

***WINFIELD TOWNSHIP SCHOOL DISTRICT***  
***AUDITOR'S MANAGEMENT REPORT***  
***FISCAL YEAR ENDED JUNE 30, 2024***

***Barre & Company LLC***  
***Certified Public Accountants & Consultants***

**WINFIELD TOWNSHIP SCHOOL DISTRICT**  
**AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS**  
**FINANCIAL, COMPLIANCE AND PERFORMANCE**

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**Report of Independent Auditors**

Honorable President and  
Members of the Board of Education  
Winfield Township School District  
County of Union, 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 Board of Education of the Winfield Township School District in the County of Union for the year ended June 30, 2024, and have issued our report thereon dated January 15, 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 Winfield Township School District 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.



BARRE & COMPANY LLC  
Certified Public Accountants  
Public School Accountants



Richard M. Barre, CPA  
Public School Accountant  
PSA Number CS-O1181

Union, New Jersey  
January 15, 2025

## **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 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>
Karen C. Johnson	Board Secretary/School Business Administrator from 7/1/2023 to 2/29/2024	\$ 165,167.00
Danielle Tavin	Board Secretary/School Business Administrator starting 3/1/2024	\$ 250,000.00
Donna Hughes	Treasurer	\$ 165,058.00

There is a Public Employees' Faithful Performance Blanket Position Bond with the New Jersey School Insurance Group covering all other employees with multiple coverage of \$31,000.00.

#### **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 school district.

The school district data certification was completed by the chief school administrator. The school district Chapter 44 data was submitted timely.

If the data certification date reflects submission date later than 60 days after the end of the enrollment period: The original data submission did require significant revision due to errors or omissions on the part of the school.

## **Administrative Findings – Financial, Compliance and Performance**

### **Administrative Practices and Procedures (Continued)**

#### **Tuition Charges**

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The Board made a proper adjustment to the billings to sending districts for the decrease in per pupil costs in accordance with *N.J.A.C. 6A:23A-17.1(f)3*.

### **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.

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

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 treasurer of school moneys with a warrant made to his order for the full amount of each payroll.

#### **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. No exceptions were noted during our review.

#### **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 our test of transactions of randomly selected expenditure items. We also reviewed the coding of the 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

## **Administrative Findings – Financial, Compliance and Performance**

### **Financial Planning, Accounting and Reporting (Continued)**

#### **Classification of Expenditures (Continued)**

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 1.90% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

#### **A. General Classification Findings**

No exceptions or discrepancies were noted in the general classification of expenditures.

#### **B. Administrative Classification Findings**

No exceptions or discrepancies were noted in the administrative classification of expenditures.

#### **Board Secretary's Records**

Our review of the financial and accounting records maintained by the board secretary disclosed no exceptions or discrepancies.

#### **Treasurer's Records**

During our review of the records of the Treasurer, the following were noted:

##### ***Finding 2024-001:***

The Treasurer's records were not in agreement with the Bank Reconciliation prepared. Also, the Treasurer's cash balance for the general operating account as well as payroll, payroll agency, and student activities accounts were not in agreement with the reconciled cash balance as determined during the audit.

##### ***Recommendation:***

The Treasurer should reconcile cash records with the reconciled bank statements and the cash records of the Board Secretary.

#### **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 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.

## **Administrative Findings – Financial, Compliance and Performance**

### **Financial Planning, Accounting and Reporting (Continued)**

#### **Elementary and Secondary Education Act (E.S.E.A.) as Amended by the Every Student Succeeds Act (ESSA) (Continued)**

The study of compliance for E.S.E.A. did not indicate any areas of noncompliance and/or questionable cost.

#### **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 the 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 projects did not indicate any areas of noncompliance.

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

Our audit procedures included a test of the biweekly reimbursements (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 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.

## **Administrative Findings – Financial, Compliance and Performance**

### **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 webpage:  
<http://www.state.nj.us/dca/divisions/dlgs/programs/lpcl.html>.

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

Auditors should refer to Section I, Chapter 5, Bids & Contracts/Purchasing for highlights of *N.J.S.A. 18A:18A-3 and 4*.

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 effective July 1, 2023 to June 30, 2025.

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 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 for bids in accordance 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**

School Food Authorities (SFAs) were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies (FSMCs) 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.



## **Administrative Findings – Financial, Compliance and Performance**

### **School Food Service (Continued)**

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.

The school food service program was not selected as a major federal and/or state program. Accordingly, we 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.

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 Assets (CAFR Schedule B-5) does separate programs and non-program revenue and program and non-program cost of goods sold.

