

**BOARD OF EDUCATION**  
**BOROUGH OF RUNNEMEDE SCHOOL DISTRICT**  
**COUNTY OF CAMDEN**  
**AUDITORS MANAGEMENT REPORT ON**  
**ADMINISTRATIVE FINDINGS-**  
**FINANCIAL, COMPLIANCE AND PERFORMANCE**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2016**

# BOROUGH OF RUNNEMEDE SCHOOL DISTRICT

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October 24, 2016

## AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE, AND PERFORMANCE

Honorable President and  
Members of the Board of Education  
Borough of Runnemede School District  
County of Camden, New Jersey

We have audited, in accordance with generally accepted audit standards and **Government Auditing Standards** issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Borough of Runnemede School District in the County of Camden for the year ended June 30, 2016, and have issued our report thereon dated October 24, 2016.

As part of our audit, we performed procedures required by the Division of Administration and Finance, 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 issued in conjunction with the Comprehensive Annual Financial Report of the Board of Education of the Borough of Runnemede School District, for the year ended June 30, 2016 and is intended for the information School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**



Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915

**ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

**Scope of Audit**

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

**Administrative Practices and Procedures**

**Insurance**

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

**Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32, 18A:13-13)**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Sean McCarron	School Board Administrator / Board Secretary	\$ 50,000
Christie Ehret	Treasurer of School Moneys	\$ 200,000

There is a Public Employees' Faithful Performance Blanket Position Bond covering all other employees with multiple coverage of \$25,000. Adequacy of insurance coverage is the responsibility of the Board of Education.

**Tuition Charges**

There were no tuition charges during the 2015-16 fiscal year that would require the District to make the necessary adjustment per N.J.A.C. 6A:23A-17.1(f) 3.

**District Internal Control Policies**

District boards of education and administration are responsible for developing internal controls policies and procedures and maintaining a strong internal control environment. NJAC 6A:23A-6.4 requires that the district's internal control policies include specific requirements at NJAC 6A:23A-6.5 through 6.13.

All Internal Control Policies were found in accordance with NJAC 6A:23A-6.5 through 6.13.

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

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

## **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 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 School Business Administrator/Board Secretary, and the Chief School Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the general fund.

Payrolls were delivered to the treasurer of school moneys with a warrant made to her order for the full amount of each payroll.

### **Employee Position Control Roster**

An inquiry and subsequent review of the Position Control Roster did not find discrepancies between the payroll records, employee benefit records, the general ledger accounts to where wages are posted, and the Position Control Roster.

### **Unemployment Compensation Insurance Fund**

The Board of Education has adopted the direct reimbursement method and has established an Unemployment Insurance Fund in the fiduciary Trust Fund (Exhibit H-2). The Unemployment Compensation Insurance Fund was maintained on satisfactory condition.

### **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 were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for proprietary and to determine that goods were received and services were rendered as of June 30, 2016. Our review did not indicate any material discrepancies with respect to classification of orders.

### **Obligations of Federal Grant Awards and Requests for Reimbursement of Expenditures against those Federal Grants Awards**

No exceptions noted.

### **Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of 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-8.3. As a result of the procedures performed, an error rate of 0% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

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

A. General Classification Findings - None

B. Administrative Classification Findings - None

**Board Secretary's Records**

The financial records, books of accounts maintained by the Secretary were in satisfactory condition.

Acknowledgment of the Board's receipt of the Board Secretary's and Treasurer's monthly financial reports was included in the minutes.

Monthly financial certificates of the Board Secretary and Board of Education for positive line item account status certifications (N.J.A.C. 6:2-2.13) were performed. Budgetary line item account transfers were approved monthly to cover any anticipated deficits.

Purchase orders were generally charged to the appropriate line item accounts in accordance with the State prescribed **Uniform Minimum Chart of Accounts (2R2) for New Jersey Public School.**

The School District does not use credit cards.

The School District maintained the appropriate cumulative monthly transfer report.

**Certification of Income Tax Compliance**

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (Superintendent and Business Administrator) to the N.J. Department of Treasury was filed by the March 15 due date.

**Treasurer's Records**

The Treasurer prepared cash reconciliations for the general operating account, payroll account and payroll agency account per N.J.S.A.18A:17-9.

The Treasurer's report was in agreement with the records of the Board Secretary.

All cash receipts were promptly deposited. (N.J.S.A. 18A:17-34,18A:17-9.1)

The Treasurer filed his reports in a timely manner.

