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Independent Member
BKR International

December 16, 2020

The Honorable President and Members of the
Green Township Board of Education
P.O. Box 14
Greendell, NJ 07839

The following represents our understanding of the services we will provide to the Green Township School District (“the District”).

You have requested that we audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2021 and for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In addition, we will audit the District’s compliance over major federal and state award programs for the fiscal year ended June 30, 2021.

We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objectives of our expressing an opinion on each opinion unit applicable to the basic financial statements and an opinion on compliance regarding the District’s major federal and state award programs.

Accounting principles generally accepted in the United States of America (U.S. G.A.AP.) as promulgated by the Governmental Accounting Standards Board require that certain required supplementary information (RSI) such as the management’s discussion and analysis, the budgetary comparison schedules and the GASB Statement #’s 68/75 required supplementary information schedules and related notes be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation and comparing the information for consistency with management’s responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management’s Discussion and Analysis.
2. Budgetary Comparison Schedules.
3. GASB No. 68/75 Required Supplementary Information Schedules

Supplementary information other than RSI will accompany the District’s basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States

of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

1. Schedule of expenditures of federal and state awards.
2. Supplementary combining and individual fund financial statements, and supplementary schedules, not included as RSI.

Schedules of Expenditures of Federal and State Awards

We will subject the schedules of expenditures of federal and state awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedules to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedules of expenditures of federal and state awards are presented fairly in all material respects in relation to the financial statements as a whole.

Also, the document we submit to you will include the following other additional information that will not be subjected to the auditing procedures applied in our audit of the financial statements.

1. Introductory Section
2. Statistical Section

Data Collection Form (where applicable)

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Auditor Responsibilities

Audit of the Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the basic financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance (whether caused by errors, fraudulent financial reporting, misappropriation of assets, detected abuse, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective, and *Government Auditing Standards* does not require auditors to detect abuse.

In making our risk assessments, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the basic financial statements that we have identified during the audit. Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the District's basic financial statements. Our report will be addressed to the Green Township Board of Education. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Audit of Major Program Compliance

Our audit of the District's major federal and state award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("the Uniform Guidance"); and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State*

Grants and State Aid (“NJOMB15-08”), and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and other procedures we consider necessary to enable us to express such an opinion on major federal and state award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance and NJOMB 15-08 requires that we also plan and perform the audit to obtain reasonable assurance about whether the District has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major federal and state award programs. Our procedures will consist of determining major federal and state programs and performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the District’s major federal and state programs. The purpose of those procedures will be to express an opinion on the District’s compliance with requirements applicable to each of its major federal and state programs in our report on compliance issued pursuant to the Uniform Guidance and NJOMB 15-08.

Also, as required by the Uniform Guidance and NJOMB 15-08, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the District’s major federal and state award programs. However, our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the District’s major federal and state award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management’s Responsibilities

Our audit will be conducted on the basis that management acknowledges and understands that they have responsibility:

1. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to fraud or error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
3. For including the auditor’s report in any document containing basic financial statements that indicates that such basic financial statements have been audited by the District’s auditor;
4. For identifying and ensuring that the District complies with the laws and regulations applicable to its activities;
5. For identifying, in its accounts, all federal and state awards received and expended during the period and the federal and state programs under which they were received, including federal awards and funding increments received prior to December 26, 2014 (if any), and those received in accordance with the Uniform Guidance (generally received after December 26, 2014);
6. For maintaining records that adequately identify the source and application of funds for federally and state funded activities;
7. For preparing the schedules of expenditures of federal and state awards (including notes and noncash assistance received) in accordance with the Uniform Guidance and NJOMB 15-08;

8. For the design, implementation, and maintenance of internal control over federal and state awards;
9. For establishing and maintaining effective internal control over federal and state awards that provides reasonable assurance that the nonfederal entity is managing federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions of the federal and state awards;
10. For identifying and ensuring that the District complies with federal and state statutes, regulations, and the terms and conditions of federal and state award programs and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal and state award programs;
11. For disclosing accurately, currently, and completely the financial results of each federal and state award in accordance with the requirements of the award;
12. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
13. For taking prompt action when instances of noncompliance are identified;
14. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
15. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
16. For submitting the reporting package and data collection form to the appropriate parties as applicable;
17. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
18. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements, and relevant to federal and state award programs, such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit; and
 - c. Unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence.
19. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
20. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
21. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
22. For informing us of any known or suspected fraud affecting the District involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials and compliance;
23. For the accuracy and completeness of all information provided;
24. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
25. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited

basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

With regard to the schedules of expenditures of federal and state awards referred to above, you acknowledge and understand your responsibility for the review and acceptance for the (a) the schedules of expenditures of federal and state awards prepared by us in accordance with the Uniform Guidance, (b) to provide us with the appropriate written representations regarding the schedules of expenditures of federal and state awards, (c) to include our report on the schedules of expenditures of federal and state awards in any document that contains the schedules of expenditures of federal and state awards and that indicates that we have reported on such schedules, and (d) to present the schedules of expenditures of federal and state awards with the audited financial statements, or if the schedules will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the schedules of expenditures of federal and state awards no later than the date of issuance by you of the schedules and our report thereon.

