

**EWING TOWNSHIP BOARD OF EDUCATION**  
**MERCER COUNTY, NEW JERSEY**  
**AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS -**  
**FINANCIAL, COMPLIANCE AND PERFORMANCE**  
**FISCAL YEAR ENDED JUNE 30, 2016**

**Prepared by**

**Gerard Stankiewicz, CPA, PSA**

**of the Firm**

**SAMUEL KLEIN AND COMPANY**  
**36 West Main Street, Suite 303**  
**Freehold, NJ 07728**

## TABLE OF CONTENTS

	<u>Page</u>
Report of Independent Auditors .....	1
Scope of Audit .....	2
Administrative Practices and Procedures:	
Insurance .....	2
Officials' Bonds .....	2
Financial Planning, Accounting and Reporting:	
Examination of Claims .....	2
Payroll Account .....	3
Unemployment Compensation Insurance Trust Fund .....	3
Reserve for Encumbrances and Accounts Payable .....	3
Classification of Expenditures .....	4
Travel Expenditures .....	4
Student Body Activities Funds .....	4
Board Secretary/School Business Administrator's Records .....	4
Treasurer's Records .....	4
Elementary and Secondary Education Act of 1965 (E.S.E.A.) as Reauthorized by No Child Left Behind Act of 2001 .....	5
Other Special Federal and/or State Projects .....	5
T.P.A.F. Reimbursement .....	5
Expendable Trust Fund .....	5
School Purchasing Programs:	
Contracts and Agreements Requiring Advertisement for Bids .....	6
School Food Service .....	7
Application for State School Aid .....	8
Pupil Transportation .....	8
Capital Assets .....	9
Recommendations .....	9
Follow-up on Prior Year's Findings .....	9
Acknowledgment .....	9
Schedule of Meal Count Activity .....	10
Schedule of Audited Enrollments .....	11-17
Excess Surplus Calculation .....	18-19
Net Cash Resource Schedule .....	20

# SAMUEL KLEIN AND COMPANY

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## REPORT OF INDEPENDENT AUDITORS

Honorable President and Members  
of the Board of Education  
Borough of Ewing  
Board of Education  
County of Mercer, New Jersey

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 basic financial statements of the Board of Education of the Borough of Ewing School District in the County of Mercer for the year ended June 30, 2016, and have issued our report thereon dated November 29, 2016.

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 solely for the information of the Borough of Ewing 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.



Gerard Stankiewicz  
Certified Public Accountant



Licensed Public School Accountant #912  
SAMUEL KLEIN AND COMPANY

Freehold, New Jersey  
November 29, 2016

**ADMINISTRATIVE FINDINGS - FINANCIAL  
COMPLIANCE AND PERFORMANCE  
JUNE 30, 2016**

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the Treasurer of School Monies, the activities of the Board of Education and the records of the various funds under the auspices of the Board of Education. This report is filed in conjunction with the District's Comprehensive Annual Financial Report (CAFR).

**Administrative Practices and Procedures**

**Insurance**

Fire insurance coverage was carried in the amounts as detailed on the Insurance Schedule contained in the Statistical Tables (Section) – Exhibit J-20, of the District's CAFR.

**Officials' Bonds**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Jill Kristine Liedtka	Treasurer of School Monies	\$ 360,000.00 (A)
Dennis Nettleton	Board Secretary/ School Business Administrator	2,000.00

(A) Western Surety Company:  
There is a Public Employees Faithful Performance Blanket Position Bond.

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

An examination of claims paid during the period under audit was made as to affidavit or signed declaration, proper itemization and proper authorization by officials. The Board's voucher system is in accordance with R.S. 18:6-34, which requires a signed declaration by the vendor in place of an affidavit. In addition, all vouchers are signed by the Board Secretary. The actual signature for receipt of goods or services rendered is on the receiving copy of the purchase order set, which is attached to the purchase order filed by appropriation number. All claims approved for payment are listed by fund total in the Minutes.

**ADMINISTRATIVE FINDINGS - FINANCIAL**  
**COMPLIANCE AND PERFORMANCE (CONTINUED)**  
**JUNE 30, 2016**

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

**Payroll Account**

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and required 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 and the Board Secretary/School Business Administrator.