**Elementary and Secondary Education Act (E.S.E.A.)/Improving America's Schools Act (IASA) as reauthorized by the No Child Left Behind Act of 2001 (NCLB)**

The E.S.E.A./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 projects under Titles I and VI of the Elementary and Secondary School Education Act as amended and reauthorized.

Our audit of the E.S.E.A. 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 study of compliance for E.S.E.A. indicated that all E.S.E.A. programs were in compliance.

**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. The study of compliance for special projects indicated no areas of noncompliance.

**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.

**TPAF Reimbursement to the State for Federal Salary Expenditures**

The amount of the expenditure charged to the current year's Final Reports for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 60 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

**Nonpublic State Aid**

The study of compliance for Nonpublic Aid did not indicate any discrepancies. The district received the final year end reports from the servicing agency after year-end but in time for adjustment as part of the audit

## School Purchasing Programs

### Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-1 et seq. (Public School Contracts Law), the associated rules and related information on the statute, and school contracts in general are available on the website: <http://www.state.nj.us/dca/divisions/dlgs/programs/lpcl.html>.

Current statute is posted on the New Jersey Legislature website at: [http://lis.njleg.state.nj.us/cgi-bin/om\\_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headingswithhits=on&infobase=statutes.nfo&softpage=TOC\\_Frame\\_pg42](http://lis.njleg.state.nj.us/cgi-bin/om_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headingswithhits=on&infobase=statutes.nfo&softpage=TOC_Frame_pg42)

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (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 currently \$18,800 for 2015-16.

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

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

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. Our examination did reveal, however, that the following was purchased by state contract:

Air Conditioning Units	Windows/Exterior Restoration
Chromebooks	

The review of contracts and agreements did not disclose any areas of statutory noncompliance.

Although a particular contract is exempt from the formal requirements of public advertising and competitive bidding, N.J.S.A. 18A:18A-37 requires that quotations be obtained, whenever practical, for any contract less than the bid threshold but 15% or more of that amount, except for contracts for professional services. All contracts and agreements, which are subject to quotations, shall be awarded on the basis of the lowest responsible quotation received, which is most advantageous to the Board of Education, price and other factors considered. Our examination indicated that the Board of Education complied with these provisions.



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

### **School Food Service**

The School Food Service Program was not selected as a major Federal program. However, the program expenditures exceeded \$100,000 in Federal support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the SFA had any Child Nutrition Program reimbursement overclaims or underclaims and whether the SFA's expenditures of food service were limited to allowable direct and indirect costs. No exceptions were noted.

The financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts, meal and milk count records and eligibility applications were reviewed on a test-check basis. During our examination no exceptions were noted.

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

Cash receipts and bank records were reviewed and deposits were generally made in a timely manner.

The number of meals and milks claimed for reimbursement was verified against sales and meal count records. As part of the claims review process, the edit check worksheet was completed. Reimbursement claims were submitted and certified in a timely manner.

Applications for free and reduced price meals and free milks were reviewed for completeness and accuracy. The number of free and reduced price meals and free milks claimed as served for the entire school year was compared to the number of valid applications and/or to the list of directly certified students on file, times the number of operating days, on a school by school basis. The free and reduced price meal and free milk policy is uniformly administered throughout the school system which has only one site and found to be in compliance with all counting and claiming requirements. The required verification procedures for free and reduced applications were completed and available for review.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service and the Non-Program Food Revenue tool was utilized. Net cash resources exceeded three months average expenditures.

### **Finding 2016-1 (CAFR Finding 2016-1)**

Net cash resources exceeded three months average expenditures.

### **Recommendation**

The Board should implement a corrective action plan to effectively reduce the net cash resources on hand through capital expenditure or otherwise.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all school food service employees authorized by the Board of Education. No exceptions were noted. Food Distribution commodities were noted as received during the year and consumed in the meal service.

**School Food Service (Continued)**

**Recommendation (Continued)**

The District entered into a vended meals contract with Black Horse Pike Regional School for the 2015-16 school year, of which the lunches received meet the National School Lunch Program requirements set forth in 7 CFR Section 210.10. This includes a management fee of \$500 per month.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. The examination did not and could not determine the quality, quantity or proper price of nonbid goods or services for which payments had been made. These details were necessarily covered by the approval of such claims. Revenues and receipts were established and verified as to the source and amount only insofar as the records permitted.

The Board of Education subsidized the Food Service Program in the amount of \$0 for the 2015-16 school year and \$25,000 for 2014-15.

