

CHERRY HILL TOWNSHIP SCHOOL DISTRICT

Cherry Hill, New Jersey
County of Camden

**Auditor's Management Report on Administrative Findings -
Financial, Compliance and Performance
for The Year Ended June 30, 2017**

**MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE**

TABLE OF CONTENTS

	PAGE
Report of Independent Auditors - Auditor's Management Report on Administrative Findings, Financial Compliance and Performance	1
Scope of Audit	3
Administrative Practices and Procedures:	
Insurance	3
Official Bonds	3
Tuition Charges	3
Financial Planning, Accounting and Reporting:	
Examination of Claims	3
Payroll Account	4
Reserve for Encumbrances and Accounts Payable	4
Classification of Expenditures	4
Board Secretary's Records	4
Treasurer's Records	4
Elementary & Secondary School Education Act (E.S.E.A.), as amended by the Improving America's Schools Act of 1994 (I.A.S.A.)	5
Other Special Federal and/or State Project	5
T.P.A.F. Reimbursement	5
Demonstrably Effective Program Accounting	N/A
School Purchasing Programs:	
Contracts & Agreements Requiring Advertisement for Bids	5
School Food Service	6
Student Body Activities	7
Application for State School Aid	7
Pupil Transportation	7
Facilities and Capital Assets	7
Miscellaneous	8
Follow-up on Prior Year Findings	8
Office of Fiscal Accountability and Compliance (OFAC) Findings	8
Acknowledgment	8
Additional Information:	
Schedule of Audited Enrollments	11
Excess Surplus Calculation	15
Audit Recommendations Summary	17

This page intentionally left blank



HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

680 Hooper Avenue, Bldg B, Suite 201, Toms River, NJ 08753 • Tel: 732.797.1333

618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612

912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800

6 E. Park Street, P.O. Box 614, Bordentown, NJ 08505 • Tel: 609.298.8639

194 East Bergen Place, Red Bank, NJ 07701 • Tel: 732.747.0010

795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090

926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090

www.hfacpas.com

**AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE**

Honorable President and Members
of the Board of Education
Cherry Hill Township School District
County of Camden
Cherry Hill, 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 Cherry Hill Township School District in the County of Camden for the year ended June 30, 2017, and have issued our report thereon dated November 15, 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 Cherry Hill Township 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,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
November 15, 2017

This page intentionally left blank



**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, 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 School 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>
Lynn Shugars	Board Secretary/School Business Administrator	\$700,000
Debra DiMattia	Treasurer	\$250,000

There is a Public Employee's Faithful Performance Blanket Position Bond with the New Jersey School Board Association Insurance Group covering all other employees with multiple coverage of \$500,000 each person/\$50,000 per loss.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The School District made a proper adjustment to the billings to sending districts for the decrease in per pupil cost in accordance with *N.J.A.C.6A:23A-17.1(f)3*.

Financial Planning, Accounting and Reporting

Examination of Claims

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

Financial Planning, Accounting and Reporting (continued)

Payroll Account (continued)

The net salaries of sampled employees of the board were deposited in the Payroll Account. Employee's payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

Sampled payrolls were approved by the Superintendent and were certified by the President of the Board and the School Business Administrator/Board Secretary.

Sampled salary withholdings were promptly remitted to the proper agencies, including health benefits premium amounts withheld due to the general fund.

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

Employee Position Control Roster

A sample inquiry and subsequent review of the Position Control Roster found no inconsistencies between the payroll records, employee benefit records (e.g. pension reports and health benefit coverage reports), the general ledger accounts to where wages are posted (administrative versus instruction), and the Position Control Roster.

Reserve for Encumbrances and Accounts Payable

A sample of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable. No exceptions were noted.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A:23 A-16.29(f)* as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of a sample of 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, a transaction error rate of zero percent overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

Our review of the financial and accounting records maintained by the board secretary were found to be in satisfactory condition.

Treasurer's Records

Our review of the financial and accounting records maintained by the Treasurer of School Monies were found to be in satisfactory condition.

Elementary and Secondary Education Act (E.S.E.A.)/Improving America’s Schools Act (I.A.S.A.) as Reauthorized by the No Child Left Behind Act of 2001.