We inquired of management about the public health emergency procedures/practices that the SFA instituted to provide meals to all 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. We also inquired if the FSMC received a loan in accordance with the Payroll Protection Plan and whether the funds were used to pay for costs applicable to the Food Service Programs. We also inquired if the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA.

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 *N.J.S.A. 18A:17-34, and 19-1 through 19-4.1*. Provisions of the FSMC Cost Reimbursable or Fixed Price contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will break even. The operating results provision has been met. 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.

## **Administrative Findings – Financial, Compliance and Performance**

### **School Food Service (Continued)**

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.

The SFA recorded and maintained separate supporting documentation for additional costs (food, supplies, transportation, etc.) applicable to the implementation of the COVID-19 meal service under SSO or SFSP program requirements.

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. No exceptions were noted.

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 that Edit Check Worksheet was completed. Reimbursement claims were submitted/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 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 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 school district did provide 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.

## **Administrative Findings – Financial, Compliance and Performance**

### **School Food Service (Continued)**

No Exceptions Noted.

### **Bernstein/Sweeney Scholarship Funds**

These funds were maintained in savings accounts which administered by the Board Secretary's office. During our review of the scholarship funds, there were no items noted.

### **Student Body Activities**

During our review of the student activity funds, there were no items noted.

### **Application for State School Aid**

Our 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. We 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 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 district maintained workpapers on the prescribed state forms or their equivalent.

The district 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 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 review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding 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 review of transportation related purchases of goods and services.

## **Administrative Findings – Financial, Compliance and Performance**

### **Facilities and Capital Assets**

Our procedures included a review of the SDA grant agreement for consistency with recording SDA revenue, transfer of local funds from the general fund or from the capital reserve account, and awarding of contracts for eligible facilities construction.

### **Follow-up on Prior Year Findings**

In accordance with government auditing standards, our procedures included a review of all prior year recommendations including findings. Corrective action had not been taken on all prior year findings, which is repeated in this year's recommendations noted as current year finding "2024-XXX:"

The Treasurer should reconcile cash records with the reconciled bank statements and the cash records of the Board Secretary. (2024-001)

### **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.

	2024-2025 Application for State School Aid						Sample for Verification						Private School for Disabled												
	Reported on A.S.S.A. on Roll			Workpapers			Errors			Sample Selected from Workpapers			Verified per Registers On Roll			Reported on A.S.S.A. as Private Schools		Sample for Verifi- cation		Sample Verified		Sample Errors			
	Full	Shared		Full	Shared		Full	Shared		Full	Shared		Full	Shared		Full	Shared		Full	Shared		Full	Shared		
Half Day Preschool	19			19																					
Full Day Preschool																									
Half Day Kindergarten	15			15																					
Full Day Kindergarten	10			10																					
One	15			15																					
Two	15			15																					
Three	15			15																					
Four	14			14																					
Five	10			10																					
Six	10			10																					
Seven	15			15																					
Eight	9			9																					
Nine																									
Ten																									
Eleven																									
Twelve																									
Post-Graduate																									
Adult H.S. (15+CR.)																									
Adult H.S. (1-14 CR.)																									
Subtotal	132	-		132	-		-	-		-	-		-	-		-	-		-	-		-	-		-
Special Ed - Elementary	6			6																					
Special Ed - Middle	8			8																					
Special Ed - High																									
Subtotal	14	-		14	-		-	-		-	-		-	-		-	-		-	-		-	-		-
Co. Voc. - Regular																									
Co. Voc. Ft. Post Sec.																									
Subtotal	-	-		-	-		-	-		-	-		-	-		-	-		-	-		-	-		-
Totals	146	-		146	-		-	-		-	-		-	-		-	-		-	-		-	-		-
Percentage Error							0.00%	0.00%					0.00%	0.00%					0.00%	0.00%					0.00%

	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 Application and Register	Sample Errors
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten												
One	4	4										
Two	4	4										
Three	6	6										
Four	1	1										
Five												
Six	3	3										
Seven	3	3										
Eight	6	6										
Nine	1	1										
Ten	5	5										
Eleven												
Twelve	2	2										
Post-Graduate	1	1										
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	36	36	-	-	-	-	-	-	-	-	-	-
Special Ed - Elementary												
Special Ed - Middle	2	2										
Special Ed - High	4	4										
Subtotal	3	3										
Co. Voc. - Regular	9	9	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.												
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
Totals	45	45	-	-	-	-	-	-	-	-	-	-
Percentage Error			0.00%			0.00%			0.00%			0.00%

