

**BOARD OF EDUCATION
CITY OF BURLINGTON
COUNTY OF BURLINGTON**

**AUDITORS MANAGEMENT REPORT
ON ADMINISTRATIVE FINDINGS
- FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

INVERSO & STEWART, LLC
Marlton, New Jersey

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

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

The Honorable President and
Members of the Board of Education
Burlington City School District
County of Burlington, New Jersey

I have audited, in accordance with generally accepted audit standards and *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Burlington City School District, in the County of Burlington for the year ended June 30, 2024, and have issued my report thereon dated December 20, 2024.

As part of my audit, I performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the Burlington City Board of Education and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

INVERSO & STEWART, LLC

Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

December 20, 2024

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 Moneys, the activities of the Board of Education, and the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the district's ACFR.

Officials Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Ingrid Walsh	Board Secretary/School Business Administrator	\$ 275,000

There is a Public Employees' Faithful Performance Blanket Position Bond with the Burlington County Joint Insurance Group covering all other employees with multiple coverage of \$500,000.

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 included all health benefit plans offered by the school district.

The school district data certification was completed by the Chief School Administrator. The school district Chapter 44 data was submitted timely.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were greater than the estimated costs. The Board made the proper adjustment to the billings to sending districts for the increase/decrease in per pupil costs in accordance with N.J.A.C. 6:23-3.1(f) 3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under audit did not indicate any material noncompliance with respect to signatures, certifications, or supporting documentation.

Payroll Account

The net salaries of all employees of the District were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

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

Financial Planning, Accounting and Reporting (Continued)

Payroll Account (Continued)

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the general fund.

Employee Position Control Roster

No exceptions were noted during my examination of the Employee 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. My review did not indicate any material discrepancies to the classification of orders.

Obligations of Federal Grant Awards and Requests for Reimbursement of Expenditures against those Federal Grant Awards

No exceptions were noted during my examination of obligations of federal grant awards and requests for reimbursement of expenditures against those federal grant awards made during the period under audit.

Travel

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

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of my test of transactions of randomly selected expenditure items. I also reviewed the coding of all expenditures included in my compliance and single audit testing procedures. In addition to randomly selecting a test sample, my sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. My review did not indicate any material discrepancies with respect to classification of expenditures.

Board Secretary/Business Administrator's Record

The financial and accounting records of the Board Secretary/Business Administrator's office were reviewed and were maintained 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./ESSA 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 Title I, Title II, and Title III of the Elementary and Secondary Education Act, as amended and reauthorized.

No exceptions were noted in my study of compliance for the E.S.E.A./ESSA projects.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the ACFR.

My 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.

Financial Planning, Accounting and Reporting (Continued)

Other Special Federal and/or State Projects (Continued)

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.

The study of compliance for special projects indicated no areas of noncompliance and/or questionable costs.

T.P.A.F. Reimbursement

My audit procedures included a test of the biweekly reimbursements filed with the Department of Education for district employees who are members of the Teachers' Pension and Annuity Fund. No exceptions were noted.

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Reports for all federal awards for the school district to reimburse the state for the TPAF/FICA payments made by the State on be-half 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.

Nonpublic State Aid

The study of compliance for nonpublic state aid indicated no areas of noncompliance and/or questionable costs.

School Purchasing Programs

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 2023-24.

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 a violation of the statute, the solicitor's opinion should be sought before a commitment is made.

Based on the results of my examination, I did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising of bids in accordance with the provision of N.J.S.A.18A:18A-4.

Resolutions were adopted authorizing the award of contracts or agreements for "Professional Services" per N.J.S.A.18A:18A-5.

School Food Service

The school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, I inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

I 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 Net program and non-program revenue and program and non-program cost of goods sold.

Net cash resources did not exceed three months average expenditures.

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

Latchkey Program

The financial records for the Latchkey Program were maintained in satisfactory condition.

Student Body Activities

The financial records for the Student Activity Fund were maintained in satisfactory condition. However, the following was noted:

Application for State School Aid

My audit procedures included a test of information reported in the October 15, 2023 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. I also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers with no exceptions noted. The information that was included on the workpapers was verified without exception. The results of my procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed state forms or their equivalent.

The District has adequate written procedures for the recording of student enrollment data.

Pupil Transportation

My procedures included a test of on roll status reported in the 2023-2024 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 my procedures are presented in the Schedule of Audited Enrollments.

My procedures also included a review of transportation related contracts and purchases. Based on my review, the District complied with proper bidding procedures and award of contracts. No exceptions were noted in my review of transportation related purchases of goods and services.

Facilities and Capital Assets

Not applicable.

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.

Follow-up on Prior Year Findings

In accordance with government auditing standards, my procedures included a review of all prior year findings. Corrective action was taken on the prior year recommendation.

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, 2024.