The E.S.E.A. / N.C.L.B. 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, II, and III of the Elementary and Secondary Education Act as amended and reauthorized.

Other Special Federal and/or State Projects

The School 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 sample 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 sample test of the biweekly reimbursements forms filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

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

The 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 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-1 et seq. (Public School Contracts Law), the associated rules and related information on the statute, and school contracts in general is 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&headigswithhits=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 \$18,800 for 2016-17.

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 tests on sample basis, 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 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*.

School Food Service

The financial transactions and statistical records of the school food service fund were reviewed on sample basis. The financial accounts, meal count records and eligibility applications were reviewed on a sample basis.

Cash receipts and bank records were reviewed on a sample basis 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 return a profit of at least \$129,239. The operating results provision has been met.

Expenditures should be separately recorded as food, labor and other costs. Vendor invoices were reviewed on sample basis 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 on a sample basis and labor costs verified. On a sample basis, payroll records were maintained on school food services employees authorized by the board of education/board of trustees. No exceptions were noted.

The number of meals claimed for reimbursement was compared to 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.

Applications for free and reduced price meals were reviewed on sample basis for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications /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 Statement of Revenues, Expenses, and Changes in Fund Net Assets (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

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

Student Body Activities

Our review of the financial and accounting records for student activities indicated they were in satisfactory condition.

Application for State School Aid (ASSA)

Our audit procedures included a sample test of information reported in the October 15, 2016 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped and low-income, and bilingual. We also performed a review on a sample basis of the School District's procedures related to its completion. The information on the ASSA was compared to the School District workpapers without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments

The School District maintained workpapers on the prescribed state forms of their equivalent.

The School District written procedures appear to be adequate for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a sample test of on roll status reported in the 2016-2017 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 results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a sample of transportation contracts and purchases. Based on our sample, the School 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 sampling of transportation related purchases of goods and services.

Facilities and Capital Assets

Our review of the financial and accounting records for capital assets indicated they were in satisfactory condition.

Miscellaneous

The School District complied with continuing disclosure agreements in relation to prior year(s) bond issuances.

Follow-up on Prior Year Findings

In accordance with *Governmental Auditing Standards*, our procedures included a review of all prior year recommendations including findings. Corrective action had been taken on all prior year findings.

Office of Fiscal Accountability and Compliance (OFAC) Findings

There were no Office of Fiscal Accountability and Compliance (OFAC) audit reports issued during the fiscal year ended June 30, 2017.

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,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
November 15, 2017

ADDITIONAL INFORMATION

This page intentionally left blank

SCHEDULE OF AUDITED ENROLLMENTS (1)

CHERRY HILL TOWNSHIP
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 14, 2016

	2017-2018 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on A.S.S.A. On Roll		Workpapers On Roll		Errors Full Shared		Sample Selected from Workpapers Full Shared		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools		Sample for Verification	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool 3 Years	69	-	-	-	-	-	10	-	10	-	-	-	-	-	-	-
Half Day Preschool 4 Years	121	-	-	-	-	-	15	-	15	-	-	-	-	-	-	-
Half Day Kindergarten	556	-	-	-	-	-	15	-	15	-	-	-	-	-	-	-
Full Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
First	673	-	-	-	-	-	15	-	15	-	-	-	-	-	-	-
Second	669	-	-	-	-	-	15	-	15	-	-	-	-	-	-	-
Third	688	-	-	-	-	-	15	-	15	-	-	-	-	-	-	-
Fourth	714	-	-	-	-	-	15	-	15	-	-	-	-	-	-	-
Fifth	699	-	-	-	-	-	15	-	15	-	-	-	-	-	-	-
Sixth	705	-	-	-	-	-	15	-	15	-	-	-	-	-	-	-
Seventh	733	-	-	-	-	-	16	-	16	-	-	-	-	-	-	-
Eighth	766	-	-	-	-	-	16	-	16	-	-	-	-	-	-	-
Nine	745	-	-	-	-	-	20	-	20	-	-	-	-	-	-	-
Ten	758	-	-	-	-	-	20	-	20	-	-	-	-	-	-	-
Eleven	738	-	-	-	-	-	20	-	20	-	-	-	-	-	-	-
Twelve	791	-	-	-	-	-	21	-	21	-	-	-	-	-	-	-
Subtotal	9,425	-	-	-	-	-	243	-	243	-	-	-	-	-	-	-
Special Ed - Elementary	658	-	-	-	-	-	25	-	25	-	-	-	-	14	9	9
Special Ed - Middle School	438	-	-	-	-	-	25	-	25	-	-	-	-	19	13	13
Special Ed - High School	523	-	-	-	-	-	25	-	25	-	-	-	-	70	49	49
Subtotal	1,619	-	-	-	-	-	75	-	75	-	-	-	-	103	71	71
Totals	11,044	-	-	-	-	-	318	-	318	-	-	-	-	103	71	71