SCHEDULE OF AUDITED ENROLLMENTS

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

SHEET 3

	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	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool	-	-	-	-	-
Full Day Preschool	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-
Full Day Kindergarten	-	-	-	-	-
One	-	-	-	-	-
Two	-	-	-	-	-
Three	-	-	-	-	-
Four	-	-	-	-	-
Five	-	-	-	-	-
Six	-	-	-	-	-
Seven	-	-	-	-	-
Eight	-	-	-	-	-
Nine	-	-	-	-	-
Ten	-	-	-	-	-
Eleven	-	-	-	-	-
Twelve	-	-	-	-	-
Post-Graduate	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-
Subtotal	-	-	-	-	-
Special Ed - Elementary	-	-	-	-	-
Special Ed - Middle	-	-	-	-	-
Special Ed - High	-	-	-	-	-
Subtotal	-	-	-	-	-
Co. Voc. - Regular	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-
Subtotal	-	-	-	-	-
Totals	-	-	-	-	-
Percentage Error		0.00%			0.00%

	Transportation				
	Reported on DOE/County	Reported on DRTRS by District	Errors	Tested	Verified Errors
Reg. - Public Schools, col. 1	27	27			
Reg. - SpEd, col. 4	7	7			
Transported - Non-Public, col. 3	6	6			
Special Ed Spec, col. 6	-	-			
Totals	40	40	-	-	-
Percentage Error					0.00%

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

Reported	Recalculated
6.1	6.1
If Applicable	
6.1	6.1

Military Connected Students

Reported on A.S.S.A. as Military Connected Students	Sample for		
	Verification	Verified	Errors
0	0	0	0



## EXCESS SURPLUS CALCULATION

*N.J.S.A. 18A:7F-7* requires that excess surplus for regular school districts and charter schools/renaissance school projects is calculated using 2% for June 30, 2005 and thereafter. Pursuant to P.L. 2007, c.62, the minimum is \$250,000, effective with the year ending June 30, 2007.

Charter schools and renaissance school projects are not subject to the excess surplus limitations. Accordingly, charter school auditors are not required to document the calculation of excess surplus.

### CALCULATION:

Complete Sections 1 and 2. If the total of Section 2 is **greater** than the applicable portion of Section 1, enter the difference in Section 3. If the difference results in a negative, enter a zero in Section 3. The applicable sections are to be submitted as part of the Auditor's Management Report.

Note that beginning with the excess surplus calculation for the year ending June 30, 2012 the transfer to food services is not an allowable adjustment (increase) to total general fund expenditures.

### **School Bus Advertising Revenue:**

Districts were provided guidance to budget and recognize current year school bus advertising revenue on line 315, 10-1992. Under *N.J.S.A. 18A:7F-7.1* and *N.J.S.A. 18A:39-31*, an adjustment to the audited excess surplus calculation is permitted in the year revenue earned under a school bus advertising contract is recognized by the district. Statute doesn't state that the district is limited to the amount not used to reduce fuel costs; accordingly, the full amount may be used as an adjustment to excess surplus in the year of recognition/receipt only. Refer to illustration on page III-4.39 – Line (J3).

*N.J.S.A. 18A:39-31* requires that 50 percent (50%) of recognized school bus advertising revenue be used to offset the fuel costs of providing pupil transportation services. Of the total revenue recognized, any portion of the 50% required by statute to be used as an offset to fuel costs in the year of revenue recognition, but not used for that purpose must be established as a restricted fund balance at year end. Report the restricted year end balances on Audsum lines 90028 (Bus Advertising Revenue Reserved for Fuel Costs – Current Year Adjustment), and Audsum 90029 (Bus Advertising Revenue Reserved for Fuel Costs – Prior Year Adjustment). Include the amount(s) as adjustments in the "Detail of Other Restricted Fund Balance" calculation (refer to illustration on page III-4.34 of this Audit Program). Note that the school district budget software will preload these amounts from Audsum onto the Recapitulation of Balances Line 15 in the columns for the respective years. The prior year balance in this reserve (Audsum line 90029) was budgeted in the subsequent year's budget (2023-2024) and the current year balance in this reserve (Audsum line 90028) must be budgeted in the 2<sup>nd</sup> subsequent year's budget (2024-2025). An edit will verify that the amounts on lines 90028 and 90029 are budgeted as a revenue source. Line 90028 will preload onto Line D-2 of the budgetary calculation of Additional Excess Surplus report in the 2024-2025 budget software.