Compensation records were tested, and for those individuals examined; it was determined that salaries paid were in accordance with the amounts authorized by the Board.

Salary withholdings were promptly remitted to the proper agencies.

The Board utilizes a payroll service bureau to process all of its payroll transactions, inclusive of the net pay and the payroll agency (withholdings) fund; however, the bureau does not have authority over any funds that responsibility remains with the Board. The payroll service bureau is not required to provide the report on their internal controls in accordance with the AICPA Statement on Standards for Attestation Engagement Number 16 (SSAE #16), "Report on Internal Controls of Service Organizations".

**Unemployment Compensation Insurance**

The Board pays quarterly based on the rates established by the State of New Jersey through the general fund budget appropriation for unemployment.

**Reserve for Encumbrances and Accounts Payable**

A review of outstanding issued purchase orders was made as of June 30, 2016 for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders existed for proper classification of orders as reserved for encumbrances and accounts payable.

**ADMINISTRATIVE FINDINGS - FINANCIAL  
COMPLIANCE AND PERFORMANCE (CONTINUED)  
JUNE 30, 2016**

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

**Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2(g) as part of our test of transactions of randomly selected expenditure items. We also examined the coding of 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 to determine overall reliability and compliance with N.J.A.C. 6A:23A-2.4. As a result of the procedures performed, no transaction error rate was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

**Travel Expenditures**

Travel expenditures were tested and found to be in compliance with N.J.A.C. 6A:23A-7.1.

**Student Body Activities Funds**

**High School, Middle School and Elementary Schools**

Cash receipts and cash disbursements records were maintained in satisfactory condition.

All receipts were promptly deposited in the bank.

A test check of bills and invoices was made to the cash disbursements records.

**Board Secretary/School Business Administrator's Records**

Our review of the financial and accounting records maintained by the Board Secretary revealed that the records were maintained properly.

Acknowledgment of the Board's receipt of the Board Secretary's report was included in the minutes.

**Treasurer's Records**

The Treasurer's records were found to be maintained properly.

Acknowledgment of the Board's receipt of the Treasurer's report was included in the minutes.

**ADMINISTRATIVE FINDINGS - FINANCIAL  
COMPLIANCE AND PERFORMANCE (CONTINUED)**  
**JUNE 30, 2016**

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

**Elementary and Secondary Education Act of 1965 (E.S.E.A.) as Reauthorized by No Child Left Behind (NCLB) Act of 2001**

The NCLB financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the project under Title I, II-A and III of the Elementary and Secondary Education Act.

The study of compliance for NCLB indicated no matters of noncompliance and/or questioned costs.

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

The District's Special Projects were approved as listed on the Schedules of Federal and State Financial Assistance 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.

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

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

**Expendable Trust Fund**

The account appears to have been properly administered.

**ADMINISTRATIVE FINDINGS - FINANCIAL  
COMPLIANCE AND PERFORMANCE (CONTINUED)**  
**JUNE 30, 2016**

**School Purchasing Programs**

**Contracts and Agreements Requiring Advertisement for Bids**

Effective July 1, 2015 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-3 and 18A:39-3 are \$26,000 and \$18,200, respectively.

The board of education has elected to utilize the Qualified Purchasing Agent (QPA) higher bid threshold of \$40,000 since the School Business Administrator/Board Secretary is a qualified as such.

The board of education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal 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.

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

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.

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 of 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 minutes indicate that bids were advertised for the following:

Drainage Slip Lining Repairs	Transportation Contracts
Lease Purchase Interest Rate	Custodial Supplies
Auditorium Repairs	

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. Our examination did reveal however, purchases were made through the use of State contracts:

Computer Supplies	School Supplies
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**ADMINISTRATIVE FINDINGS - FINANCIAL  
COMPLIANCE AND PERFORMANCE (CONTINUED)**  
**JUNE 30, 2016**

**Contracts and Agreements Requiring Advertisement for Bids (Continued)**

Purchase of supplies were also made through Educational Services Commission of New Jersey authorized purchasing and bidding cooperative, of which, there is significant participation of New Jersey school districts.

