting, and Reporting

Examination of Claims

An 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. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

Payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium withholding due to the General Fund.

The required certification (E-Cert1) of compliance with requirements for income tax on compensation of administrators (Superintendents, Assistant Superintendents, and Business Administrator) to the NJ Department of the Treasury was filed by the March 15th due date.

Reporting of employee compensation for income tax related purposes complied with federal and state regulations regarding the compensation which is required to be reported.

The certifying officer, maintained documentation of their analysis of the District's decision to classify a professional service provider (defined at NJSA 18A:18A-2(h) as an employee of the School District.

The Board of Education did not make merit bonus payments.

Payroll Account (Continued)**Finding 2020-003**

Two employees selected for testing were not enrolled in the pension system by their compulsory enrollment date.

Recommendation

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

Employee Position Control Roster

An 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 review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable without exception.

School personnel did perform an analysis of outstanding purchase orders as of June 30 and prepared the separate listings of purchase orders comprising the balance sheet account balances for accounts payable and reserve for encumbrances.

Travel

The District has an approved Board travel policy as required by NJAC 6A:23a-6.13 and NJSA 18A:11-12.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with NJAC 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all 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 NJAC 6A:23A-8.3. As of result of the procedures performed, we found no errors in the classification of expenditures 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 disclosed the following items.

The Board Secretary's and Treasurer's reports were presented monthly to the Board.

Finding 2020-001

The general ledgers maintained for the general fund, special revenue fund, proprietary (i.e., food service) and fiduciary funds required numerous adjustments to facilitate the preparation of the financial statements in accordance with GAAP.

Recommendation

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

Board Secretary's Records (Continued)

Finding 2020-002

The District has a deficit in Debt Service fund balance as of June 30, 2020, in the amount of \$20,193.

Recommendation:

The District adopt at a public meeting, an acceptable corrective action plan to eliminate the actual fund deficit.

Finding: 2020-005

The Board Secretary's and Treasurer's reports for December were not submitted to the Executive County Superintendent as prescribed by NJAC 6A:23-16.10c3.iv.

Recommendation

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

Acknowledgement of the Board's receipt of the Board Secretary's and Treasurer's monthly financial reports was included in the minutes.

Budgetary line accounts were not over-expended during the fiscal year or as of June 30.

Finding: 2020-006

A transfer was made to capital outlay for construction services, architectural, and/or engineering services without approval of the Executive County Superintendent as prescribed by NJAC 6A:23A-13.3(h).

Recommendation:

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.

Payments to vendors were made after the receipt of goods.

The capital asset records were updated for the additions and disposals of capital assets made during the year.

The District maximized its efforts under the Special Education Medicaid Initiative (SEMI) Program for obtaining federal funding for special education services.

The District does not have a potential liability or loss contingency relating to the ongoing labor contract negotiations.

Purchase orders were charged to the appropriate line accounts in accordance with the state prescribed *Uniform Minimum Chart of Accounts for New Jersey Public Schools*.

The Board Secretary deposited all funds of the District in a timely manner in accordance with NJSA 18A:17-34.

Treasurer's Records

The Treasurer performed cash reconciliations for the general operating account, payroll account, and payroll agency account on a monthly basis. The Treasurer's cash balances were in agreement with those of the Board Secretary and the reconciled cash balance as determined during the audit. All cash receipts were promptly deposited.

Elementary and Secondary Education Act (ESEA), as Amended by Every Student Succeeds Act (ESSA)

The ESEA financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for ESEA indicated no areas of noncompliance and/or questionable costs during the year under audit.

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 CAFR.

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.

The financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

The study of compliance for the special project indicated no areas of noncompliance and/or questionable costs during the year under audit.

Project completion reports for Nonpublic State Aid were finalized and transmitted to the department by the due date.

TPAF Reimbursement

Our audit procedures included a test of the biweekly reimbursement (electronic, but districts can print out the DOENET screen for an auditor) filed with the Department of Education for 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 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 not made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The salaries charged to federal funds were not in agreement with the budget report. The expenditure was reviewed subsequent to the reimbursement.

Finding 2020-004

As of the date of the audit, the TPAF reimbursement form for FY 2020 was not submitted.

