

**AUDITORS' MANAGEMENT REPORT
ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
SCHOOL DISTRICT OF THE
BOROUGH OF BLOOMINGDALE
COUNTY OF PASSAIC, NEW JERSEY
JUNE 30, 2017**

SCHOOL DISTRICT OF THE BOROUGH OF BLOOMINGDALE
COUNTY OF PASSAIC, NEW JERSEY

AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE

Table of Contents

	Page <u>No.</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 and Position Control Roster	2
Reserve for Encumbrances and Accounts Payable	3
Classification of Expenditures	3
Board Secretary's Records	4
Treasurer's Records	4
Fixed Assets	4
Elementary and Secondary Education (E.S.E.A.)/Improving America's School Act (I.A.S.A.) as reauthorized by the No Child Left Behind Act of 2001	4
Other Special Federal and/or State Projects	4
T.P.A.F. Reimbursement	5
T.P.A.F. Reimbursement to the State for Federal Salary Expenditures	5
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids	5
School Food Service	6
Student Body Activities	8
Application for State School Aid	8
Pupil Transportation	8
Follow-up on Prior Years' Findings	10
Acknowledgment	10
Schedule of Meal Count Activity	11 - 12
Schedule of Audited Enrollments	13 - 15
Excess Surplus Calculation	16 - 18

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkotz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, NJ 07860
973-579-3212
Fax 973-579-7128

REPORT OF INDEPENDENT AUDITORS

Honorable President and
Members of the Board of Education
Borough of Bloomingdale School District
County of Passaic, 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 Bloomingdale School District in the County of Passaic for the year ended June 30, 2017, and have issued our report thereon dated October 10, 2017.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the Borough of Bloomingdale 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.



Charles J. Ferraioli, Jr., C.P.A.
Licensed Public School Accountant
No. 749

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.
Certified Public Accountants

Pompton Lakes, New Jersey

October 10, 2017

BOROUGH OF BLOOMINGDALE SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017

Scope of Audit

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

Administrative Practices and Procedures

Insurance

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

Officials Bonds N.J.S.A. 18A:17-26, 18A:17-32

<u>Name</u>	<u>Position</u>	<u>Amount</u>
George Hagl	Board Secretary/Business Administrator	\$150,000.00
Sherry Lisa Gallagher	Treasurer	\$300,000.00

There is a Public Employees' Faithful Performance Blanket Position Bond with Zurich Insurance Co. covering all other employees with multiple coverage dishonesty crime of \$500,000.00.

Financial Planning, Accounting and Reporting

Examination of Claims

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

Payroll Account and Position Control Roster

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 Board Secretary/School Business Administrator.

BOROUGH OF BLOOMINGDALE SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017

Financial Planning, Accounting and Reporting (Continued)

Payroll Account and Position Control Roster (continued)

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

All payrolls were approved by the superintendent and were certified by the president of the board and the board secretary/school business administrator.

Salary withholdings were properly remitted to the proper agencies, including health benefits withholding 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 administrators) to the NJ Department of Treasury was filed by the March 15 due date.

Reporting of employee compensation for income tax related purposes did comply with federal and state regulations regarding the compensation which is required to be reported.

The Position Control Roster was reviewed and compared to payroll records, employee benefit records and charges made to the general ledger to ensure proper and consistent financial reporting and that employee benefits are only offered to current employees.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services 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 propriety and to determine that goods were received and services were rendered as of June 30, 2017.

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 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-2.4*. As a result of the procedures performed, a transaction error rate of 0.00% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

BOROUGH OF BLOOMINGDALE SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017

Financial Planning, Accounting and Reporting (Continued)

Board Secretary's Records

The Board Secretary's records were found to be in good condition.

Treasurer's Records

The Treasurer's records were found to be in good condition.

Fixed Assets

The general fixed assets records were updated for the additions and disposals of general fixed assets made during the year.

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

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 Titles I and Title II of the Elementary and Secondary Education Act as amended.