**Student Body Activities**

The Board has a policy, which clearly established the regulation of student activity funds.

Cash receipts and disbursements journals were maintained in good condition and reconciled to the monthly bank statements.

Deposits were traceable to the bank and made on a timely basis. Expenditures were supported by invoices and other documentation.

**Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2015 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped and low-income. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers without exception. The information that was included on the workpapers was also verified to the school registers 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 has adequate 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 Report without exception. The DRTRS Eligibility Summary Report was compared to the County Summary Report. All items were in agreement except for Reg. Special Education. The County had one (1) more student reported than the District. The District had no indication of errors or discrepancies. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

### **Facilities and Capital Assets**

As part of the GASB 34 reporting format, fixed assets are recorded in accordance with GAAP, including a provision for depreciation expense.

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

The District had three SDA grant agreements, approved in prior years, that were completed during the 2015-2016 year.

### **Follow-up on Prior Years' Findings**

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Corrective action has been taken on all prior year findings.

### **Acknowledgment**

We received the complete cooperation of all the officials of the school district, and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**



Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915

SCHEDULE OF MEAL COUNT ACTIVITY

RUNNEMEDE SCHOOL DISTRICT  
FOOD SERVICE FUND  
NUMBER OF MEALS/MILKS SERVED AND OVER/UNDERCLAIM-FEDERAL  
ENTERPRISE FUNDS  
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	Paid	\$ 18,997	\$ 18,997	\$ 18,997	\$	0.31	\$
	Reduced	6,796	6,796	6,796		2.69	
	Free	28,430	28,430	28,430		3.09	
	TOTAL	<u>54,223</u>	<u>54,223</u>	<u>54,223</u>			
School Breakfast	Paid	1,042	1,042	1,042		0.29	
	Reduced	1,582	1,582	1,582		1.69	
	Free	35,431	35,431	35,431		1.99	
	TOTAL	<u>38,055</u>	<u>38,055</u>	<u>38,055</u>			

TOTAL NET OVERCLAIM

\$

SCHEDULE OF MEAL COUNT ACTIVITY

RUNNEMEDE SCHOOL DISTRICT

FOOD SERVICE FUND

NUMBER OF MEALS/MILKS SERVED AND OVER/UNDERCLAIM-STATE

ENTERPRISE FUNDS

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	Paid	\$ 18,997	\$ 18,997	\$ 18,997	\$	0.040	\$
	Reduced	6,796	6,796	6,796		0.055	
	Free	28,430	28,430	28,430		0.055	
	<b>TOTAL</b>	<b>\$ 54,223</b>	<b>\$ 54,223</b>	<b>\$ 54,223</b>	<b>\$</b>		<b>\$</b>
<b>TOTAL NET OVERCLAIM</b>							<b>\$</b>

## NET CASH RESOURCE SCHEDULE

**Net cash resources did/did not exceed three months of expenditures  
Proprietary Funds - Food Service  
FYE 2016  
Borough of Runnemede School District**

<u>Net Cash Resources:</u>		Food Service B - 4/5	
<b>CAFR</b>	*	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	\$ 114,375
B-4		Due from Other Gov'ts	32,609
B-4		Accounts Receivable	1,879
B-4		Investments	
 		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	
B-4		Less Accruals	
B-4		Less Due to Other Funds	(23,762)
B-4		Less Deferred Revenue	(3,298)
		<b>Net Cash Resources</b>	<b>\$ 121,803.00 (A)</b>

**Net Adj. Total Operating Expense:**

B-5		Tot. Operating Exp.	235,577
B-5		Less Depreciation	(826)
		Adj. Tot. Oper. Exp.	<b>\$ 234,751.00 (B)</b>

**Average Monthly Operating Expense:**

		B / 10	<b>\$ 23,475.10 (C)</b>
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**Three times monthly Average:**

		3 X C	<b>\$ 70,425.30 (D)</b>
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TOTAL IN BOX A		\$ 121,803.00	
LESS TOTAL IN BOX D		\$ 70,425.30	
NET		<b>\$ 51,377.70</b>	
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