Recommendation

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

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

NJSA 18A:18A-3 states:

- a. When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefor, except that the Board of Education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent possesses a qualified purchasing agent certificate pursuant to subsection "b" of section 9 of P.L. 1971, c. 198 (C.40A:11-9) the Board of Education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. Commencing in the fifth year after the year in which P.L. 1999, c. 440 takes effect and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in subsection "a" of this section or the threshold amount resulting from any adjustment under this subsection in direct proportion to the rise or fall of the index rate as that term is defined in NJSA 18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective July 1 of the year in which it is made.

Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection "a" of NJSA 18A:18A-5 may be awarded for a period not exceeding 12 consecutive months.

NJSA 18A:18A-4 states, "Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the Board of Education to the lowest responsible bidder after public advertisement for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law."

The bid thresholds in accordance with NJSA 18A:18A-2 and 18A:39-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contract under NJSA 18A:39-3 is currently \$19,000.

The 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 questions arise 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.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or good or service, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. Based on the results of our examination, I did not note any instances of noncompliance.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per NJSA 18A:18A-5.

**School Food Service
COVID – 19 EMERGENCY**

In accordance with the Governor's Declaration of Emergency pertaining to the COVID 19 Virus 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.

Therefore, 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 NJSA 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 Free and Reduced Price meal eligible students.

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 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 SFA had any Child Nutrition Program reimbursement overclaims or underclaims and whether the food service expenditures were limited to allowable direct costs. 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 Statement of Revenues, Expenses, and Changes in Fund Net Position (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

We also inquired of management about the emergency COVID-19 procedures/practices that the SFA instituted to provide meals to eligible 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.

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records, and eligibility applications 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 NJSA 18A:17-34 and 19-1 through 19-4.1. Provisions of the FSMC contract were reviewed. The FSMC contract includes an operating results provision which guarantees that the Food Service Program will return a profit of at least \$78,339. The operating results provision has been met. All vendor discounts, rebates, and credits from vendors and/or FSMC were tracked and credited to the Food Service account and reconciled to supporting documentation where applicable.

School Food Service (Continued)
COVID – 19 EMERGENCY (CONTINUED)

Expenditures were 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. No exceptions noted.

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.

Net cash resources did not exceed three months average expenditures.

Payroll records were maintained on all School Food Service 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. No exceptions were noted.

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 and/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 reviewed for completed and available for review. No exceptions noted.

USDA Food Distribution Program commodities were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

The School District maintains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

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

Finding 2020-005:

The food service general ledger was established but was not properly maintained. Revenues and expenditures did not follow the prescribed uniform minimum chart of accounts as required by NJAC 6A:23A-16.2(f)1 and beginning balances were not setup. Special functions billings were not tracked.

Recommendation:

A general ledger be maintained that contains all receipts and disbursements as well as journal entries for receivables and payable. Bank accounts should be reconciled to the cash balance in the general ledger on a monthly basis.

Student Body Activities

A review of the Student Activity Funds disclosed that cash receipts are being deposited promptly and disbursements had proper supporting documentation.

Application for State School Aid (ASSA)

Our audit procedures included a test of information reported in the October 15, 2019, Application for State School Aid (ASSA) for on-roll, private schools for the handicapped, low-income, and bilingual. We also performed a review of the District's procedures related to its completion. The information on the ASSA was compared to the District's work papers with no exceptions noted. The information that was included on the work papers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained work papers 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 audit procedures included a test of on roll status reported in the 2019-2020 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with exceptions. 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. No exceptions were noted in our review of transportation related purchases of goods and services.

Miscellaneous

The School District complied with continuing disclosure agreements made in relation to prior year's bond issuances.

Testing for Lead of All Drinking Water in Educational Facilities

The School District adhered to all the requirements of NJAC 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 NJAC 6A:26-12.4(g).

Follow-up on Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Corrective action has been taken for all prior year findings with the exception of the following, which are repeated in this year's recommendations noted as current year finding.

The School District did not have any audit reports issued by the Office of Fiscal Accountability and Compliance (OFAC).

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.