The study of compliance for E.S.E.A. indicated no areas of noncompliance and/or questionable costs.

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 the special projects indicated no areas of noncompliance.

BOROUGH OF BLOOMINGDALE SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for the 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 amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the school district to reimburse the State for the TPAF/FICA payments be made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-2 contains definitions for terms used throughout N.J.S.A. 18A:18A-1 et seq. It includes as subsection (p) the term 'competitive contracting', which is defined as "the method described in N.J.S.A. 18A:18A-4.1 through 18A:18A-4.5 and in rules promulgated by DCA at N.J.A.C. 5:34-4 of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal proposals are evaluated by the purchasing agent or counsel or school business administrator; and the board of education awards a contract to a vendor or vendors from among the formal proposals received." Also, subsection (aa) defines the term 'concession' to exclude vending machines.

N.J.S.A. 18A:18A-3(a) sets forth the bid threshold and requires award by board resolution. There is a higher threshold when there is a "Qualified Purchasing Agent" (QPA) in the district as defined at N.J.A.C. 5:34-1.1 and certified upon approval of an application submitted to DCA. Pursuant to N.J.S.A. 18A:18A-3(b), the bid threshold may be adjusted by the Governor, in consultation with the Department of Treasury, every five years.

N.J.S.A. 18A:18A-4.4 provides boards of education the authority to pass a resolution authorizing the use of competitive contracting. "In order to initiate competitive contracting, the board of education shall pass a resolution authorizing the use of competitive contracting each time specialized goods or services enumerated in sections 45 of L. 1999, c.440 are desired to be contracted."

Effective July 1, 2015 and thereafter, 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 Agency) 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.

BOROUGH OF BLOOMINGDALE SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017

School Purchasing Programs (continued)

Contracts and Agreements Requiring Advertisement for Bids (continued)

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.

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*, amended.

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

School Food Service

The financial transactions and statistical records of the school food services were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

The District utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with *N.J.S.A. 18A:17-34*, and 19-1 through 19-4.1. Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will break even with certain conditions. The operating results provision has been met.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. Net cash resources did not exceed three months average expenditures.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education. No exceptions were noted.

BOROUGH OF BLOOMINGDALE SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017

School Food Service (continued)

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

Finding 2017-01:

The number of school breakfast meals under the category (severe needs) were over claimed resulting in an overpayment to Bloomingdale in the amount of \$1,479.57.

Recommendation:

That care be taken when submitting information to the school nutrition electronic application and reimbursement system.

Management Response:

Care will be taken when submitting information to the school nutrition electronic application and reimbursement system. Also, moving forward, Maschio's Food Service Company will be inputting the information instead of the business office staff.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications and/or to the list of directly certified students on file, times the number of operating days, on a school by school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review.

USDA Food Distribution Program (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

The School District Food Service Management Company maintains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

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

BOROUGH OF BLOOMINGDALE SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017

Student Body Activities

A cash receipts and disbursements record was maintained in good order.

Cash disbursements had proper signatures and supporting documentation.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2016 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 A.S.S.A. was compared to the district workpapers with the following exception:

Finding 2017-02:

One (1) private school student moved out of the district before the school year started, therefore there was no IEP on hand and the student should not have been included in the count. The results of our procedures are presented in the Schedule of Audited Enrollments.

Recommendation:

That care be taken when accounting for private school students on the ASSA.

Management Response:

Care will be taken in the future to account for private school students on the ASSA.

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

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2016-17 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report the following exception:

Finding 2017-03:

Five (5) students were recorded in the category 'Regular Education Transported', however, they are special education students and should have been put into the category 'Regular Special Education Transported.'

Recommendation:

That care be taken when classifying students as 'Regular Education Transported' and 'Regular Special Education Transported.'

BOROUGH OF BLOOMINGDALE SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017

Pupil Transportation (continued)

Management Response:

The Board office feels this was a coding issue and will make sure to check student classifications before including them in their respective categories in the future.