**School Food Service**

The financial transactions and statistical records of the school food services were maintained in satisfactory condition. The financial accounts, meal count record and eligibility applications were reviewed on a test-check basis. No exceptions were noted.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served did not exceed the number of valid applications on file, times the number of operating days, on a school by school basis. The free and reduced price meals and free milk policy is uniformly administered throughout the School System. The required verification procedures for free and reduced price applications were completed and available for review. The number of meals/milk for reimbursement was compared to sales and meal count records. No exceptions were noted.

The Board manages the food service program. We examined, on a test basis, their expenditures for separate recording of 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.

All employees of the food service fund are hired by the District. Timesheets 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.

Exhibits reflecting child nutrition program operations are included in Section B of the CAFR.

The District is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34 and 19-1 through 19-4.1. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

Net cash resources did not exceed three months average expenditures.

Cash receipts and bank records were reviewed for timely deposit.

Food Distribution Program commodities were received during the period of audit. Inventory records on commodities are being maintained on a first in first out basis. The value of U.S.D.A. commodities received during 2015-2016 was \$125,538.23.

**ADMINISTRATIVE FINDINGS - FINANCIAL**  
**COMPLIANCE AND PERFORMANCE (CONTINUED)**  
**JUNE 30, 2016**

**School Food Service**

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 project remains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

**Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2015 Application for State School Aid (ASSA) 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 ASSA was compared to the district workpapers. 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 has written procedures for the recording of student enrollment data.

**Pupil Transportation**

Our audit procedures included a test of on-roll status reported in the 2015-2016 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary. 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. No exceptions were noted in our review of transportation related purchases of goods and services.

**RECOMMENDATIONS**  
**JUNE 30, 2016**

None

**FOLLOW-UP ON PRIOR YEAR'S FINDINGS**

There were no prior year recommendations.

**ACKNOWLEDGMENT**

We received the complete cooperation of all the officials of the School District and we greatly appreciate the courtesies extended to us.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gerard Stankiewicz", with a long horizontal flourish extending to the right.

Gerard Stankiewicz  
Certified Public Accountant  
Public School Accountant #912

For The Firm  
SAMUEL KLEIN AND COMPANY

**BOARD OF EDUCATION**  
**EWING TOWNSHIP, COUNTY OF MERCER**  
**SCHEDULE OF MEAL COUNT ACTIVITY**  
**NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM**  
**ENTERPRISE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>Over (Under)-Claim</u>
National School Lunch (Regular Rate)	Paid	130,459	130,459	130,459	-	.29/.04	
	Reduced	43,986	43,986	43,986	-	2.67/.055	
	Free	<u>170,529</u>	<u>170,529</u>	<u>170,529</u>	<u>-</u>	3.07/.055	
	Total	<u>344,974</u>	<u>344,974</u>	<u>344,974</u>	<u>-</u>		
School Breakfast (Severe Needs Rate)	Paid	24,339	24,339	24,339	-	0.29	
	Reduced	6,137	6,137	6,137	-	1.69	
	Free	<u>36,203</u>	<u>36,203</u>	<u>36,203</u>	<u>-</u>	1.99	
	Total	<u>66,679</u>	<u>66,679</u>	<u>66,679</u>	<u>-</u>		
School Breakfast (Regular Rate)	Paid				-	0.29	
	Reduced				-	1.36	
	Free				-	1.66	
	Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		

**BOARD OF EDUCATION  
EWING TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MERCER  
SCHEDULE OF AUDITED ENROLLMENTS  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015**

	2016-2017 Application for State School Aid						Sample for Verification					
	Reported on A.S.S.A. On Roll		Report on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool 3yrs	9		9					1		1		
Half Day Preschool 4 yrs	18		18					2		2		
Full day Kindergarden	250		250					21		21		
One	244		244					21		21		
Two	243		243					21		21		
Three	231		231					20		20		
Four	231		231					20		20		
Five	192		192					16		16		
Six	192		192					16		16		
Seven	240		240					20		20		
Eight	210		210					18		18		
Nine	255		255					22		22		
Ten	209	1	209	1				18		18		
Eleven	212	26	212	26				18		18		
Twelve	180	18	180	18				15		15		
Subtotal	2,916	45	2,916	45				249		249		
Special Ed-Elementary	239		239					20		20		
Special Ed-Middle	157		157					13		13		
Special Ed-High School Sent to CSSD	203	21	203	21				17		17		
Subtotal	599	21	599	21				50		50		
Home Instruction												
Totals	3,515	66	3,515	66				299		299		
Percentage Error					0.00%	0.00%					0.00%	0.00%