SCHEDULE OF AUDITED ENROLLMENTS

RUNNEMEDE SCHOOL DISTRICT  
APPLICATION OR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015

	2016-2017							SAMPLE FOR VERIFICATION						PRIVATE SCHOOLS FOR DISABLED			
	APPLICATION FOR STATE SCHOOL AID							Sample Selected From		Verified per Registers		Errors per Registers		Reported On A.S.S.A. as			
	Reported On A.S.S.A. On Roll		Reported On Workpapers On Roll		Errors		Workpapers		On Roll		On Roll		Private Schools	Sample for Verification	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Half Day Preschool 3 yr	18		18				5		5								
Half Day Preschool 4 yr	18		18				5		5								
Full Day Kindergarten	87		87				23		23								
One	78		78				21		21								
Two	73		73				20		20								
Three	79		79				21		21								
Four	67		67				18		18								
Five	78		78				21		21								
Six	84		84				23		23								
Seven	83		83				22		22								
Eight	91		91				25		25								
<b>Subtotal</b>	<b>756</b>	<b>0</b>	<b>756</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>204</b>	<b>0</b>	<b>204</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Special Ed - Elementary	68		68				18		18				3	1	1		
Special Ed - Middle	37		37				10		10				1	1	1		
Special Ed - High																	
<b>Subtotal</b>	<b>105</b>	<b>0</b>	<b>105</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>28</b>	<b>0</b>	<b>28</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>0</b>	
<b>Totals</b>	<b>861</b>	<b>0</b>	<b>861</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>232</b>	<b>0</b>	<b>232</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>0</b>	
Percentage Error					0.00%	0.00%							0.00%	0.00%		0.00%	

**SCHEDULE OF AUDITED ENROLLMENTS**

**RUNNEMEDE SCHOOL DISTRICT  
APPLICATION OR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported On A.S.S.A. as Low Income	Reported On Workpapers as Low Income	Errors	Sample Selected From Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected From Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool 3 yr												
Half Day Preschool 4 yr												
Full Day Kindergarten	29	29		14	14							
One	30	30		14	14							
Two	19	19		9	9		2	2		2	2	
Three	39	39		19	19		2	2		2	2	
Four	25	25		12	12		1	1		1	1	
Five	23	23		11	11		2	2		1	1	
Six	29	29		14	14							
Seven	37	37		18	18							
Eight	35	35		17	17							
<b>Subtotal</b>	<b>266</b>	<b>266</b>	<b>0</b>	<b>128</b>	<b>128</b>	<b>0</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>0</b>
Special Ed - Elementary	30	30		14	14		5	5		4	3	
Special Ed - Middle	25	25		12	12							
Special Ed - High												
<b>Subtotal</b>	<b>55</b>	<b>55</b>	<b>0</b>	<b>26</b>	<b>26</b>	<b>0</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>4</b>	<b>3</b>	<b>0</b>
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
<b>Totals</b>	<b>321</b>	<b>321</b>	<b>0</b>	<b>154</b>	<b>154</b>	<b>0</b>	<b>12</b>	<b>12</b>	<b>0</b>	<b>10</b>	<b>9</b>	<b>0</b>
Percentage Error		<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>	

**TRANSPORTATION**

	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
	Reg. - Public Schools	14	14		11	11
Reg. - Special Ed.	2	2		2	2	
Transported - Non-Public						
Aid in Lieu - Non-Public	12	12		9	9	
Special Needs - Public	38	38		29	29	
<b>Totals</b>	<b>66</b>	<b>66</b>	<b>0</b>	<b>51</b>	<b>51</b>	<b>0</b>
Percentage Error		<u>0.016%</u>			<u>0.00%</u>	

	Reported	Re-Calculated
Avg. Mileage - Regular Including Grade PK students	3.9	
Avg. Mileage - Regular Excluding Grade PK students	3.9	
Avg. Mileage - Special Ed with Special Needs	2.6	



**SCHEDULE OF AUDITED ENROLLMENTS**

**RUNNEMEDE SCHOOL DISTRICT**  
**APPLICATION OR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 15, 2015**

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Report On A.S.S.A. as NOT Low Income</u>	<u>Report On Workpapers as NOT 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 3 yr						
Half Day Preschool 4 yr						
Full Day Kindergarten						
One						
Two						
Three	1	1		1	1	
Four						
Five						
Six						
Seven						
Eight						
Subtotal	1	1	0	1	1	0
Special Ed - Elementary						
Special Ed - Middle						
Special Ed - High						
Subtotal	0	0	0	0	0	0
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	1	1	0	1	1	0
Percentage Error		<u>0.00%</u>			<u>0.00%</u>	

