

BOROUGH OF FRANKLIN LAKES SCHOOL DISTRICT
COUNTY OF BERGEN
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015

BOROUGH OF FRANKLIN LAKES SCHOOL DISTRICT
COUNTY OF BERGEN
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
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November 13, 2015

The Honorable President and Members
of the Board of Education
Borough of Franklin Lakes School District
County of Bergen, NJ

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Board of Education of the Borough of Franklin Lakes School District in the County of Bergen for the fiscal year ended June 30, 2015, and have issued our report thereon dated November 13, 2015.

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 letter does not affect our report dated November 13, 2015, on the financial statements of the Board.

We will review the status of the comments during our next audit engagement. We have already discussed these comments and suggestions with various management personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended for the information of the Borough of Franklin Lakes 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.

Nisivoccia, LLP

NISIVOCIA, LLP

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
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BOROUGH OF FRANKLIN LAKES SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Multi-peril insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the District's CAFR.

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Nancy Ciavaglia	Treasurer	\$ 250,000
Michael J. Solokas	Board Secretary/School Business Administrator	250,000

Tuition Charges

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

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid on a test basis, during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account and Position Control Roster

The net salaries of 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 certified by the President of the Board, the School Business Administrator and the Superintendent.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholdings due to the General Fund.

The required certification (E-Cert1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents and business administrator) to the New Jersey Department of Treasury was filed by the March 15th due date.

BOROUGH OF FRANKLIN LAKES SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
 (Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Reserve for Encumbrances and Accounts Payable

A review of outstanding purchase orders as of June 30 was made on a test basis for proper classification of orders a reserve for encumbrances and accounts payable.

Classification of General and Administrative 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. In addition to randomly selecting a test sample, we reviewed administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. As a result of the procedures performed, no significant transaction errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Board Secretary's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted herein.

Treasurer's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Treasurer's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted herein.

No Child Left Behind (N.C.L.B.)

The N.C.L.B. financial exhibits are contained herein within the Special Revenue Section of the District's CAFR. This section of the CAFR documents the financial position pertaining to projects under Title II of the No Child Left Behind Act.

The study of compliance for the N.C.L.B. did not indicate any area of noncompliance.

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 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 CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

BOROUGH OF FRANKLIN LAKES SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
 (Continued)

Financial Planning, Accounting and Reporting (Cont'd)

T.P.A.F. Reimbursement

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

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

The T.P.A.F. Reimbursement to the State for Federal Salary Expenditures was not remitted to the State of New Jersey prior to the required deadline of October 1, 2015 but the District had no liability and the form was remitted prior to the date of this report. The reimbursement form was reviewed and no exceptions were noted. No formal recommendation is judged to be warranted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 states:

a. "When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefore, except that the Board of Education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c. 198 the Board of Education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Commencing in the fifth year after the year in which P.L. 1999, c. 440 takes effect and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made"

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the Board of Education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law"

Effective July 1, 2010, the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$36,000 (with a Qualified Purchasing Agent) and \$26,000 (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 \$18,300 for 2014-15.

BOROUGH OF FRANKLIN LAKES SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

School Purchasing Programs (Cont'd)

Contracts and Agreements Requiring Advertisement for Bids (Cont'd)

In accordance with N.J.S.A. 18A:18A-3, the Board passed a resolution designating the School Business Administrator/Board Secretary as a qualified purchasing agent and increasing the bid threshold to \$36,000.

The 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 Attorney's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed:

Finding:

The District renewed a contract for one transportation route in excess of the bid threshold which had not been bid in the prior year. The transportation route was added after the opening of school in the prior year through solicitation of competitive quotations, as is allowable. However, since the District was acting in good faith and this transportation route was canceled for the fiscal year 2015-16, a formal recommendation is judged to be unwarranted.

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", 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.

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained.

School Food Service (Milk Fund)

The number of meals claimed for reimbursement was compared to sales and milk count records on a test basis. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

Applications for free milks were reviewed for completeness and accuracy. The number of free milks claimed as served was compared to the number of valid applications on file, times the number of operating days, on a school-by-school basis. The free milk policy was reviewed for uniform administration throughout the school district. The required verification procedures for free milk applications were completed and available for review.

BOROUGH OF FRANKLIN LAKES SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

School Food Service (Milk Fund) (Cont'd)

The cash disbursements records reflected expenditures for program-related goods and services. Vendor invoices were reviewed and costs verified on a test basis. The appropriate revenue and expenditure records were maintained in order to substantiate the nonprofit status of the School Food Service (Milk Fund). The District's net cash resources at June 30, 2015 exceeded three months average expenditures. However, as the District has already significantly reduced the net cash resources during the 2013-14 fiscal year and has plans in place to continue to reduce the net cash resources, no formal recommendation is deemed to be required.

Cash receipts and bank records were reviewed for timely deposit.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled "Proprietary Funds", Section G of the CAFR.