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. No exceptions were noted in our review of transportation related purchases of goods and services.

BOROUGH OF BLOOMINGDALE SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017

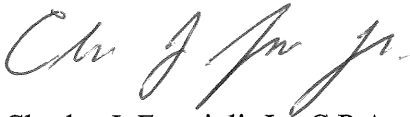
Follow-up on Prior Years' Findings

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations. Corrective action had 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



Charles J. Ferraioli, Jr., C.P.A.
Licensed Public School Accountant
No. 749

Ferraioli, Wielkocz, Cerullo & Cuva, PA
Ferraioli, Wielkocz, Cerullo & Cuva, P.A.
Certified Public Accountants

SCHEDULE OF MEAL COUNT ACTIVITY

BOROUGH OF BLOOMINGDALE SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - FEDERAL
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<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	26,206	1,299	1,299	-	0.30	-
	Reduced	2,814	164	164	-	2.76	-
	Free	16,021	843	843	-	3.16	-
	Total	45,041	2,306	2,306	-		-
National School Lunch	HHFKA	45,041	2,306	2,306	-	0.06	-
School Breakfast (Regular Rate)	Paid	8	-	-	-	0.29	-
	Reduced	4	-	-	-	1.41	-
	Free	21	-	-	-	1.71	-
	Total	33	-	-	-		-
School Breakfast (Severe Needs)	Paid	731		8	(723)	0.29	(209.67)
	Reduced	54		3	(51)	1.74	(88.74)
	Free	1,002	30	423	(579)	2.04	(1,181.16)
	Total	1,787	30	434 (1)	(1,353)		(1,479.57)
Total Net (Over) / Under Claim							<u><u>\$(1,479.57)</u></u>

(1) The 1,353 difference represents the overclaim amount on the October 2016 School Nutrition Electronic Application and Reimbursement System, which is the difference between the Meals Claimed and Meals Verified.

SCHEDULE OF MEAL COUNT ACTIVITY

BOROUGH OF BLOOMINGDALE SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - STATE
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<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	26,206	1,299	1,299	-	0.04	-
	Reduced	2,814	164	164	-	0.055	-
	Free	16,021	843	843	-	0.055	-
	Total	45,041	2,306	2,306	-		-
Total Net (Over) / Under Claim							<u>\$ -</u>

SCHEDULE OF AUDITED ENROLLMENTS

BLOOMINGDALE SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2016

2017-2018 Application for State School Aid

	Reported on A.S.S.A. On Roll			Workpapers			Errors			Sample Selected from Workpapers			Verified per Registrars On Roll			Errors per Registrars On Roll			Reported on A.S.S.A. as Private Schools			Sample Verification for Disabled			
	Full	Shared	On Roll	Full	Shared	On Roll	Full	Shared	On Roll	Full	Shared	On Roll	Full	Shared	On Roll	Full	Shared	On Roll	Full	Shared	On Roll	Full	Shared	On Roll	
Half Day Preschool	3		3									3													
Full Day Kindergarten	64		64						64			64													
One	54		54						54			54													
Two	51		51						51			51													
Three	48		48						48			48													
Four	52		52						52			52													
Five	43		43						43			43													
Six	55		55						55			55													
Seven	38		38						38			38													
Eight	59		59						59			59													
Subtotal	467	0	467	0	0	0	0	0	467	0	0	467	0	0	0	0	0	0	0	0	0	0	0	0	0
Special Ed - Elementary	55		55						42			42												3	3
Special Ed - Middle School	32		32						24			24												7	7
Special Ed - High School																								8	7
Subtotal	87	0	87	0	0	0	0	0	66	0	0	66	0	0	0	0	0	0	0	0	0	0	18	17	1
Total	554	0	554	0	0	0	0	0	533	0	0	533	0	0	0	0	0	0	0	0	0	0	20.5	18	17
Percent Error									0.00%			0.00%												0%	4.88%

