

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, 2024**

MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS FINANCIAL, COMPLIANCE AND PERFORMANCE

TABLE OF CONTENTS

	PAGE
Report of Independent Auditors - Auditor's Management Report on Administrative Findings, Financial Compliance and Performance	1
Scope of Audit	3
Administrative Practices and Procedures:	
Insurance	3
Official Bonds	3
P.L. 2020, c. 44	3
Tuition Charges	3
Financial Planning, Accounting and Reporting:	
Examination of Claims	4
Payroll Account	4
Employee Position Control Roster	5
Reserve for Encumbrances and Accounts Payable	5
Classification of Expenditures	5
Board Secretary's Records	5
Treasurer's Records	5
Elementary & Secondary School Education Act (E.S.E.A.), as amended by the Every Student Succeeds Act (E.S.S.A.)	5
Other Special Federal and/or State Projects	5
T.P.A.F. Reimbursement	6
T.P.A.F. Reimbursement to the State for Federal Salary Expenditures	6
School Purchasing Programs:	
Contracts & Agreements Requiring Advertisement for Bids	6
School Food Service	7
Student Body Activities	7
Application for State School Aid	8
Pupil Transportation	8
Testing for Lead of All Drinking Water in Educational Facilities	8
Miscellaneous	8
Follow-up on Prior Year Findings	8
Review of OFAC Findings	9
Acknowledgment	9
Additional Information:	
Schedule of Audited Enrollments	13
Schedule of Meal Count Activity	16
Net Cash Resource Schedule	17
Excess Surplus Calculation	18
Audit Recommendations Summary	21

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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, 2024, and have issued our report thereon dated January 14, 2025.

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
January 14, 2025

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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*.

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. 2024-01 (ACFR Finding 2024-002)**

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.

Finding No. 2024-02 (ACFR Finding 2024-004)

The School District's Form 941 for the second quarter of 2024 was not filed by the deadline, as required by Federal regulations.

Recommendation:

That the District implement adequate internal control procedures over the timely filing of its quarterly Form 941, *Employer's Quarterly Federal Tax Return*.

Finding No. 2024-03 (ACFR Finding 2024-005)

The District did not issue form 1099-NEC for nonemployee compensation to certain individuals during the year.

Recommendation:

That the District implement adequate internal control procedures over the reporting of nonemployee compensation for each calendar year.

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. 2024-04 (ACFR Finding 2024-001)**

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.

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.

Other Special Federal and/or State Projects (continued)

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 [NJ Local Agency Procurement Laws](http://www.nj.gov/dca/dlgs/programs/NJ_LAPL.shtml) website:

www.nj.gov/dca/dlgs/programs/NJ_LAPL.shtml

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 \$22,400 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 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

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records 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 *N.J.S.A. 18A:17-34*, and 19-1 through 19-4.1. Provisions of the FSMC Cost Reimbursable Fixed Price or Non-Competitive Emergency Procurement contract/addendum were reviewed and audited. All vendor discounts, rebates, and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

Expenditures should be separately recorded as food, labor and other costs. Vendor invoices were reviewed, and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used.

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.

Time sheets were reviewed, and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education/board of trustees. 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 certified in a timely manner.

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 /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 policy was reviewed for uniform administration throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review.

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

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. or

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, 2023 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 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 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).

Miscellaneous

Finding No. 2024-05 (ACFR Finding 2024-003)

The capital asset records were not updated for the addition of certain construction projects and equipment during the year.

Recommendation:

That the District implement adequate internal control procedures over its capital assets, including the periodic update of the general ledger for all additions and disposals.

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, 2024.

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
January 14, 2025

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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, 2023**

	2024-2025 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on A.S.S.A. On Roll			Workpapers			Errors			Sample			Verified per Registers			Sample for Verification
	Full	Shared		Full	Shared		Full	Shared		Full	Shared		Full	Shared		
Full Day Preschool - 3 Yr. Old	208	-		208	-		-	-		14	-		14	-		-
Full Day Preschool - 4 Yr. Old	259	-		259	-		-	-		18	-		18	-		-
Full Day Kindergarten	281	-		281	-		-	-		19	-		19	-		-
One	296	-		296	-		-	-		20	-		20	-		-
Two	275	-		275	-		-	-		19	-		19	-		-
Three	248	-		248	-		-	-		17	-		17	-		-
Four	294	-		294	-		-	-		20	-		20	-		-
Five	251	-		251	-		-	-		17	-		17	-		-
Six	238	-		238	-		-	-		16	-		16	-		-
Seven	243	-		243	-		-	-		17	-		17	-		-
Eight	235	-		235	-		-	-		16	-		16	-		-
Nine	210	-		210	-		-	-		14	-		14	-		-
Ten	242	-		242	-		-	-		17	-		17	-		-
Eleven	190	-		190	-		-	-		13	-		13	-		-
Twelve	204	-		204	-		-	-		14	-		14	-		-
Subtotal	3,674	-		3,674	-		-	-		251	-		251	-		-
Special Ed - Elementary	332	-		332	-		-	-		23	-		23	-		11
Special Ed - Middle School	184	-		184	-		-	-		13	-		13	-		9
Special Ed - High School	234	-		234	-		-	-		16	-		16	-		10
Subtotal	750	-		750	-		-	-		52	-		52	-		30
Totals	4,424	-		4,424	-		-	-		303	-		303	-		30
Percentage Error	-	-		-	-		-	-		-	-		-	-		-

