

TABERNACLE TOWNSHIP SCHOOL DISTRICT

Tabernacle, New Jersey  
County of Burlington

Auditor's Management Report on Administrative Findings -  
Financial, Compliance and Performance  
for The Year Ended June 30, 2024



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

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**HOLT MCNALLY & ASSOCIATES**

Certified Public Accountants & Advisors

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

Honorable President and Members  
of the Board of Education  
Tabernacle Township School District  
County of Burlington  
Tabernacle, 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 Tabernacle Township School District in the County of Burlington for the year ended June 30, 2024, and have issued our report thereon dated January 6, 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 Tabernacle 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 6, 2025

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**HOLT MCNALLY & ASSOCIATES**

Certified Public Accountants & Advisors

## **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>
Patricia Palmieri	Board Secretary/School Business Administrator	\$100,000
Karen Albanese	Treasurer of School Moneys	\$200,000

There is a Public Employee's Faithful Performance Blanket Position Bond covering all other employees with coverage of \$250,000.

#### **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.

### **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*. As a result of the procedures performed, a transaction error rate of 0% percent overall was noted 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 were found to be in satisfactory condition.



### **Treasurer's Records**

Our audit of the financial and accounting records maintained by the Treasurer of School Money's indicated that they were 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. 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 and IV of the Elementary and Secondary Education Act as amended and reauthorized.

### **Other Special Federal and/or State Projects**

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

Our audit of the federal and state funds on a sample test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

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

### **T.P.A.F. Reimbursement**

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

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

The amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

### **School Purchasing Programs**

#### **Contracts and Agreements Requiring Advertisement for Bids**

*N.J.S.A. 18A:18A-1* et seq. (Public School Contracts Law), the associated rules and related information on the statute, and school contracts in general is available on the website: [nj.gov/dca/dlgs/programs/NJ\\_LAPL.shtml](http://nj.gov/dca/dlgs/programs/NJ_LAPL.shtml)

Current statute is posted on the New Jersey Legislature (<http://www.njleg.state.nj.us/>) website.

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

### **School Purchasing Programs (continued)**

regulating bidding for public school student transportation contracts under *N.J.S.A.* 18A:39-3 is \$22,400 for 2023-2024.

The district board of education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

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

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

### **School Food Service**

SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and *N.J.S.A.* 18A:18A-7. The SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all students during the emergency.

Net cash resources did not exceed three months average expenditures.

### **Student Body Activities**

Our review of the financial and accounting records for student activities indicated they were in satisfactory condition.

### **Application for State School Aid (ASSA)**

Our audit procedures included a sample test of information reported in the October 15, 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)

### **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.

### **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 6, 2025

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## ADDITIONAL INFORMATION

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SCHEDULE OF AUDITED ENROLLMENTS (1)

TABERNACLE TOWNSHIP SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2023

	2023-2024 Application for State School Aid						Sample for Verification				Private Schools for Disabled			
	Reported on		Reported on		Errors		Sample		Verified per		Errors per		Sample	
	A.S.A. On Roll	Shared	Workpapers On Roll	Shared	Full	Shared	Selected from Workpapers	Full	Shared	Registers On Roll	Full	Shared	for Verifi- cation	Sample Verified
Half Day Preschool - 3 Yrs	11	-	11	-	-	-	4	4	-	4	-	-	-	-
Half Day Preschool - 4 Yrs	3	-	3	-	-	-	1	1	-	1	-	-	-	-
Full Day Kindergarten	87	-	87	-	-	-	29	29	-	29	-	-	-	-
One	64	-	64	-	-	-	22	22	-	22	-	-	-	-
Two	55	-	55	-	-	-	19	19	-	19	-	-	-	-
Three	67	-	67	-	-	-	23	23	-	23	-	-	-	-
Four	56	-	56	-	-	-	19	19	-	19	-	-	-	-
Five	60	-	60	-	-	-	20	20	-	20	-	-	-	-
Six	71	-	71	-	-	-	24	24	-	24	-	-	-	-
Seven	60	-	60	-	-	-	20	20	-	20	-	-	-	-
Eight	61	-	61	-	-	-	21	21	-	21	-	-	-	-
Subtotal	595	-	595	-	-	-	202	202	-	202	-	-	-	-
Special Ed - Elementary	47	-	47	-	-	-	16	16	-	16	-	-	-	-
Special Ed - Middle School	45	-	45	-	-	-	15	15	-	15	-	-	-	-
Subtotal	92	-	92	-	-	-	31	31	-	31	-	-	-	-
Totals	687	-	687	-	-	-	233	233	-	233	-	-	-	-
Percentage Error					-0-	-0-					-0-	-0-		-0-