SCHEDULE OF AUDITED ENROLLMENTS

BLOOMINGDALE SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2016

Enrollment Category	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Error	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Error
Full Day Kindergarten	26	26		14	14		4	4		3	3	
One	15	15		8	8		2	2		2	2	
Two	12	12		6	6		3	3		3	3	
Three	8	8		5	5		0	0		0	0	
Four	8	8		5	5		0	0		0	0	
Five	13	13		8	8		0	0		0	0	
Six	10	10		6	6		0	0		0	0	
Seven	10	10		6	6		0	0		0	0	
Eight	8	8		5	5		0	0		0	0	
Nine	8	8		4	4		1	1		1	1	
Ten	9	9		5	5		1	1		1	1	
Eleven	10	10		6	6		0	0		0	0	
Twelve	13	13		8	8		0	0		0	0	
Subtotal	150	150	0	86	86	0	11	11	0	10	10	0
Special Ed - Elementary	23	23		14	14		0	0		0	0	
Special Ed - Middle School	14	14		9	9		0	0		0	0	
Special Ed - High School	9	9		6	6		0	0		0	0	
Subtotal	46	46	0	29	29	0	0	0	0	0	0	0
Total	196	196	0	115	115	0	11	11	0	10	10	0
Percent Error			0.00%			0.00%			0%			0%

SCHEDULE OF AUDITED ENROLLMENTS
BLOOMINGDALE SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2016

Enrollment Category	Resident LEP NOT Low Income				Sample for Verification			
	Reported on ASSA as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Application and Register	Errors	Error
Full Day Kindergarten	0	0	0	0	0	0	0	0
One	0	0	0	0	0	0	0	0
Two	0	0	0	0	0	0	0	0
Three	0	0	0	0	0	0	0	0
Four	0	0	0	0	0	0	0	0
Five	0	0	0	0	0	0	0	0
Six	0	0	0	0	0	0	0	0
Seven	0	0	0	0	0	0	0	0
Eight	0	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	0	0
Special Ed - Elementary	0	0	0	0	0	0	0	0
Special Ed - Middle School	0	0	0	0	0	0	0	0
Special Ed - High School	0	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0
Percent Error	0%			0%			0%	
Regular - Public Schools, col. 1	Reported on DRTS by DOE/county 121	Reported on DRTS by District 121	Errors	Tested	Verified	Errors	Errors	
Regular - SpEd, col. 4	2	2		2	2		5	
Transported - Non-Public, col. 2	0	0		0	0			
Special Ed Spec, col. 6	44	44		38	38			
Totals	167	167	0	123	118		5	
Percentage Error	0.00%			0%			4.07%	

EXCESS SURPLUS CALCULATION

REGULAR DISTRICT/CHARTER SCHOOL/RENAISSANCE SCHOOL PROJECT

SECTION 1

A. 2% Calculation of Excess Surplus

2016-17 Total General Fund Expenditures per the CAFR, Ex.C-1	\$	<u>20,458,829.80</u>	(B)
Increased by:			
Transfer from Capital Outlay to Capital Projects Fund	\$	<u> </u>	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$	<u> </u>	(B1b)
Transfer from General Fund to SRF for PreK-Regular	\$	<u> </u>	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$	<u> </u>	(B1d)
Decreased by:			
On-Behalf TPAF Pension & Social Security	\$	<u>1,212,190.00</u>	(B2a)
Assets Acquired Under Capital Leases	\$	<u> </u>	(B2b)
Adjusted 2016-17 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$	<u>19,246,639.80</u>	(B3)
2% of Adjusted 2016-17 General Fund Expenditures			
[(B3) times .02]	\$	<u>384,932.80</u>	(B4)
Enter Greater of (B4) or \$250,000	\$	<u>384,932.80</u>	(B5)
Increased by: Allowable Adjustment *	\$	<u>554,812.00</u>	(K)
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]	\$	<u><u>939,744.80</u></u>	(M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-17 (Per CAFR Budgetary Comparison Schedule C-1)	\$	<u>4,182,630.35</u>	(C)
Decreased by:			
Year-end Encumbrances	\$	<u>68,021.02</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$	<u> </u>	(C2)
Legally Restricted Excess Surplus - Designated for Subsequent Year's Expenditures **	\$	<u>795,289.26</u>	(C3)
Other Restricted Fund Balances****	\$	<u>845,510.50</u>	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$	<u>1,024,691.74</u>	(C5)
Additional Assigned Fund Balance - Unreserved- Designated for Subsequent Year's Expenditures July 1, 2017 - August 1, 2017	\$	<u> </u>	(C6)*****
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	\$	<u><u>1,449,117.83</u></u>	(U1)