**RUNNEMEDE BOARD OF EDUCATION**  
**EXCESS SURPLUS CALCULATION**

**SECTION 1**

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

2015-16 Total General Fund Expenditures per the CAFR	\$	<u>12,646,748</u>	(B)
Increased by:			
Transfer from Capital Outlay to Capital Projects Fund			(B1a)
Transfer from Capital Reserve to Capital Projects Fund		<u>1,493,409</u>	(B1b)
Transfer from General Fund to SRF for PreK-Regular			(B1c)
Transfer from General Fund to SRF for PreK-Inclusion			(B1d)
Decreased by:			
On-Behalf TPAF Pension & Social Security		<u>1,260,002</u>	(B2a)
Assets Acquired Under Capital Leases			(B2b)
 Adjusted 15-16 General Fund Expenditures [(B)+(B1s)-(B2s)]		 <u><u>12,880,155</u></u>	 (B3)
 2% of Adjusted 2015-16 General Fund Expenditures [(B3) times .02]		 <u>257,603</u>	 (B4)
Enter Greater of (B4) or \$250,000		<u>257,603</u>	(B5)
Increased by: Allowable Adjustment*		<u>41,882</u>	(K)
 Maximum Unassigned/Undesignated-Unreserved Fund Balance[(B5)+(K)]	\$	 <u><u>299,485</u></u>	 (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-16 (Per CAFR Budgetary Comparison Schedule C-1)	\$	<u>3,511,084</u>	(C)
Decreased by:			
Year-end Encumbrances		<u>110,360</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures			(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**		<u>666,782</u>	(C3)
Other Restricted Fund Balances****		<u>1,577,485</u>	(C4)
Assigned Fund balance Unreserved - Designated for Subsequent Year's Expenditures		<u>53,512</u>	(C5)
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$	 <u><u>1,102,945</u></u>	 (U1)

**RUNNEMEDE BOARD OF EDUCATION**  
**EXCESS SURPLUS CALCULATION**

**SECTION 3**

Restricted Fund Balance- Excess Surplus\*\*\* [(U1)-(M)] IF NEGATIVE ENTER -0- \$ 803,460 (E)

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

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures**	666,782 (C3)
Reserved Excess Surplus ***[(E)]	<u>803,460 (E)</u>
Total Excess Surplus [(C3) + (E)]	\$ <u>1,470,242 (D)</u>

Footnotes:

- \* Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:
- (H) Federal Impact Aid. The passage of P.L. 2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, effective for the year ending June 30, 2015 the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve-General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
  - (I) Sale & Lease-Back (Refer to the Audit Program Section II, Chapter 10);
  - (J1) Extraordinary Aid;
  - (J2) Additional Nonpublic School Transportation Aid;
  - (J3) Recognized current year School Bus Advertising Revenue; and
  - (J4) Family Crisis Transportation Aid.

Notes to auditor: Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid, and Additional Nonpublic School Transportation Aid.

**Detail of Allowable Adjustments**

Impact Aid	\$ _____ (H)
Sale & Lease-Back	_____ (I)
Extraordinary Aid	<u>39,794 (J1)</u>
Additional Nonpublic School Transportation Aid	<u>2,088 (J2)</u>
Current Year School Bus Advertising Revenue Recognized	_____ (J3)
Family Crisis Transportation Aid	_____ (J4)
Total Adjustments [(H) + (I) + (J1) + (J2) + (J3) + (J4)]	\$ <u>41,882 (K)</u>

- \*\* This amount represents the June 30, 2015 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.
- \*\*\* Amounts must agree to the June 30, 2015 CAFR and must agree to Audit Summary Worksheet Line 90030.
- \*\*\*\* Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by an other type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Division of Finance and Regulatory Compliance prior to September 30.

**Detail of Other Restricted Fund Balance**

Statutory restrictions:	
Approved unspent separate proposal	\$ _____
Sale/lease-back reserve	_____
Capital reserve	<u>877,485</u>
Maintenance reserve	<u>700,000</u>
Emergency Reserve	_____
Tuition reserve	_____
School Bus Advertising 50% Fuel Offset Reserve - Current Year	_____
School Bus Advertising 50% Fuel Offset Reserve - Prior Year	_____
Impact Aid General Fund Reserve (Sections 8007 and 8008)	_____
Impact Aid General Fund Reserve (Sections 8002 and 8003)	_____
Other state/government mandated reserve	_____
[Other Restricted Fund Balance not noted above] ****	
Total Other Restricted Fund Balance	\$ <u>1,577,485 (C4)</u>