Percentage Error

-

SCHEDULE OF AUDITED ENROLLMENTS (2)

CHERRY HILL TOWNSHIP
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2016

	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 & 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 & Register	Sample Errors
Half Day Kindergarten	-	-	-	-	-	-	24	24	-	15	15	-
Full Day Kindergarten	79	79	-	8	8	-	-	-	-	-	-	-
First	129	129	-	19	19	-	23	23	-	15	15	-
Second	129	129	-	17	17	-	13	13	-	9	9	-
Third	144	144	-	18	18	-	13	13	-	9	9	-
Fourth	121	121	-	13	13	-	4	4	-	3	3	-
Fifth	120	120	-	16	16	-	6	6	-	4	4	-
Sixth	119	119	-	13	13	-	3	3	-	2	2	-
Seventh	137	137	-	18	18	-	4	4	-	3	3	-
Eighth	138	138	-	18	18	-	4	4	-	3	3	-
Nine	141	141	-	20	20	-	4	4	-	3	3	-
Ten	128	128	-	18	18	-	2	2	-	2	2	-
Eleven	137	137	-	17	17	-	4	4	-	3	3	-
Twelve	126	126	-	16	16	-	5	5	-	4	4	-
Subtotal	1,648	1,648	-	211	211	-	109	109	-	75	75	-
Special Ed - Elementary	195	195	-	30	30	-	12	12	-	8	8	-
Special Ed - Middle School	156	156	-	23	23	-	-	-	-	-	-	-
Special Ed - High School	160	160	-	19	19	-	2	2	-	1	1	-
Subtotal	511	511	-	72	72	-	14	14	-	9	9	-
Totals	2,159	2,159	-	283	283	-	123	123	-	84	84	-
Percentage Error	-	-	-	-	-	-	-	-	-	-	-	-

Transportation

	Reported on DRTS by DOE/County		Reported on District		Errors		Tested		Verified		Errors	
	DRTRs	by District	DRTRs	by District	Tested	Verified	Tested	Verified	Tested	Verified	Tested	Verified
Reg. - Public Schools, col. 1	2,756	2,756	-	-	184	184	-	-	-	-	-	-
Reg - SpEd, col. 4	755	755	-	-	50	50	-	-	-	-	-	-
Transported - Non-Public, col. 3	377	377	-	-	25	25	-	-	-	-	-	-
AIL, col. 2	443	443	-	-	30	30	-	-	-	-	-	-
Special Ed Spec, col. 6	212	212	-	-	14	14	-	-	-	-	-	-
Totals	4,543	4,543	-	-	303	303	-	-	-	-	-	-
Percentage Error	-	-	-	-	-	-	-	-	-	-	-	-

SCHEDULE OF AUDITED ENROLLMENTS (3)

**CHERRY HILL TOWNSHIP
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2016**

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Kindergarten	26	26	-	17	17	-
Full Day Kindergarten	-	-	-	-	-	-
First	23	23	-	15	15	-
Second	12	12	-	9	9	-
Third	5	5	-	3	3	-
Fourth	7	7	-	5	5	-
Fifth	5	5	-	3	3	-
Sixth	3	3	-	2	2	-
Seventh	1	1	-	1	1	-
Eighth	3	3	-	2	2	-
Nine	6	6	-	4	4	-
Ten	4	4	-	3	3	-
Eleven	4	4	-	4	4	-
Twelve	3	3	-	1	1	-
Subtotal	102	102	-	69	69	-
Special Ed - Elementary	6	6	-	4	4	-
Special Ed - Middle School	-	-	-	-	-	-
Special Ed - High School	1	1	-	1	1	-
Subtotal	7	7	-	5	5	-
Totals	109	109	-	74	74	-
Percentage Error			<u>-</u>			<u>-</u>