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the records of the Student Activities Fund for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted herein.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2014 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, and bilingual students. 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 with a few minor exceptions. 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's 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 2014-2015 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with one minor 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 procedures and award of contracts, with one exception. The one exception noted in our review of transportation related purchases of goods and services is noted as a finding earlier in the School Purchasing Programs section of this report.

BOROUGH OF FRANKLIN LAKES SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

Facilities and Capital Assets

Our procedures included a review of the SDA grant agreements 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. No exceptions were noted.

Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal policy and procedure pertaining to travel and expense reimbursement for its employees and board members. The regulations require the District to establish a maximum travel for the year and to ensure that the maximum amount is not exceeded. The regulations also require that all travel be preapproved by the Board of Education and Superintendent and that a brief report detailing the key issues addressed at the travel event must be submitted after the travel event has occurred.

Our review of the travel policies and records revealed that the District is in compliance with the travel regulations.

Management Suggestions

Capital Projects and Related SDA Grants

There are three projects in the Capital Projects Fund which appear to be fully complete. These projects are funded in part with Schools Development Authority ("SDA") grants. The District should review the projects to determine if they are in fact complete and if all grant reimbursements have been requested and collected. When the projects are closed out and finalized, the District should return the remaining funds to the appropriate funding source and transfer the related construction in progress to the District's capital asset inventory.

Deferred Compensation Plans

The District has a fiduciary responsibility to its employees related to the deferred compensation plans offered by the District. The District should consider a periodic review of the benefits, features, costs, and performance of its deferred compensation plans and make that information available to employees to assist employees in making suitable choices for investing their retirement funds while fulfilling the District's fiduciary responsibilities.

Independent Contractors vs. Employees

The District should consider reviewing the status of "Independent Contractors" utilized by the District with Internal Revenue Service guidelines for determination of employment status. The IRS has been reviewing employers, including governments, to determine compliance. A proactive approach may help to minimize or eliminate potential penalties related to incorrect employment status determination.

BOROUGH OF FRANKLIN LAKES SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

Miscellaneous

Single Audit

Effective for the fiscal year ended June 30, 2016, there will be significant changes to the Single Audit. These changes include the following:

- An increase in the single audit threshold
- Low risk auditee criteria
- Type A and B threshold
- Coverage requirements for major programs tested for both low risk and non-low risk auditees.

Additionally, the cost principles and administrative requirements such as A-87 have been consolidated under the *OMB Uniform Guidance: Cost Principles, Audit and Administrative Requirements for Federal Awards*. This guidance was effective December 26, 2014 for all new federal awards and for any additional funding for existing awards made after December 26, 2014.

Governmental Accounting Standards Board Statements

The next Governmental Accounting Standards Board ("GASB") statement which will have a significant impact on the District will be GASB#75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, will be effective for the fiscal year ending June 30, 2018. This standard replaces GASB#45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. It is similar to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB#68 in that successful implementation of this standard will require the provision of certain key financial and non-financial information from the New Jersey Division of Pensions.

Status of Prior Year's Findings/Recommendations

The prior year's audit findings and recommendations regarding reconciling items on the Treasurer's monthly bank reconciliations being investigated and resolved in a timely manner and the Woodside Avenue School account bank reconciliations being reviewed for accuracy on a monthly basis were resolved in the current year.

BOROUGH OF FRANKLIN LAKES SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

	2015-2016 Application for State School Aid						Sample for Verification					
	Reported on		Reported on		Errors		Sample		Verified per		Errors	
	Revised ASSA		Workpapers				Selected from		Registers			
	On Roll		On Roll				Workpapers		On Roll			
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool 3 Years Old	9		9				9		9			
Full Day Preschool 4 Years Old	13		13				13		13			
Full Day Kindergarten	96		96				96		96			
Grade One	87		86		1		86		86			
Grade Two	106		106				106		106			
Grade Three	88		88				88		88			
Grade Four	128		128				128		128			
Grade Five	116		116				116		116			
Grade Six	129		129				129		129			
Grade Seven	118		119		(1)		119		119			
Grade Eight	135		135				135		135			
Subtotal	1,025		1,025				1,025		1,025			
Special Education:												
Elementary	128		129		(1)		13		13			
Middle	73		72		1		7		7			
Subtotal	201		201				20		20			
Totals	1,226	-0-	1,226	-0-	-0-	-0-	1,045	-0-	1,045	-0-	-0-	-0-
Percentage Error					0.00%	0.00%					0.00%	0.00%

BOROUGH OF FRANKLIN LAKES SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

	Private Schools for Disabled				Resident Low Income					
	Reported on ASSA as Private Schools	Sample	Sample Verified	Sample Errors	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Special Education:										
Elementary School	3	1	1							
Middle School	3	1	1							
Totals	6	2	2	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Percentage Error				0.00%			0.00%			0.00%

