



EAST WINDSOR REGIONAL SCHOOL DISTRICT

Hightstown, New Jersey
County of Mercer

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

JUNE 30, 2017

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REPORT OF INDEPENDENT AUDITORS

Honorable President and Members
of the Board of Education
East Windsor Regional School District
County of Mercer
Hightstown, New Jersey

We have audited, in accordance with generally accepted auditing 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 East Windsor Regional School District, County of Mercer as of and for the year ended June 30, 2017, and have issued our report thereon dated November 17, 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 solely for the information of the East Windsor Regional School District's management, Board of Education members, and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.



Scott A. Clelland
Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

Livingston, New Jersey
November 17, 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

Insurance coverage was carried in the amounts as detailed on 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>
Paul Todd	Business Administrator	\$ 400,000
John Calavano	Treasurer	400,000

Tuition Charges

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

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period did not indicate any discrepancies with respect to signatures, certification or supporting documentation. No discrepancies or exceptions were noted.

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/Business Administrator.

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

Payrolls were delivered to the Secretary of the Board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

No exceptions were noted during our testing of payroll.

Employee Position Control Roster

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

Reserve for Encumbrances and Accounts Payable

A review 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: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, we also selected a sample of 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 0% 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 did not identify any exceptions.

Treasurer's Records

No exceptions were noted during our review of the financial and accounting records maintained by the Treasurer.

Elementary and Secondary Education Act (ESEA)/Improving America's Schools Act (IASA) as reauthorized by the No Child Left Behind Act of 2001

The ESEA/NCLB financial exhibits are contained within the Special Revenue Section of the Comprehensive Annual Financial Report (CAFR). This section of the CAFR documents the financial position pertaining to the projects under the NCLB Act as amended and reauthorized.

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 Schedules A (K-3) and B (K-4) 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 instances of noncompliance that are required to be reported in accordance with the Uniform Guidance or State OMB Circular 15-08. However, we identified the following:

Finding 2017-001:

Finding:

During our testing of the IDEA program, we noted that the 15/16 IDEA Preschool Final Report over-reported expenditures. This resulted in a reimbursement being received that was due back to the State at June 30, 2017.

Recommendation:

We suggest the District implement procedures to ensure that the actual expenditures are used when filing the final IDEA report.

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 Teacher's 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.

Non-Public State Aid

Our review of Nonpublic State Aid completion reports disclosed no exceptions.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

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 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.

Procedures were performed on a test basis, to indicate if any individual payments, contracts, or agreements were 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*, as amended.

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. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. No exceptions were noted.

The cash receipts and bank records were reviewed on a test basis for timely deposits without exception.

Expenditures should be separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food 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 exceeded three months average expenditures.

Finding 2017-002:

Finding:

The Department of Agriculture requires school districts to limit net cash resources to an amount that does not exceed 3 months average expenditures. The District was not in compliance with this requirement.

Recommendation:

We suggest the District utilize available cash resources to purchase equipment that is in need of repair or replacement, improve food quality or take other appropriate actions to reduce the excess cash resources.

The District does not have any School Food Services employees authorized by the Board of Education.

The District utilizes a food service management company (FSMC) and is depositing and expending 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 generate a return of \$100,000. The operating results provision has been met for the year ended June 30, 2017.

The number of meals claimed for reimbursement was compared to sales and meal count records on a test basis. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner. No exceptions were noted.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served 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 is uniformly administered 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. No exceptions were noted.

USDA Food Donation program commodities were received and a separate inventory was maintained on a first-in, first-out basis. No exceptions were noted. The District 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 B of the CAFR.

During our testing of the food service enterprise fund, we noted the following:

Finding 2017-003:

Finding:

The U.S. Department of Agriculture (USDA) regulations at 7 CFR 210.14 (e) requires all school food authorities participating in the National School Lunch Program to ensure sufficient funds are provided to the school food service account for meals served to students not eligible for free or reduced price meals. Under these regulations, all school food authorities are required to annually calculate their weighted average price (WAP) for paid lunches. The District performed this calculation which resulted in a required price increase, however, the prices were not increased and therefore not in compliance with the U.S. Department of Agriculture paid lunch equity requirement.