SCHEDULE OF MEAL COUNT ACTIVITY - FEDERAL

**CHERRY HILL TOWNSHIP
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - FEDERAL
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(MEMORANDUM ONLY)**

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE	(OVER)/ UNDER CLAIM
National School Lunch (Regular Rate)	Paid	316,525	88,141	88,141	-	0.28	-
	Reduced	23,843	6,403	6,403	-	2.53	-
	Free	62,363	17,202	17,202	-	2.93	-
	Total	402,731	111,746	111,746	-	-	-
National School Breakfast (Regular Rate)	Paid	10,556	2,676	2,676	-	0.28	-
	Reduced	3,432	861	861	-	1.28	-
	Free	11,662	3,044	3,044	-	1.58	-
	Total	25,650	6,581	6,581	-	-	-
National School Breakfast - Severe Need (Regular Rate)	Paid	649	212	212	-	0.28	-
	Reduced	16	9	9	-	1.59	-
	Free	1,496	416	416	-	1.89	-
	Total	2,161	637	637	-	-	-

EXCESS SURPLUS CALCULATION

A. 2% Calculation of Excess Surplus

2016-2017 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>198,961,506</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	\$ <u>40,830</u> (B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ <u>2,479,333</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>20,665,191</u> (B2a)
Assets Acquired Under Capital Leases	\$ <u>-</u> (B2b)
Adjusted 2016-2017 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ <u>180,816,478</u> (B3)
2% of adjusted 2016-2017 General Fund Expenditures [(B3) times .02]	\$ <u>3,616,330</u> (B4)
Enter Greater of (B4) or \$250,000	\$ <u>3,616,330</u> (B5)
Increased by: Allowable Adjustment *	\$ <u>1,084,857</u> (K)
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]	\$ <u>4,701,187</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 06/30/2017 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>22,219,756</u> (C)
Decreased by:	
Year-End Encumbrances	\$ <u>796,774</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ <u>6,169,638</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>-</u> (C3)
Other Restricted Fund Balances ****	\$ <u>8,844,441</u> (C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ <u>39,094</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>6,369,809</u> (U1)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER -0- \$ 1,668,622 (E)

Recapitulation of Excess Surplus as of June 30, 2017

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures ** \$ _____ - (C3)
 Reserved Excess Surplus *** [(E)] \$ 1,668,622 (E)
 Total Excess Surplus [(C3) + (E)] \$ 1,668,622 (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 of 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	\$ <u>983,341</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>101,516</u> (J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____ - (J3)
Family Crisis Transportation Aid	\$ _____ - (J4)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	 \$ <u>1,084,857</u> (K)

- ** This amount represents the June 30, 2017 Excess Surplus (C3 above) and must be included in the Audit Summary Line 90031.
- *** Amount must agree to the June 30, 2017 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 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>8,844,441</u>
Maintenance Reserve	\$ _____ -
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 8002 and 8003)	\$ _____ -
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$ _____ -
Other state/government mandated reserve	\$ _____ -
[Other Restricted Fund Balance Not Noted Above] ****	\$ _____ -
 Total Other Restricted Fund Balance	 \$ <u>8,844,441</u> (C4)

AUDIT RECOMMENDATIONS SUMMARY
For the Fiscal Year Ended June 30, 2017
Cherry Hill Township School District

Recommendations:

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
None
3. School Purchasing Programs
None
4. School Food Service
None
5. Student Body Activities
None
6. Application for State School Aid
None
7. Pupil Transportation
None
8. Facilities and Capital Assets
None
9. Miscellaneous
None
10. Status of Prior Year Audit Findings/Recommendations

A review was performed on the prior year recommendations and corrective action was taken on all prior year findings.