**BOARD OF EDUCATION**  
**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**SCHEDULE OF AUDITED ENROLLMENTS**  
**APPLICATION FOR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 15, 2015**

	Low Income Lunch			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
Half Day Preschool 3yrs						
Half Day Preschool 4 yrs						
Full day Kindergarden	111	111		19	19	
One	112	112		19	19	
Two	105	105		17	17	
Three	103	103		18	18	
Four	107	107		18	18	
Five	92	92		17	17	
Six	84	84		14	14	
Seven	128	128		22	22	
Eight	74	74		13	13	
Nine	120	120		21	21	
Ten	77	77		13	13	
Eleven	91	91		16	16	
Twelve	66	66		11	11	
Subtotal	<u>1,270</u>	<u>1,270</u>		<u>218</u>	<u>218</u>	
Special Ed-Elementary	130	130		21	21	
Special Ed-Middle	99	99		17	17	
Special Ed-High School Sent to CSSD	106	106		18	18	
Subtotal	<u>335</u>	<u>335</u>		<u>56</u>	<u>56</u>	
Home Instruction						
Totals	<u>1,605</u>	<u>1,605</u>		<u>274</u>	<u>274</u>	
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

BOARD OF EDUCATION  
EWING TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MERCER  
SCHEDULE OF AUDITED ENROLLMENTS  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015

	<u>Private Schools for Handicapped</u>				<u>Private Schools - Related Services</u>		
	<u>Reported on A.S.S.A. as Private Schools</u>	<u>Sample for Verification</u>	<u>Sample Verified</u>	<u>Sample Errors</u>	<u>Sample for Verification</u>	<u>Sample Verified</u>	<u>Sample Errors</u>
Half Day Preschool 3yrs							
Half Day Preschool 4 yrs							
Full day Kindergarden							
One							
Two							
Three							
Four							
Five							
Six							
Seven							
Eight							
Nine							
Ten							
Eleven							
Twelve							
Subtotal							
Special Ed-Elementary	4	4	4				
Special Ed-Middle	3	3	3				
Special Ed-High School Sent to CSSD	8	8	8				
Subtotal	<u>15</u>	<u>15</u>	<u>15</u>				
Home Instruction							
Totals	<u>15</u>	<u>15</u>	<u>15</u>				
Percentage Error				<u>0.00%</u>			<u>0.00%</u>

**BOARD OF EDUCATION  
TOWNSHIP OF EWING SCHOOL DISTRICT  
COUNTY OF MERCER  
SCHEDULE OF AUDITED ENROLLMENTS  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015**

	Resident LEP NOT 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
Half Day Preschool 4 Years Old						
Half Day Kindergarten						
Full Day Kindergarten						
One	19	19		19	19	
Two	11	11		11	11	
Three	7	7		7	7	
Four	6	6		6	6	
Five	5	5		5	5	
Six	3	3		3	3	
Seven	2	2		2	2	
Eight	3	3		3	3	
Nine	2	2		2	2	
Ten	2	2		2	2	
Eleven	4	4		4	4	
Twelve						
Sent to CSSD						
Regional Day School						
Subtotal	<u>66</u>	<u>66</u>		<u>66</u>	<u>66</u>	
Sp. Ed - Elementary	4	4		4	4	
Sp. Ed - Middle	1	1		1	1	
Sp. Ed - High School	1	1		1	1	
Subtotal	<u>6</u>	<u>6</u>		<u>6</u>	<u>6</u>	
Regional Day School						
Totals	<u>72</u>	<u>72</u>		<u>72</u>	<u>72</u>	
Percentage Error			<u>0.00%</u>			<u>0.00%</u>



BOARD OF EDUCATION  
TOWNSHIP OF EWING SCHOOL DISTRICT  
COUNTY OF MERCER  
SCHEDULE OF AUDITED ENROLLMENTS  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015