Acknowledgment

I received the complete cooperation of all the officials of the Burlington City School District, and I greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants

A handwritten signature in black ink, appearing to read 'R. Inverso', is written over the printed name.

Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

December 20, 2024

SCHEDULE OF AUDITED ENROLLMENTS

**Burlington City School District
Application for State School Aid Summary
Enrollment as of October 15, 2023**

	2024-2025 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on ASSA		Reported on Workpapers		Errors		Sample Selected From		Verified per Registers		Errors per Registers		Reported on ASSA as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors
	On Roll		On Roll				Workpapers		On Roll		On Roll					
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Full Day Pre K3	65		65		-		11		11		-					
Full Day Pre K 4	85		85		-		12		12		-					
Full Day K	98		98		-		21		21		-					
One	125		125		-		15		15		-					
Two	99		99		-		14		14		-					
Three	95		95		-		16		16		-					
Four	101		101		-		13		13		-					
Five	84		84		-		12		12		-					
Six	73		73		-		13		13		-					
Seven	74		74		-		14		14		-					
Eight	83		83		-		15		15		-					
Nine	136		136		-		17		17		-					
Ten	109		109		-		17		17		-					
Eleven	91		91		-		18		18		-					
Twelve	121		121		-		14		14		-					
Subtotal	1,439	-	1,439	-	-	-	222		222	-	-	-	-	-	-	-
SpEd Elementary	160		160		-		22		22		-		6	6	6	-
SpEd Middle School	83		83		-		15		15		-		9	9	9	-
SpEd High School	134		134		-		20		20		-		11	11	11	-
Subtotal	377	-	377	-	-	-	57		57	-	-	-	26	26	26	-
Totals	1,816	-	1,816	-	-	-	279		279	-	-	-	26	26	26	-
Percentage Error					0.00%	-					0.00%	-				0.00%

SCHEDULE OF AUDITED ENROLLMENTS

**Burlington City School District
Application for State School Aid Summary
Enrollment as of October 15, 2023**

	2023-2024 Application for State School Aid			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Full Day K	71	71	-	17	17	-	7	7	-	4	4	-
One	92	92	-	22	22	-	3	3	-	2	2	-
Two	68	68	-	16	16	-	5	5	-	3	3	-
Three	83	83	-	20	20	-	10	10	-	7	7	-
Four	77	77	-	18	18	-	4	4	-	2	2	-
Five	66	66	-	16	16	-	1	1	-	1	1	-
Six	52	52	-	12	12	-	-	-	-	-	-	-
Seven	51	51	-	12	12	-	2	2	-	1	1	-
Eight	61	61	-	15	15	-	-	-	-	-	-	-
Nine	60	60	-	14	14	-	4	4	-	2	2	-
Ten	38	38	-	9	9	-	1	1	-	1	1	-
Eleven	36	36	-	9	9	-	1	1	-	1	1	-
Twelve	45	45	-	11	11	-	1	1	-	1	1	-
Subtotal	800	800	-	192	192	-	39	39	-	25	25	-
SpEd Elementary	128	128	-	31	31	-	2	2	-	1	1	-
SpEd Middle School	65	65	-	16	16	-	3	3	-	2	2	-
SpEd High School	64	64	-	15	15	-			-			
Subtotal	257	257	-	62	62	-	5	5	-	3	3	-
Totals	1,057	1,057	-	254	254	-	44	44	-	28	28	-
Percentage Error			0.00%			0.00%			0.00%			0.00%

Transportation								
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors	Reported	Recalculated
Reg. Public School , col. 1	85	85	-	58	58	-		
Reg. Special Education, col. 4	63	63	-	43	43	-		
AIL Transported-Non-Public, col. 3	-	-	-	-	-	-		
Special Needs, Col. 6	39	39	-	27	27	-		
	187	187	-	127	127	-		
Percentage Error			0.00%			0.00%		

Avg. Mileage - Regular Including Grade PK students 5.0
Avg. Mileage - Regular Excluding Grade PK students 5.0
Avg. Mileage - Special Ed. with Special Needs 11.2

SCHEDULE OF AUDITED ENROLLMENTS

Burlington City School District Application for State School Aid Summary Enrollment as of October 15, 2023

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on ASSA 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 K	1	1	-	1	1	-
One	6	6	-	5	5	-
Two	4	4	-	3	3	-
Three	1	1	-	1	1	-
Four	1	1	-	1	1	-
Five	3	3	-	3	3	-
Six	-	-	-	-	-	-
Seven	1	1	-	1	1	-
Eight	-	-	-	-	-	-
Nine	2	2	-	2	2	-
Ten	3	3	-	3	3	-
Eleven	-	-	-	-	-	-
Twelve	1	1	-	1	1	-
Subtotal	23	23	-	19	19	-
SpEd Elementary	-	-	-	-	-	-
SpEd Middle School	1	1	-	1	1	-
SpEd High School	1	1	-	1	1	-
Subtotal	2	2	-	2	2	-
Totals	25	25	-	21	21	-
Percentage Error			0.00%			0.00%