GLASSBORO SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2019

	2019-2020 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on ASSA On Roll		Reported on Work papers On Roll		Errors		Sample Selected from Work papers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on ASSA as Private Schools	Sample for Verification	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool 3 year olds	27		26		1		7		7							
Half Day Preschool 4 year olds	1		1				1		1							
Full Day Preschool 3 year olds	1		1				1		1							
Full Day Preschool 4 year olds	65		66		(1)		10		10							
Full Day Kindergarten	122		122				17		17							
One	129		129				17		17							
Two	123		123				17		17							
Three	134		134				17		17							
Four	115		115				17		17							
Five	122		122				17		17							
Six	122		123		(1)		17		17							
Seven	123		123				17		17							
Eight	126		126				17		17							
Nine	110		109		1		17		17							
Ten	112		112				17		17							
Eleven	103		103				17		17							
Twelve	89		89				12		12							
	<u>1,624</u>		<u>1,624</u>		<u>0</u>		<u>235</u>		<u>235</u>		<u>0</u>					
Special Ed. - Elementary	119		114				17		17				6	5	5	
Special Ed. - Middle School	73		66				10		10				8	7	7	
Special Ed. - High School	109		102				17		17				13	12	12	
	<u>301</u>		<u>282</u>				<u>44</u>		<u>44</u>				<u>27</u>	<u>24</u>	<u>24</u>	<u>0</u>
	<u>1,925</u>		<u>1,906</u>		<u>0</u>		<u>279</u>		<u>279</u>		<u>0</u>		<u>27</u>	<u>24</u>	<u>24</u>	<u>0</u>
Percentage Error					<u>0.00%</u>						<u>0.00%</u>					<u>0.00%</u>

GLASSBORO SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2019
(CONTINUED)

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on ASSA as Low Income	Reported on Work papers as Low Income	Errors	Sample Selected from Work papers	Verified to Application and Registers	Sample Errors	Reported on ASSA as Low Income	Reported on Work papers as Low Income	Errors	Sample Selected from Work papers	Verified to Application and Registers	Sample Errors
Full Day Kindergarten	57	57		15	15		9	9		8	8	
One	59	59		15	15		5	5		4	4	
Two	54	54		15	15		7	7		6	6	
Three	53	53		15	15		6	6		5	5	
Four	43	43		15	15		2	2		2	2	
Five	51	51		15	15		4	4		3	3	
Six	51	51		15	15		1	1		1	1	
Seven	57	57		15	15		1	1		1	1	
Eight	57	57		15	15							
Nine	42	42		15	15		1	1		1	1	
Ten	54	54		15	15							
Eleven	30	30		9	9							
Twelve	32	32		9	9							
	<u>640</u>	<u>640</u>	<u>0</u>	<u>183</u>	<u>183</u>	<u>0</u>	<u>36</u>	<u>36</u>	<u>0</u>	<u>31</u>	<u>31</u>	<u>0</u>
Special Ed. - Elementary	82	81	1	17	17		2	2		2	2	
Special Ed. - Middle School	37	38	(1)	15	15							
Special Ed. - High School	50	50		17	17		1	1		1	1	
	<u>169</u>	<u>169</u>		<u>49</u>	<u>49</u>		<u>3</u>	<u>3</u>		<u>3</u>	<u>3</u>	
	<u>809</u>	<u>809</u>	<u>0</u>	<u>232</u>	<u>232</u>	<u>0</u>	<u>39</u>	<u>39</u>	<u>0</u>	<u>34</u>	<u>34</u>	<u>0</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

GLASSBORO SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2019
(CONTINUED)

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on ASSA NOT Low Income	Reported on Work papers as NOT Low Income	Errors	Sample Selected from Work papers	Verified to Application and Registers	Sample Errors
Full Day Kindergarten	7	7		6	6	
One	3	3		3	3	
Two	6	6		5	5	
Three	5	5		4	4	
Four	2	2		2	2	
Five	1	1		1	1	
Six						
Seven	1	1		1	1	
Eight	1	1		1	1	
Nine	1	1		1	1	
Ten						
Eleven						
Twelve						
	<u>27</u>	<u>27</u>	<u>0</u>	<u>24</u>	<u>24</u>	<u>0</u>
Special Ed - Elementary						
Special Ed - Middle School	1	1		1	1	
Special Ed - High School						
	<u>1</u>	<u>1</u>		<u>1</u>	<u>1</u>	
	<u>28</u>	<u>28</u>	<u>0</u>	<u>25</u>	<u>25</u>	<u>0</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular Public Schools	440	440		136	136	
Regular Special Education	41	41		13	13	
Transported Nonpublic	53	53		18	18	
Special Needs - Public	123	123		39	39	
AIL Nonpublic School Students	100	100		32	32	
	<u>757</u>	<u>757</u>	<u>0</u>	<u>238</u>	<u>238</u>	<u>0</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	Reported	Recalculated
Reg. Avg. (Mileage) = Regular Including Grade PK (Part A)	4.4	4.4
Reg. Avg. (Mileage) = Regular Excluding Grade PK (Part B)	4.5	4.5
Spec Avg. = Special Ed. with Special Needs	4.4	4.4