SCHEDULE OF AUDITED ENROLLMENTS (2)

PEMBERTON TOWNSHIP BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2023

	Resident Low Income			Resident LEP Low Income								
	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Errors	Sample for Verification			Reported on A.S.S.A. as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample for Verification		
				Sample Selected from Workpapers	Verified to Application and Register	Sample Errors				Sample Selected from Workpapers	Verified to Test Score & Register	Sample Errors
Full Day Kindergarten	178	178	-	20	20	-	5	5	-	4	4	-
One	174	174	-	19	19	-	9	9	-	7	7	-
Two	166	166	-	18	18	-	9	9	-	7	7	-
Three	152	152	-	18	18	-	8	8	-	6	6	-
Four	172	172	-	19	19	-	7	7	-	5	5	-
Five	150	150	-	16	16	-	1	1	-	1	1	-
Six	153	153	-	17	17	-	3	3	-	2	2	-
Seven	159	159	-	17	17	-	1	1	-	1	1	-
Eight	129	129	-	15	15	-	2	2	-	2	2	-
Nine	133	133	-	15	15	-	1	1	-	1	1	-
Ten	158	158	-	18	18	-	5	5	-	4	4	-
Eleven	104	104	-	12	12	-	2	2	-	2	2	-
Twelve	106	106	-	12	12	-	-	-	-	-	-	-
Subtotal	1,934	1,934	-	216	216	-	53	53	-	42	42	-
Special Ed - Elementary	229	229	-	25	25	-	5	5	-	4	4	-
Special Ed - Middle School	138	138	-	15	15	-	2	2	-	2	2	-
Special Ed - High School	171	171	-	19	19	-	1	1	-	1	1	-
Subtotal	538	538	-	59	59	-	8	8	-	7	7	-
Totals	2,472	2,472	-	275	275	-	61	61	-	49	49	-

Transportation

	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools, col. 1	2,731	2,731	-	235	235	-
Reg -SpEd, col. 4	524	524	-	45	45	-
All, col. 2	55	55	-	5	5	-
Special Ed Spec, col. 6	166	166	-	14	14	-
Totals	3,476	3,476	-	299	299	-
Percentage Error	-	-	-	-	-	-

SCHEDULE OF AUDITED ENROLLMENTS (3)

PEMBERTON TOWNSHIP BOARD OF EDUCATION APPLICATION FOR STATE SCHOOL AID SUMMARY ENROLLMENT AS OF OCTOBER 15, 2023

	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	-	3	3	-
One	3	3	-	2	2	-
Two	1	1	-	1	1	-
Three	2	2	-	2	2	-
Four	4	4	-	3	3	-
Five	-	-	-	-	-	-
Six	-	-	-	-	-	-
Seven	-	-	-	-	-	-
Eight	-	-	-	-	-	-
Nine	1	1	-	1	1	-
Ten	1	1	-	1	1	-
Eleven	2	2	-	2	2	-
Twelve	3	3	-	2	2	-
Subtotal	21	21	-	17	17	-
Special Ed - Elementary	2	2	-	2	2	-
Special Ed - Middle School	-	-	-	-	-	-
Special Ed - High School	-	-	-	-	-	-
Subtotal	2	2	-	2	2	-
Totals	23	23	-	19	19	-
Percentage Error			-			-

SCHEDULE OF MEAL COUNT ACTIVITY - FEDERAL

**PEMBERTON TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - FEDERAL
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(MEMORANDUM ONLY)**

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE	(OVER)/ UNDER CLAIM
National School Lunch (High Rate)	Paid	114,482	37,173	37,173	-	0.42	-
	Reduced	81,205	26,396	26,396	-	3.87	-
	Free	224,148	72,536	72,536	-	4.27	-
	Total	419,835	136,105	136,105	-	-	-
National School Breakfast (Severe Need Rate)	Paid	51,938	17,053	17,053	-	0.38	-
	Reduced	47,452	15,923	15,923	-	2.43	-
	Free	140,129	45,575	45,575	-	2.73	-
	Total	239,519	78,551	78,551	-	-	-
After School Snack Program	Paid	-	-	-	-	0.10	-
	Reduced	-	-	-	-	0.58	-
	Free	63,504	22,224	22,224	-	1.17	-
	Total	63,504	22,224	22,224	-	-	-

PEMBERTON TOWNSHIP SCHOOL DISTRICT
Net cash resources did not exceed three months of expenditures
Proprietary Funds - Food Service
JUNE 30, 2024

		Food Service B - 4/5	
<u>Net Cash Resources:</u>			
ACFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 853,276
B-4		Due from Other Gov'ts	402,196
B-4		Accounts Receivable	121,513
ACFR		Current Liabilities	
B-4		Less Accounts Payable	(2,211)
B-4		Less Due to Other Funds	(259,700)
B-4		Less Unearned Revenue	(178,375)
			<hr/>
		Net Cash Resources	\$ 936,699 (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	\$ 3,401,198	
B-5	Less Depreciation	(18,738)	
		Adj. Tot. Oper. Exp.	\$ 3,382,460 (B)

Average Monthly Operating Expense:

B / 10	\$ 338,246 (C)
--------	-----------------------

Three times monthly Average:

3 X C	\$ 1,014,738 (D)
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TOTAL IN BOX A	\$ 936,699
LESS TOTAL IN BOX D	1,014,738
NET	\$ (78,039)

From above:

A is greater than D, cash exceeds 3 X average monthly operating expenses.