BURLINGTON CITY SCHOOL DISTRICT
Encumbrances
For the Fiscal Year Ended June 30, 2024

Encumbrances per the June 30, 2024 Board Secretary Report			\$ 78,257
Description	Total by Category	Amount Properly Encumbered	Encumbrances Cancelled Through Audit Adjustments
Regular Programs - Undistributed Instruction - General Supplies	\$ 1,894	\$ 1,894	\$ -
Instruction - Tuition to Private School for Disabled Within State	18,785	18,785	-
School Administration - Other Objects	4,704	4,704	-
Required Maintenance - Cleaning, Repair & Maint. Services	1,200	1,200	-
Required Maintenance - General Supplies	596	596	-
Custodial Services - General Supplies	3,793	3,793	-
Custodial Services - Energy (Natural Gas)	3,135	3,135	-
Custodial Services - Energy (Electricity)	41,175	41,175	-
Facilities Acquisition and Construction Services			
Architectural /Engineering Services	2,975	2,975	-
	<u>78,257</u>	<u>78,257</u>	<u>-</u>
Total Encumbrances Cancelled During the Audit			<u>-</u>
Fund Balance Reserved for Encumbrances in the ACFR			<u><u>\$ 78,257</u></u>

BURLINGTON CITY SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

SECTION 1 - Regular Districts

A. 2% Calculation of Excess Surplus

2023-24 Total General Fund Expenditures per the ACFR, Ex C-1	\$ <u>52,056,508</u>	(A)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$ _____	(A1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ _____	(A1a)
Transfer from General Fund to SRF for Preschool - Regular	\$ _____	(A1a)
Transfer from General Fund to SRF for Preschool - Inclusion	\$ <u>217,710</u>	(A1a)
Adjusted 2023-24 General Fund & Other State Expenditures [(A)+A1a)-(Aib)]		\$ <u>52,274,218</u> (A2)
Decreased by:		
On-Behalf TPAF Pension & Social Security		\$ <u>(9,304,766)</u> (A3)
Assets Acquired Under Financed Purchases		\$ <u>(4,303,827)</u> (A8)
Adjusted 2023-2024 General Fund Expenditures [(B)+(B1s)+(B2s)]		\$ <u>38,665,625</u> (A9)
2% of Adjusted 2023-2024 General Fund Expenditures [(B3) times .02]	\$ <u>773,313</u>	(B4)
Enter Greater of (B4) or \$250,000	\$ <u>773,313</u>	(B5)
Increased by: Allowable Adjustment	\$ <u>298,371</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]		\$ <u>1,071,684</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-24 (Per ACFR Budgetary Comparison Schedule C-1)	\$ <u>15,690,787</u>	(C)
Decreased by:		
Year-end Encumbrances	\$ <u>78,257</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ _____	(C2)
Legally Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	\$ <u>3,196,793</u>	(C3)
Other Restricted Fund Balances	\$ <u>6,442,341</u>	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ <u>309,975</u>	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		\$ <u>5,663,421</u> (U1)

BURLINGTON CITY SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

SECTION 3 - All Districts

Restricted Fund Balance - Excess Surplus [(U2)-(M)] IF NEGATIVE ENTER -0- \$ 4,591,737 (E)

Recapitulation of Excess Surplus as of June 30, 2024

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures \$ 3,196,793 (C3)

Reserved Excess Surplus [(E)] \$ 4,591,737 (E)

Total [(C3) + (E)] \$ 7,788,530 (D)

Detail of Allowable Adjustments

Impact Aid	\$		(H)
Sale & Lease-back	\$		(I)
Extraordinary Aid	\$	<u>298,371</u>	(J1)
Additional Nonpublic School Transportation Aid	\$		(J2)
Current Year School Bus Advertising Revenue	\$		
Recognized	\$		(J3)
Family Crisis Transportation Aid	\$		(J4)
Supplemental Stabilization Aid	\$		(J5)
Maintenance of Equity Aid	\$		(J5)

Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)] \$ 298,371 (K)

Detail of Other Restricted Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	\$
Capital outlay for a district with a capital outlay cap waiver	\$
Sale/lease-back reserve	\$
Capital reserve	\$ <u>4,421,877</u>
Maintenance reserve	\$ <u>1,004,200</u>
Tuition Reserve	\$
Emergency reserve	\$ <u>456,505</u>
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)	\$
Impact Aid General Fund Reserve (Sections 8007 and 8008)	\$
Reserve for Unemployment Fund	\$ <u>559,759</u>
Other Restricted Fund Balance not noted above	\$
Total Other Restricted Fund Balance	\$ <u>6,442,341</u> (C4)

AUDIT RECOMMENDATIONS SUMMARY
For the Fiscal Year Ended June 30, 2024

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

Corrective action was taken on the prior year recommendation.