EXCESS SURPLUS CALCULATION

REGULAR DISTRICT/CHARTER SCHOOL

SECTION 1

A. 2% Calculation of Excess Surplus

2019-2020 Total General Fund Expenditures per the CAFR., Ex. C-1	\$ <u>42,399,786</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 Pre-K - Regular	\$ <u>352,402</u>	(B1c)
Transfer from General Fund to SRF for Pre-K - Inclusion	\$ _____	(B1d)
Decreased by:		
On-Behalf TPAF Pension & Social Security	\$ <u>5,626,883</u>	(B2a)
Assets Acquired Under Capital Leases	\$ <u>631,053</u>	(B2b)
 Adjusted 2019-2020 General Fund Expenditures [(B)+(B1s)-(B2s)]	 \$ <u><u>36,494,252</u></u>	 (B3)
 2% of Adjusted 2019-2020 General Fund Expenditures [(B3) times .02]	 \$ <u>729,885</u>	 (B4)
Enter Greater of (B4) or \$250,000	\$ <u>729,885</u>	(B5)
Increased by: Allowable Adjustment *	\$ <u>163,586</u>	(K)
 Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]		\$ <u><u>893,471</u></u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6/30/2020 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>7,873,007</u>	(C)
Decreased by:		
Year-end Encumbrances	\$ <u>169,859</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ _____	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>2,703,299</u>	(C3)
Other Restricted Fund Balances****	\$ <u>66,293</u>	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ <u>3,830,049</u>	(C5)
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		\$ <u><u>1,103,507</u></u> (U1)

SECTION 3

Restricted Fund Balance - Excess Surplus*** [(U2)-(M)] IF NEGATIVE ENTER -0- \$ 210,036 (E)

Recapitulation of Excess Surplus as of June 30, 2020

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures** \$ 2,703,299 (C3)
 Reserved Excess Surplus*** [(E)] \$ 210,036 (E)
 Total [(C3)+(E)] \$ 2,913,335 (D)

* This adjustment line (as detailed below) is to be utilized when applicable for: Impact Aid, Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10), Extraordinary Aid, Additional Nonpublic School Transportation Aid; recognized current year School Bus Advertising Revenue; and Family Crisis Transportation Aid. Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid, and Additions Nonpublic School Transportation Aid.

Detail of Allowable Adjustments

Impact Aid	\$ _____	(H)
Sale & Lease-back	\$ _____	(I)
Extraordinary Aid	\$ <u>138,246</u>	(J1)
Additional Nonpublic School Transportation Aid	\$ <u>9,047</u>	(J2)
Current Year School Bus Advertising Revenue Recognized	\$ <u>16,293</u>	(J3)
Family Crisis Transportation Aid	\$ _____	(J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+ (J3)]	\$ <u>163,586</u>	(K)

** This amount represents the June 30, 2020, Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amount must agree to the June 30, 2020, CAFR and the sum of the two lines must agree to Audit Summary Worksheet Line 90030.

**** Amount for Other Reserved 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	\$ _____	
Maintenance reserve	\$ _____	
Emergency reserve	\$ <u>50,000</u>	
Waiver offset reserve - Designated for Subsequent Year	\$ _____	
Tuition reserve	\$ _____	
School bus advertising 50% fuel offset reserve - current year	\$ <u>8,146</u>	
School bus advertising 50% fuel offset reserve - prior year	\$ <u>8,147</u>	
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	\$ <u>66,293</u>	(C4)

**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