As part of our audit process, we will request from management, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Provisions of Engagement Administration, Timing and Fees

We understand that your employees will prepare all cash, accounts receivable, or other confirmations and schedules we request and will locate any documents selected by us for testing.

We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If for whatever reason your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings, if applicable. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the District; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of are reports are to be made available for public inspection.

We expect to issue our reports no later than the statutory deadline of December 5, 2021 (unless there is a delay in receiving information from the New Jersey Division of Pensions with respect to GASB 68 and/or GASB 75). Man C. Lee is the engagement partner and is responsible for supervising the engagement and signing the report. Her responsibilities include supervising Nisivoccia LLP's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fee for these services will be \$31,265 and will include performance of the annual audit, verification of the District's Application for State Aid ("ASSA") and District Report of Transported Resident Students ("DRTRS") as of October 15, 2020, preparation of the District's Comprehensive Annual Financial Report ("CAFR") including GASB 68 and GASB 75, preparation of the "Auditor's Management Report on Administrative and Findings – Financial, Compliance and Performance", and preparation of the Audit Summary ("AUDSUM"), assistance in the preparation of the introductory and statistical section of the CAFR from information provided by the District and conversion of the District's accounting records into financial statements in accordance with GASB Statement 34, and ongoing professional guidance, advice and consultation throughout the year and as well as out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.).

Additionally, there is a possibility of an additional fee for any additional audit procedures required due to a delay in receiving information from the New Jersey Division of Pensions with respect to GASB 68 and/or GASB 75; for any additional required audit procedures required by the Department of Education (e.g. implementation of GASB 84 *Fiduciary Activities*); or federal single audit(s). We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the District's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit.

You may request that we perform additional services not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

Our fees for additional services, such as technical assistance and guidance in the preparation of the District's records, fund balance projections, and other services you may request would be billed standard hourly rates which vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our standard hourly rates are \$155-\$180 for partners, \$138-\$150 for managers and supervisors, \$115-\$135 for senior staff accountants, \$98-\$115 for junior staff accountants, and \$47-\$60 for administrative staff.

Other Matters

We are not hosts for any client information. You are expected to retain all financial and non-financial information to include anything you upload to a portal and are responsible for downloading and retaining anything we upload in a timely manner. Portals are only meant as a method of transferring data, are not intended for the storage of client information, and may be deleted at any time. You are expected to maintain control over your accounting systems to include the licensing of applications and the hosting of said applications and data. We do not provide electronic security or back-up services for any of your data or records. Giving us access to your accounting system does not make us hosts of information contained within.

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

We are not financial advisors under the SEC's definition related to debt issuances and we will not be performing those services.

Nisivoccia LLP will not act as dissemination agent for the Green Township School District in connection with the Green Township School District's obligations, if any, to provide secondary market disclosure. Our work to prepare secondary market disclosure documents shall consist of and be limited to (1) distribution of the Green Township School District's audited financial statements to the Green Township School District or its designated dissemination agent in an electronic format that complies with the requirements of the Municipal Securities Rulemaking Board's Electronic Municipal Market Access Data Port, and (2) preparation of certain operating data, customarily consisting of the financial information, readily available in the financial statements of the District, contained in Appendix A to an Official Statement, and distribution of that data to the Green Township School District or its designated dissemination agent in an electronic format that complies with the requirements of the Municipal Securities Rulemaking Board's Electronic Municipal Market Access Data Port. The Green Township School District, or its designated dissemination agent, shall remain responsible for filing required secondary market disclosure information and "material event" notices in accordance with any prior undertakings, and Nisivoccia LLP shall not have any responsibility nor liability for the failure of the Green Township School District, or its designated dissemination agent, to comply with the Green Township School District's secondary market disclosure undertakings.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website and on the **Municipal Securities Rulemaking Board's Electronic Municipal Market Access Data Port**, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

MSRB Municipal Advisor Rule:

On September 18, 2013, the Securities and Exchange Commission (the "SEC") adopted a rule requiring that "municipal advisors" register with the Securities and Exchange Commission. A "municipal advisor" is someone that "provides advice to or on behalf of a municipal entity with respect to municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues[.]" Nisivoccia LLP is not a registered Municipal Advisor and is not subject to the fiduciary duty established in Section 15B(c)(1) of the Exchange Act with respect to the municipal financial product or issuance of municipal securities. Accordingly, pursuant to the new Municipal Advisor rule and absent the available exception to the rule discussed below, Nisivoccia LLP cannot provide the Green Township School District with advice or recommendations regarding the issuance of municipal securities.