Recommendation:

We suggest the District raise school lunch prices through an authorized Board resolution to comply with the paid lunch equity requirement. We noted the District did take the appropriate action during the 2017-18 fiscal year.

Student Body Activities

Our audit procedures included a test of items selected from cash receipts and disbursements for the student activity accounts and noted no exceptions.

Application for State School Aid

Our audit procedures included a test of information reported in the October 14, 2016 Application for State School Aid (A.S.S.A.) 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 as identified in the Schedule of Audited Enrollments, with minor differences.

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 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 exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments, with minor differences.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. 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

Our procedures included a review of New Jersey Schools Development Authority ("NJSDA") grant agreements for consistency with recording the NJSDA revenue, transfer of local funds from the General Fund or from the capital reserve, and awarding of contracts for eligible facilities construction. No exceptions were noted.

Follow-up on Prior Year's Findings

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations including findings. Corrective action has been taken on all prior year findings with the exception of the following, which are repeated in this year's recommendations. These comments that have been repeated are not considered material and are not considered to be of a substantive nature.

- The net cash resources in the food service enterprise fund exceeded the three months average expenditures
- The paid lunch equity requirement in the food service enterprise fund was under the prescribed limits

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

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.

SCHEDULE OF MEAL COUNT ACTIVITY

EAST WINDSOR REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND - FOOD SERVICE
NUMBER OF MEALS SERVED - FEDERAL
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 (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
National School Lunch (Regular Rate)	Paid	182,196	182,196	182,196	-	\$ 0.32	\$ -
National School Lunch (Regular Rate)	Reduced	54,839	54,839	54,839	-	2.78	-
National School Lunch (Regular Rate)	Free	214,687	214,687	214,687	-	3.18	-
	TOTAL	<u>451,722</u>	<u>451,722</u>	<u>451,722</u>			<u>-</u>
National School Lunch	HHFKA	<u>451,722</u>	<u>451,722</u>	<u>451,722</u>	-	\$ 0.06	\$ -
School Breakfast (Severe Needs Rate)	Paid	19,668	19,668	19,668	-	\$ 0.29	\$ -
	Reduced	10,163	10,163	10,163	-	1.74	-
	Free	68,533	68,533	68,533	-	2.04	-
	TOTAL	<u>98,364</u>	<u>98,364</u>	<u>98,364</u>			<u>-</u>
Total Net Under (Over) claim							<u>\$ -</u>

SCHEDULE OF MEAL COUNT ACTIVITY

EAST WINDSOR REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND - FOOD SERVICE
NUMBER OF MEALS SERVED - STATE
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 (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
State Reimbursement - National School Lunch (Regular Rate)	Paid	182,196	182,196	182,196	-	\$ 0.04	\$ -
State Reimbursement - National School Lunch (Regular Rate)	Reduced	54,839	54,839	54,839	-	0.055	-
State Reimbursement - National School Lunch (Regular Rate)	Free	214,687	214,687	214,687	-	0.055	-
	TOTAL	<u>451,722</u>	<u>451,722</u>	<u>451,722</u>			<u>-</u>

Total Net Under (Over) claim

\$ -

EAST WINDSOR REGIONAL SCHOOL DISTRICT

NET CASH RESOURCE SCHEDULE
 Net cash resources exceeded three months of expenditures
 Proprietary Funds - Food Service
 Year ended June 30, 2017

<u>Net Cash Resources:</u>		<u>Food Service B - 4/5</u>	
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 697,453
B-4		Accounts Receivable - State	1,552
B-4		Accounts Receivable - Federal	79,207
B-4		Accounts Receivable - Other	
CAFR		Current Liabilities	
B-4		Less Accounts Payable	
B-4		Less Accruals	
B-4		Less Due to Other Funds	
B-4		Less Unearned Revenue	<u>(25,555)</u>
		Net Cash Resources	<u><u>\$ 752,657</u></u> (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	1,858,803	
B-5	Less Depreciation	<u>(43,850)</u>	
	Adj. Tot. Oper. Exp.	<u><u>\$ 1,814,953</u></u>	(B)