SCHEDULE OF AUDITED ENROLLMENTS (2)

TABERNACLE TOWNSHIP SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2023

	Resident Low Income				Sample for Verification				Resident LEP Low Income				Sample for Verification					
	Reported on A.S.S.A. as Low Income		Reported on Workpapers as Low Income		Errors	Sample Selected from Workpapers	Verified to Application and Register		Sample Errors	Reported on A.S.S.A. as LEP low Income		Reported on Workpapers as LEP low Income		Errors	Sample Selected from Workpapers	Verified to Test Score and Register		Sample Errors
	Income		Income				Income			Income		Income				Income		
Full Day Kindergarten	9	9	-	-	8	8	-	-	-	-	-	-	-	-	-	-	-	-
One	11	11	-	-	9	9	-	-	2	2	-	-	2	2	-	-	2	-
Two	3	3	-	-	3	3	-	-	1	1	-	-	1	1	-	-	1	-
Three	8	8	-	-	7	7	-	-	1	1	-	-	1	1	-	-	1	-
Four	6	6	-	-	5	5	-	-	-	-	-	-	-	-	-	-	-	-
Five	5	5	-	-	4	4	-	-	1	1	-	-	1	1	-	-	1	-
Six	6	6	-	-	5	5	-	-	-	-	-	-	-	-	-	-	-	-
Seven	8	8	-	-	7	7	-	-	-	-	-	-	-	-	-	-	-	-
Eight	5	5	-	-	4	4	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	61	61	-	-	52	52	-	-	5	5	-	-	5	5	-	-	5	-
Special Ed - Elementary	4	4	-	-	3	3	-	-	-	-	-	-	-	-	-	-	-	-
Special Ed - Middle	4	4	-	-	3	3	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	8	8	-	-	6	6	-	-	-	-	-	-	-	-	-	-	-	-
Totals	69	69	-	-	58	58	-	-	5	5	-	-	5	5	-	-	5	-
Percentage Error			-0-				0.00%					-0-					-0-	

	Transportation					
	Reported on DTRTS by DOE/county		Reported on DTRTS by District		Errors	
	Errors	Tested	Verified	Errors	Errors	Errors
Reg - Public Schools, col. 1	507	507	-	175	175	-
Reg - SpEd, col. 4	2	2	-	1	1	-
AIL, col. 2	42	42	-	14	14	-
Special Ed Spec, col. 6	22	22	-	8	8	-
Totals	573	573	-	198	198	-
Percentage Error			-0-			-0-



# **SCHEDULE OF AUDITED ENROLLMENTS (3)**

## **TABERNACLE TOWNSHIP SCHOOL DISTRICT APPLICATION FOR STATE SCHOOL AID SUMMARY ENROLLMENT AS OF OCTOBER 15, 2023**

	<b>Resident LEP NOT Low Income</b>			<b>Sample for Verification</b>		
	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 and Register	Sample Errors
One	1	1	-	1	1	-
Two	-	-	-	-	-	-
Three	-	-	-	-	-	-
Four	-	-	-	-	-	-
Five	1	1	-	1	1	-
Six	-	-	-	-	-	-
Seven	-	-	-	-	-	-
Eight	-	-	-	-	-	-
Subtotal	2	2	-	2	2	-
Special Ed - Elementary	1	1	-	1	1	-
Special Ed - Middle	-	-	-	-	-	-
Subtotal	1	1	-	1	1	-
Totals	3	3	-	3	3	-
Percentage Error			<u>-0-</u>			<u>-0-</u>