In the recapitulation of fund balance reported at the end of the Budgetary Comparison Schedule (Exhibit C-1), the reserve for each of two possible years should be reported separately. Separate lines are provided in the Audsum data collection (line 90028 for current year and line 90029 for subsequent year) for each applicable year's reserve. GASBS No. 54 requires the further categorization of the bus advertising reserve for fuel costs account balance on the Governmental Funds Balance Sheet (Exhibit B-1). Based upon the withdrawal requirements, the bus advertising reserve for fuel costs has significant externally imposed restrictions on its use and should be categorized as "Restricted" fund balance. The same categorization is applicable to the General Fund Budgetary Comparison Schedule (Exhibit C-1).

## **EXCESS SURPLUS CALCULATION**

### **WINFIELD TOWNSHIP SCHOOL DISTRICT**

#### **SECTION 1**

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

2023-24 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ 4,470,263 (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 PreK-Regular	- (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	- (B1d)
Decreased by:	
Oh-Behalf TPAF Pension & Social Security	(847,523) (B2a)
Assets Acquired Under Capital Leases	- (B2b)
Adjusted 2023-24 General Fund Expenditures	<u>3,622,740 (B3)</u>
2% of Adjusted 2023-24 General Fund Expenditures	<u>72,455 (B4)</u>
Enter Greater of (B4) or \$250,000	250,000 (B5)
Increased by: Allowable Adjustment *	<u>26,850 (K)</u>
Maximum Unassigned Fund Balance/Undesignated-Unreserved Fund Balance	<u>\$ 276,850 (M)</u>

#### **SECTION 2**

Total General Fund - Fund Balance @ 6/30/2024 (Per ACFR Budgetary Comparison Schedule C-1)	\$ 508,600 (C)
Decrease by:	
Year-end Encumbrances	(3,720) (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	- (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	- (C3)
Other Restricted Fund Balances ****	(54,683) (C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	- (C5)
Total Unassigned Fund Balance	<u>450,197 (U1)</u>

#### **SECTION 3**

Restricted Fund Balance - Excess Surplus ***	<u>\$ 173,347 (E)</u>
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##### **Recapitulation of Excess Surplus as of June 30, 2024**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ - (C3)
Reserved Excess Surplus ***	<u>173,347 (E)</u>
Total Excess Surplus	<u>173,347 (D)</u>

## **EXCESS SURPLUS CALCULATION**

### **WINFIELD TOWNSHIP SCHOOL DISTRICT**

#### **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, 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 School Transportation Aid;

(J3) Recognized Current Year School Bus Advertising Revenue; and

(J4) Family Crisis Transportation Aid.

(J5) Supplemental Stabilization Aid & Maintenance of Equity Aid

Notes to auditor: 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	\$	-	(H)
Sale & Lease-Back		-	(I)
Extraordinary Aid		24,120	(J1)
Additional Nonpublic School Transportation Aid		2,730	(J2)
Current Year School Bus Advertising Revenue Recognized		-	(J3)
Family Crisis Transportation Aid		-	(J4)
Supplemental Stabilization Aid & Maintenance of Equity Aid		-	(J5)
Total Adjustments	\$	26,850	(K)

\*\* This amount represents the June 30, 2024 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

\*\*\* Amounts must agree to the June 30, 2024 ACFR and 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 an other 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		(54,683)
Maintenance reserve		-
Emergency reserve		-
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)		-
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)		-
Other state/government mandated reserve		-
Reserve for Unemployment Fund		-
[Other Restricted Fund Balance not noted above] ****		-
Total Other Restricted Fund Balance	\$	(54,683) (C4)

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
AUDIT RECOMMENDATIONS SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Findings and Recommendations:**

1. Administrative Practices and Procedures

***Finding 2024-001:***

The Treasurer's records were not in agreement with the Bank Reconciliation prepared. Also, the Treasurer's cash balance for the general operating account as well as payroll, payroll agency, and student activities accounts were not in agreement with the reconciled cash balance as determined during the audit.

***Recommendation:***

The Treasurer should reconcile cash records with the reconciled bank statements and the cash records of the Board Secretary

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Programs

None

4. School Food Service

None

5. Bernstein/Sweeney Scholarship Funds

None

6. Student Body Activities

None

7. Application for State School Aid/Charter School Enrollment System/Charter School Aid

None

8. Pupil Transportation

None

9. Facilities and Capital Assets

None

**WINFIELD TOWNSHIP SCHOOL DISTRICT  
AUDIT RECOMMENDATIONS SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Findings and Recommendations (Continued):**

10. Miscellaneous

None

11. Status of Prior Year Audit Findings/Recommendations

The Treasurer should reconcile cash records with the reconciled bank statements and the cash records of the Board Secretary. (2024-001)