	<u>Reduced - Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as Low Income</u>	<u>Reported on Workpapers as Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Half Day Preschool 4 Years Old						
Half Day Kindergarten						
Full Day Kindergarten	11	11		11	11	
One	5	5		5	5	
Two	5	5		5	5	
Three	5	5		5	5	
Four	1	1		1	1	
Five	1	1		1	1	
Six						
Seven	1	1		1	1	
Eight						
Nine	3	3		3	3	
Ten	1	1		1	1	
Eleven						
Twelve						
Sent to CSSD						
Regional Day School						
Subtotal	<u>33</u>	<u>33</u>		<u>33</u>	<u>33</u>	
Sp. Ed - Elementary						
Sp. Ed - Middle						
Sp. Ed - High School						
Subtotal						
Regional Day School						
Totals	<u>33</u>	<u>33</u>		<u>33</u>	<u>33</u>	
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**BOARD OF EDUCATION  
EWING TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MERCER  
SCHEDULE OF AUDITED ENROLLMENTS  
APPLICATION FOR STATE SCHOOL AID SUMMARY (CONTINUED)  
ENROLLMENT AS OF OCTOBER 15, 2015**

Resident Enrollment Details & SLD			
	<u>On A.S.S.A.</u>	<u>Auditor</u>	<u>Errors</u>
<b>Regular Students:</b>			
Regular - Public Schools	1,326.0	1,326.0	
Vocational School Students	68.0	68.0	
Charter School Students	8.0	8.0	
Non-Public School Students	193.0	193.0	
ALL Non-Public School Students	204.0	204.0	
Special Education - Public School Students	82.5	82.5	
Private School for Students with Disabilities and Other School Students			
<b>Total Regular Students</b>	<b>1,881.5</b>	<b>1,881.5</b>	
Percentage Error			0%
	<u>On A.S.S.A.</u>	<u>Auditor</u>	<u>Errors</u>
<b>Special Students:</b>			
Public School Students With Special Needs	14.0	14.0	
Private School Handicapped With Special Needs	8.0	8.0	
Out of District Public School Students Without Special Needs	20.5	20.5	
Out of District Private school for Handicapped W/O special needs	24.0	24.0	
<b>Total Special Students</b>	<b>66.5</b>	<b>66.5</b>	
Percentage Error			0%
<b>Totals</b>	<b>1,948</b>	<b>1,948</b>	
		<u>Originally Reported On DRTRS</u>	<u>Verified by Auditor</u>
Average mileage, including grade PK students		4.70	4.70
Average mileage - regular, including grade PK students		4.70	4.70
Average mileage - special education/special needs		8.90	8.90
Average mileage - courtesy		1.60	1.60

**BOARD OF EDUCATION**  
**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**FISCAL YEAR ENDED JUNE 30, 2016**  
**(UNAUDITED)**

**EXCESS SURPLUS CALCULATION**  
**REGULAR DISTRICT**

**SECTION 1**

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

2015-16 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>70,042,618.42</u> (B)	
Increased by:		
Transfer to Food Service Fund	\$ _____ (B1a)	
Transfer from Capital Outlay to Capital Projects Fund	\$ _____ (B1b)	
Transfer from General Fund to SRF for PerK-Regular	\$ _____ (B1c)	
Transfer from General Fund to SRF for PerK-Inclusion	\$ _____ (B1d)	
Decreased by:		
On-Behalf TPAF Pension & Social Security	\$ <u>6,758,114.47</u> (B2a)	
Assets Acquired Under Capital Leases	_____ (B2b)	
Adjusted 2015-16 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ <u>63,284,503.95</u> (B3)	
2% of Adjusted 2015-16 General Fund Expenditures [(B3) times .02]	\$ <u>1,265,690.08</u> (B4)	
Enter Greater of (B4) or \$250,000	\$ <u>1,265,690.08</u> (B5)	
Increased by: Allowable Adjustment*	\$ _____ (K)	
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]	\$ <u>1,265,690.08</u> (M)	

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-2016 (Per CAFR Budgetary Comparison Schedule-C1)	\$ <u>8,152,131.72</u> (C)	
Decreased by:		
Year-end Encumbrances	\$ <u>62,230.51</u> (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ _____ (C2)	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>1,300,000.00</u> (C3)	
Other Restricted Fund Balances ****	\$ <u>2,875,594.00</u> (C4)	
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ <u>43,516.52</u> (C5)	
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ <u>3,870,790.69</u> (U1)	