SECTION 3

Restricted Fund Balance - Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0- \$ 509,373.03 (E)

Recapitulation of Excess Surplus as of June 30, 2017

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 795,289.26	(C3)
Reserved Excess Surplus ***[(E)]	\$ 509,373.03	(E)
Total Excess Surplus [(C3) + (E)]	\$ <u>1,304,662.29</u>	(D)

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, 2016 the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve - General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
 - (I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);
 - (J1) Extraordinary Aid;
 - (J2) Additional Nonpublic School Transportation Aid;
 - (J3) Recognized current year School Bus Advertising Revenue; and
 - (J4) Family Crisis Transportation Aid.

Detail of Allowable Adjustments

Impact Aid	\$ _____	(H)
Sale & Lease-back	\$ _____	(I)
Extraordinary Aid	\$ 535,498.00	(J1)
Additional Nonpublic School Transportation Aid	\$ 19,314.00	(J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____	(J3)
Family Crises Transportation Aid	\$ _____	(J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)]	\$ <u>554,812.00</u>	(K)

** This amount represents the June 30, 2017 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amount must agree to the June 30, 2017 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 another 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.

***** Increase in Assigned Fund Balance-Unreserved-Designated for Subsequent Year's expenditures July 1, 2017 to August 1, 2017 resulting from decrease in state aid after adoption of 2017-18 district budget.

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$ _____
Sale/Lease-back reserve	\$ _____
Capital reserve	\$ <u>93,149.53</u>
Maintenance reserve	\$ _____
Emergency reserve	\$ _____
Tuition reserve	\$ <u>752,360.97</u>
School Bus Advertising 50% Fuel Offset Reserve-Current Year	\$ _____
School Bus Advertising 50% Fuel Offset Reserve-Prior Year	\$ _____
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ _____
Impact Aid General Fund Reserve (Sections 8007 and 8008)	\$ _____
Other state/government mandated reserve	\$ _____
[Other Restricted Fund Balance not noted above]****	\$ _____
 Total Other Restricted Fund Balance	 \$ <u>845,510.50</u> (C4)

**BOROUGH OF BLOOMINGDALE
BOARD OF EDUCATION**

**AUDIT FINDINGS & RECOMMENDATIONS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

RECOMMENDATIONS:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Programs

None

4. School Food Service

2017-01

That care be taken when submitting information to the school nutrition electronic application and reimbursement system.

Recommendation:

That care be taken when submitting information to the school nutrition electronic application and reimbursement system.

5. Student Activity Fund

None

6. Application for State School Aid

2017-02

That care be taken when accounting for private school students on the ASSA.

Recommendation:

That care be taken when accounting for private school students on the ASSA.

**BOROUGH OF BLOOMINGDALE
BOARD OF EDUCATION**

**AUDIT FINDINGS & RECOMMENDATIONS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)**

7. Pupil Transportation

* 2017-03

That care be taken when classifying students as 'Regular Education Transported' and 'Regular Special Education Transported.'

Recommendation:

That care be taken when classifying students as 'Regular Education Transported' and 'Regular Special Education Transported.'

8. Facilities and Capital Assets

None

9. Miscellaneous

None

10. Follow-up on Prior Year Findings

A review was performed on the prior year recommendations and corrective action was taken on all prior year findings except those denoted with an asterisk (*).