BOROUGH OF FRANKLIN LAKES SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

Resident LEP Not Low Income						
	Reported on ASSA as LEP Not Low Income	Reported on Workpapers as LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Full Day Kindergarten	2	2		1	1	
Half Day Kindergarten						
Grade One	4	4		1	1	
Grade Two						
Grade Three	2	3	1	1	1	
Grade Four	1	1				
Grade Five	2	2				
Grade Six						
Grade Seven	1	1				
Grade Eight						
Subtotal	12	13	1	3	3	
Special Education:						
Elementary School	2	2		1	1	
Middle School	1	1				
Subtotal	3	3		1	1	
Totals	15	16	1	4	4	-0-
Percentage Error			6.67%			0.00%

BOROUGH OF FRANKLIN LAKES SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	289	289		25	25	
Regular - Special Education	94	94		10	10	
Transported - Non Public	27	28	(1)	4	4	
AIL - Non Public	98	98		10	10	
Special Needs - Public	10	10		3	3	
Special Needs - Private	5	5		2	2	
Totals	523	524	(1)	54	54	-0-
Percentage Error			-0.19%			0.00%

	<u>Reported</u>	<u>Recalculated</u>
Average Mileage - Regular Including Grade PK Students	4.1	4.1
Average Mileage - Regular Excluding Grade PK Students	4.1	4.1
Average Mileage - Special Education with Special Needs	2.7	2.7

BOROUGH OF FRANKLIN LAKES SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2015

REGULAR DISTRICT

SECTION 1

2% Calculation of Excess Surplus

2014-2015 Total General Fund Expenditures per the CAFR, Ex. C-1	<u>\$ 29,470,682</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -0-</u> (B1a)
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ -0-</u> (B1b)
Transfer from General Fund to SRF for PreK - Regular	<u>\$ -0-</u> (B1c)
Transfer from General Fund to SRF for PreK - Inclusion	<u>\$ -0-</u> (B1d)
Decreased by:	
On-Behalf TPAF Pension and Social Security	<u>\$ 2,773,625</u> (B2a)
Assets Acquired Under Capital Leases	<u>\$ -0-</u> (B2b)
Adjusted 2014-2015 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 26,697,057</u> (B3)
2% of Adjusted 2014-2015 General Fund Expenditures [(B3) times .02]	<u>\$ 533,941</u> (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 533,941</u> (B5)
Increased by: Allowable Adjustments	<u>\$ 220,094</u> (K)
Maximum Unassigned Fund Balance [(B5)+(K)]	<u>\$ 754,035</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6/30/2015 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 4,179,872</u> (C)
Decreased by:	
Year-End Encumbrances	<u>\$ 286,974</u> (C1)
Legally Restricted:	
Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C2)
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 400,000</u> (C3)
Other Restricted Fund Balance	<u>\$ 2,338,863</u> (C4)
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	<u>\$ 1,154,035</u> (U1)

BOROUGH OF FRANKLIN LAKES SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

SECTION 3

Restricted Fund Balance - Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0- \$ 400,000 (E)

Recapitulation of Excess Surplus as of June 30, 2015

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures \$ 400,000 (C3)
Restricted Excess Surplus [(E)] \$ 400,000 (E)

Total [(C3)+(E)] \$ 800,000 (D)

Detail of Allowable Adjustments

Impact Aid	<u>\$ -0- (H)</u>
Sale & Lease-back	<u>\$ -0- (I)</u>
Extraordinary Aid	<u>\$ 200,584 (J1)</u>
Additional Nonpublic School Transportation Aid	<u>\$ 19,510 (J2)</u>
Current Year School Bus Advertising Revenue Realized	<u>\$ -0- (J3)</u>
Family Crisis Transportation Aid	<u>\$ -0- (J4)</u>
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	 <u>\$ 220,094 (K)</u>

Detail of Other Restricted Fund Balance

Statutory Restrictions:

Approved Unspent Separate Proposal	<u>\$ -0-</u>
Sale/Lease-back Reserve	<u>\$ -0-</u>
Capital Reserve	<u>\$ 2,238,863</u>
Maintenance Reserve	<u>\$ 100,000</u>
Tuition Reserve	<u>\$ -0-</u>
School Bus Advertising 50% Fuel Offset Reserve - Current Year	<u>\$ -0-</u>
School Bus Advertising 50% Fuel Offset Reserve - Prior Year	<u>\$ -0-</u>
Impact Aid General Fund Reserve (Sections 8002 and 8003)	<u>\$ -0-</u>
Impact Aid General Fund Reserve (Sections 8007 and 8008)	<u>\$ -0-</u>
Other State/Government Mandated Reserve	<u>\$ -0-</u>
Other Restricted Fund Balances Not Noted Above	<u>\$ -0-</u>
 Total Other Restricted Fund Balance	 <u>\$ 2,338,863 (C4)</u>

BOROUGH OF FRANKLIN LAKES SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2015

It is recommended that:

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
None
3. School Purchasing Program
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. Travel Expense and Reimbursement Policy
None
10. Status of Prior Year's Findings/Recommendations

The prior year's audit findings and recommendations regarding reconciling items on the Treasurer's monthly bank reconciliations being investigated and resolved in a timely manner and the Woodside Avenue School account bank reconciliations being reviewed for accuracy on a monthly basis were resolved in the current year.