**SECTION 3**

Restricted Fund Balance - Excess Surplus***[(U1)-(M)] IF NEGATIVE ENTER -0-	\$ <u>2,605,100.61</u> (E)
-----------------------------------------------------------------------------	----------------------------

**BOARD OF EDUCATION  
EWING TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MERCER  
FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)**

**Recapitulation of Excess Surplus as of June 30, 2016**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>1,300,000.00</u> (C3)
Reserved Excess Surplus***[(E)]	\$ <u>2,605,100.61</u> (E)
 Total Excess Surplus [(C3) + (E)]	 \$ <u><u>3,905,100.61</u></u> (D)

**Footnotes:**

\* This adjustment line (as detailed below) is to be utilized when applicable for: Impact Aid; Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10), Extraordinary Aid; Additional and Nonpublic School Transportation Aid; and recognized current year School Bus Advertising Revenue. Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid and Additional Nonpublic School Transportation Aid).

**Detail of Allowable Adjustments**

Impact Aid	\$		(H)
Sale & Lease-back	\$		(I)
Extraordinary Aid	\$		(J1)
Additional Nonpublic School Transportation Aid	\$		(J2)
Current Year School Bus Advertising Revenue Recognized	\$		(J3)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)]	\$		(K)

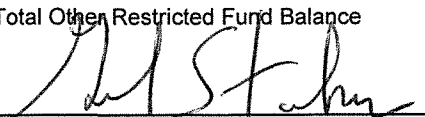
\*\* This amount represents the June 30, 2016 Excess Surplus (C3 above) and must be included in the Audit Summary Line 90031.

\*\*\* Amount must agree to the June 30, 2016 CAFR and must agree to Audit Summary Line 90030.

\*\*\*\* Amount for Other Restricted Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not 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	\$	1,200,000.00	
Maintenance reserve	\$	975,594.00	
Emergency reserve	\$	500,000.00	
Tuition reserve	\$	200,000.00	
School Bus Advertising 50% Fuel Offset Reserve - current year	\$		
School Bus Advertising 50% Fuel Offset Reserve - prior year	\$		
Other state/government mandated reserve	\$		
[Other Reserved Fund Balance not noted above]****	\$		
 Total Other Restricted Fund Balance	 \$	 2,875,594.00	 (C4)

  
\_\_\_\_\_  
SIGNATURE OF PUBLIC SCHOOL ACCOUNTANT

Date: November 29, 2016

**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER, NEW JERSEY**

**NET CASH RESOURCE SCHEDULE**

Net Cash Resources Did Not Exceed Three Months of Expenditures  
 Proprietary Funds - Food Service  
 FYE 2016

<u>Net Cash Resources:</u>		Food Service B - 4/5	
<b>CAFR</b>	*	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	\$ 156,550
B-4		Due from Other Gov'ts	151,933
B-4		Accounts Receivable	19,795
B-4		Investment	-
<b>CAFR</b>		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	18,690
B-4		Less Accruals	
B-4		Less Due to Other Funds	
B-4		Less Deferred Revenue	<u>16,619</u>
		<b>Net Cash Resources</b>	<b><u>\$ 292,970</u></b> (A)
 <b><u>Net Adj. Total Operating Expense:</u></b>			
B-5		Total Operating Expense	1,651,758
B-5		Less Depreciation	<u>8,166</u>
		<b>Adj. Total Operating Expense</b>	<b><u>\$ 1,643,592</u></b> (B)
 <b><u>Average Monthly Operating Expense:</u></b>			
		B / 10	<b><u>\$ 164,359</u></b> (C)
 <b><u>Three Times Monthly Average:</u></b>			
		3 X C	<b><u>\$ 493,077</u></b> (D)

TOTAL IN BOX A	\$ <u>292,970</u>
LESS TOTAL IN BOX D	\$ <u>493,077</u>
NET	\$ <u>(200,108)</u>
From above:	
<b>A is greater than D, cash exceeds 3 X average monthly operating expenses.</b>	
<b>D is greater than A, cash does not exceed 3 X average monthly operating expenses.</b>	

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

SOURCE - USDA resource management comprehensive review form