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## EXCESS SURPLUS CALCULATION

### REGULAR DISTRICTS

#### SECTION 1

##### A. 2% Calculation of Excess Surplus

2023-2024 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ 16,450,702 (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	370,000 (B1a)
Transfer from Capital Reserve to Capital Projects Fund	- (B1b)
Transfer from General Fund to SRF for PreK-Regular	- (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	- (B1d)
Decreased by:	
On-Behalf TPAF Pension & Social Security	2,839,274 (B2a)
Assets Acquired Under Financed Purchases	210,692 (B2b)
Adjusted 2023-2024 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ 13,770,736 (B3)
2% of adjusted 2023-2024 General Fund Expenditures [(B3) times .02]	\$ 275,415 (B4)
Enter Greater of (B4) or \$250,000	275,415 (B5)
Increased by: Allowable Adjustment *	19,110 (K)
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]	\$ 294,525 (M)

#### SECTION 2

Total General Fund - Fund Balances @ 6-30-2024 (Per ACFR Budgetary Comparison Schedule C-1)	\$ 2,310,774 (C)
Decreased by:	
Year-End Encumbrances	99,075 (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	- (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	456,520 (C3)
Other Restricted Fund Balances ****	1,334,422 (C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	63,024 (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ 357,733 (U1)

**REGULAR DISTRICTS (continued):**

**SECTION 3**

Restricted Fund Balance - Excess Surplus \*\*\* {(U)-(M)} IF NEGATIVE ENTER -0 \$ 63,208 (E)

**Recapitulation of Excess Surplus as of June 30, 2024**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	<u>456,520</u>	(C3)
Reserved Excess Surplus *** [(E)]	<u>63,208</u>	(E)
Total [(C3) + (E)]	\$ <u>519,728</u>	(D)

Footnotes:

\* Allowable adjustments 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, 2018 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
- (J1) Extraordinary Aid
- (J2) Additional Nonpublic School Transportation Aid
- (J3) Recognized current year School Bus Advertising Revenue; and
- (J4) Family Crisis Transportation Aid
- (J5) Supplemental Stabilization Aid

**Detail of Allowable Adjustments**

Impact Aid	\$ -	(H)
Sale & Lease-back	<u>-</u>	(I)
Extraordinary Aid	<u>-</u>	(J1)
Additional Nonpublic School Transportation Aid	<u>19,110</u>	(J2)
Current Year School Bus Advertising Revenue Recognized	<u>-</u>	(J3)
Family Crisis Transportation Aid	<u>-</u>	(J4)
Supplemental Stabilization Aid	<u>-</u>	(J5)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]	\$ <u>19,110</u>	(K)

\*\* This amount represents the June 30, 2023 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

\*\*\* Amount must agree to 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 any 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 September 30.

**Detail of Other Restricted Fund Balance**

Statutory Restrictions:

Approved Unspent Separate Proposal	\$ -	
Sale/Lease-Back Reserve	<u>-</u>	
Capital Reserve	<u>763,397</u>	
Maintenance Reserve	<u>527,027</u>	
Emergency Reserve	<u>-</u>	
Unemployment Compensation	<u>43,998</u>	
Tuition Reserve	<u>-</u>	
School Bus Advertising 50% Fuel Offset Reserve - current year	<u>-</u>	
School Bus Advertising 50% Fuel Offset Reserve - prior year	<u>-</u>	
Impact Aid General Fund Reserve (Section 8002 and 8003)	<u>-</u>	
Impact Aid Capital Fund Reserve (Section 8007 and 8008)	<u>-</u>	
Other State/Government Mandated Reserve	<u>-</u>	
Other Restricted Fund Balance Not Noted Above ****	<u>-</u>	
Total Other Restricted Fund Balance	\$ <u>1,334,422</u>	(C4)

## AUDIT RECOMMENDATIONS SUMMARY

For the Fiscal Year Ended June 30, 2024

Tabernacle Township School District

### 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

None