D is greater than A, cash does not exceed 3 X average monthly operating expenses.

* Inventories are not to be included in total current assets.

SOURCE - USDA resource management comprehensive review form

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.

2023-2024 Total General Fund Expenditures Reported on Exhibit (C-1)	\$ <u>114,709,165</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>484,247</u> (A1a)
Transfer from General Fund to SRF for PreK-Regular	\$ <u>-</u> (A1a)
Transfer from General Fund to SRF for PreK-Inclusion	\$ <u>812,784</u> (A1a)
Less: Expenditures Allocated to Restricted Federal Resources as Reported on Exhibit D-2	\$ <u>-</u> (A1b)
2023-2024 Adjusted General Fund & Other State Expenditures [(A)-(A1)]	\$ <u>116,006,196</u> (A2)
Decreased by:	
On-Behalf TPAF Pension & Social Security	\$ <u>22,763,652</u> (A3)
Assets Acquired Under Leases:	
General Fund Assets Acquired Under Leases reported on Exhibit C-1a	\$ <u>476,157</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>476,157</u> (A8)
2023-2024 General Fund Expenditures [(A-2)-(A-3)-(A-8)]	\$ <u>92,766,387</u> (A9)
2% of Adjusted 2023-2024 General Fund Expenditures [(A9) times .02]	\$ <u>1,855,328</u> (A10)
Enter Greater of (A10) or \$250,000	\$ <u>1,855,328</u> (A11)
Increased by: Allowable Adjustment *	\$ <u>2,935,056</u> (K)
Maximum Unassigned Fund Balance [(A11)+(K)]	\$ <u><u>4,790,384</u></u> (M)

EXCESS SURPLUS CALCULATION (continued):

SECTION 2:

Total General Fund - Fund Balances @ 06/30/2024 (Per ACFR Budgetary Comparison Schedule C-1)	\$ 49,488,513 (C)
Decreased by:	
Year-End Encumbrances	\$ 2,279,920 (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ - (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ 4,944,609 (C3)
Other Restricted Fund Balances ****	\$ 23,930,935 (C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ 4,519,549 (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ 13,813,500 (U)

SECTION 3

Restricted Fund Balance - Excess Surplus *** {(U)-(M)} IF NEGATIVE ENTER -0-	\$ 9,023,116 (E)
Restricted Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ - (C3)
Restricted Excess Surplus *** {(E)}	\$ 9,023,116 (E)
Total [(C3) + (E)]	\$ 9,023,116 (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 & Maintenance of Equity Aid

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	\$ 2,741,164 (H)
Sale & Lease-back	\$ - (I)
Extraordinary Aid	\$ 168,867 (J1)
Additional Nonpublic School Transportation Aid	\$ 25,025 (J2)
Current Year School Bus Advertising Revenue Recognized	\$ - (J3)
Family Crisis Transportation Aid	\$ - (J4)
Supplemental Stabilization Aid & Maintenance of Equity Aid	\$ - (J5)
Total Adjustments {(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)}	\$ 2,935,056 (K)

EXCESS SURPLUS CALCULATION (continued):

SECTION 3 (continued):

- ** This amount represents the June 30, 2023 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.
- *** Amount entered must agree with the June 30, 2024 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	\$ 8,171,734
Maintenance Reserve	\$ 3,160,182
Emergency Reserve	\$ 513,610
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)	\$ 11,904,521
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$ -
Other State/Government Mandated Reserve	\$ -
Unemployment Compensation	\$ 180,888
Other Restricted/Reserved Fund Balance Not Noted Above ****	\$ -
Total Other Restricted/Reserved Fund Balance	\$ 23,930,935 (C4)

AUDIT RECOMMENDATIONS SUMMARY
For the Fiscal Year Ended June 30, 2024
Pemberton Township School District

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

***2024-01** – 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.

2024-02 – That the District implement adequate internal control procedures over the timely filing of its quarterly Form 941, *Employer's Quarterly Federal Tax Return*.

2024-03 – That the District implement adequate internal control procedures over the reporting of nonemployee compensation for each calendar year.

***2024-04** – That the District properly maintain a general ledger and reconcile the ledger monthly with other subsidiary records.

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

2024-05 – That the District implement adequate internal control procedures over its capital assets, including the periodic update of the general ledger for all additions and disposals.

AUDIT RECOMMENDATIONS SUMMARY (continued)
For the Fiscal Year Ended June 30, 2024
Pemberton Township School District

Recommendations (continued):

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 (*).