Under the Municipal Advisor rule, the Green Township School District may continue to receive advice from its auditor, bond counsel and other professionals, provided both the Green Township School District and the professional satisfy the "Issuer Has Hired an Independent Municipal Advisor Exemption". First, as municipal issuer, the Green Township School District needs to have (i) engaged an independent registered municipal advisor and (ii) made such engagement known in writing to the person seeking to rely on the exemption and/or post this declaration on the Green Township School District's web site. Second, the person relying on this exemption, such as us, your bond counsel and others, must:

1. Obtain a written representation from the Green Township School District that it is represented by, and will rely on the advice of, an independent registered municipal advisor. The written representation from the Green Township School District may be a declaration posted on the Green Township School District's web site as long as the posting states that the representation is intended to establish the independent municipal advisor exemption pursuant to the Municipal Advisor rule;

2. Provide written disclosure to the Green Township School District and its independent registered municipal advisor that, by obtaining such representation from the Green Township School District, the firm is not a municipal advisor and is not subject to the fiduciary duty established in Section 15B(c)(1) of the Exchange Act with respect to the municipal financial product or issuance of municipal securities; and
1. Provide the written disclosure described above at a time and in a manner reasonably designed to allow the Green Township School District to assess the material incentives and conflicts of interest that such person may have in connection with the municipal advisory activities.

If the Green Township School District has engaged the services of a registered Municipal Advisor, we encourage you to notify us in accordance with paragraph 1 above. We have already provided to you in this letter the disclosure contained in paragraph 2 above, which we trust is being provided to you in the time and manner set forth in paragraph 3 above. If the Green Township School District has not engaged the services of a registered Municipal Advisor, or has, but has not satisfied the requirements of the "Issuer Has Hired an Independent Municipal Advisor Exemption", then any services performed by us in connection with the issuance of municipal securities shall be performed pursuant to the Statements on Standards for Attestation Engagements and related Attestation Interpretations as issued by the American Institute of Certified Public Accountants, then currently in effect.

The audit documentation for this engagement is the property of Nisivoccia LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available to a Cognizant or Oversight Agency for Audit or its designee, and federal and state agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Nisivoccia LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We agree to retain our audit documentation or work papers for a period of seven years from the date of our report.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

The following are the nonattest services that we will perform:

We will assist in preparing the basic financial statements, the required supplementary information, the supplementary information other than RSI including the schedules of expenditures of federal and state awards, and related notes of the District and as well as the other supplementary schedules in conformity with U.S. generally accepted accounting principles and the Uniform Guidance and NJOMB 15-08 based on information provided by you. Additionally, we will assist you in the preparation of a trial balance limited to formatting information into a working trial balance based on your management's chart of accounts. Finally, we will assist you with the adjustments to convert your budgetary basis records to the accrual basis of accounting and then to the district-wide basis with supporting schedules and calculations prepared by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

We will not assume management responsibilities on behalf of the District. However, we will provide advice and recommendations to assist management of the District in performing its responsibilities.

The District's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services (the Business Administrator); (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the engagement are as follows:

- We will perform the services in accordance with applicable professional standards, including *Government Auditing Standards*.
- This engagement is limited to the services listed as follows: assistance in preparing the basic financial statements, the required supplementary information, the supplementary information other than RSI including the schedules of expenditures of federal and state awards, and related notes of the District and as well as the other supplementary schedules in conformity with U.S. generally accepted accounting principles and the Uniform Guidance and NJOMB 15-08 based on information provided by you. Additionally, we will assist you in the preparation of a trial balance limited to formatting information into a working trial balance based on your management's chart of accounts. Finally, we will assist you with the adjustments to convert your budgetary basis records to the accrual basis of accounting and then to the district-wide basis with supporting schedules and calculations prepared by you.

Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

We agree to retain our audit documentation or work papers for a period of seven years from the date of our report.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to the President and Members of the Green Township Board of Education the following significant findings from the audit:

- Our view about the qualitative aspects of the District's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and

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Green Township School District
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- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the basic financial statements and our audit of compliance over major federal and state award programs including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

NISIVOCCIA LLP

Man C. Lee, Partner

RESPONSE:

This letter correctly sets forth the understanding of the Green Township School District.

By: _____

Title: _____

Date: _____