Average Monthly Operating Expense:

B / 10	<u><u>\$ 181,495</u></u>	(C)
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Three times monthly Average:

3 X C	<u><u>\$ 544,486</u></u>	(D)
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TOTAL IN BOX A	<u>\$ 752,657</u>
LESS TOTAL IN BOX D	<u>\$ 544,486</u>
NET	<u><u>\$ 208,171</u></u>

From above:

A is greater than D, cash exceeds 3 X average monthly operating expenses.
D is greater than A, cash does not exceed 3 X average monthly operating expenses.

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

SOURCE - USDA resource management comprehensive review form.

SCHEDULE OF AUDITED ENROLLMENTS

EAST WINDSOR REGIONAL SCHOOL DISTRICT
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		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
3 Preschool	8.0	-	8.0	-	-	-	8.0	-	8.0	-	-	-	-	-	-	-
4 Preschool	20.0	-	20.0	-	-	-	20.0	-	20.0	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	343.0	-	343.0	-	-	-	54.0	-	54.0	-	-	-	-	-	-	-
One	342.0	-	342.0	-	-	-	60.0	-	60.0	-	-	-	-	-	-	-
Two	320.0	-	320.0	-	-	-	76.0	-	76.0	-	-	-	-	-	-	-
Three	375.0	-	375.0	-	-	-	81.0	-	81.0	-	-	-	-	-	-	-
Four	379.0	-	379.0	-	-	-	107.0	-	107.0	-	-	-	-	-	-	-
Five	355.0	-	355.0	-	-	-	84.0	-	84.0	-	-	-	-	-	-	-
Six	373.0	-	373.0	-	-	-	373.0	-	373.0	-	-	-	-	-	-	-
Seven	382.0	-	382.0	-	-	-	382.0	-	382.0	-	-	-	-	-	-	-
Eight	420.0	-	420.0	-	-	-	420.0	-	420.0	-	-	-	-	-	-	-
Nine	356.0	-	356.0	-	-	-	356.0	-	356.0	-	-	-	-	-	-	-
Ten	338.0	-	338.0	-	-	-	338.0	-	338.0	-	-	-	-	-	-	-
Eleven	272.0	40.0	272.0	40.0	-	-	272.0	40.0	272.0	40.0	-	-	-	-	-	-
Twelve	305.0	42.0	305.0	42.0	-	-	305.0	42.0	305.0	42.0	-	-	-	-	-	-
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	<u>4,588.0</u>	<u>82.0</u>	<u>4,588.0</u>	<u>82.0</u>	<u>-</u>	<u>-</u>	<u>2,936.0</u>	<u>82.0</u>	<u>2,936.0</u>	<u>82.0</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special Ed - Elementary	244.0	-	244.0	-	-	-	10.0	-	10.0	-	-	-	5.0	5.0	5.0	-
Special Ed - Middle School	138.0	-	138.0	-	-	-	10.0	-	10.0	-	-	-	2.0	2.0	2.0	-
Special Ed - High School	143.0	55.0	143.0	55.0	-	-	10.0	-	10.0	-	-	-	13.5	11.0	11.0	-
Subtotal	<u>525.0</u>	<u>55.0</u>	<u>525.0</u>	<u>55.0</u>	<u>-</u>	<u>-</u>	<u>30.0</u>	<u>-</u>	<u>30.0</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20.5</u>	<u>18.0</u>	<u>18.0</u>	<u>-</u>
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	<u>5,113.0</u>	<u>137.0</u>	<u>5,113.0</u>	<u>137.0</u>	<u>-</u>	<u>-</u>	<u>2,966.0</u>	<u>82.0</u>	<u>2,966.0</u>	<u>82.0</u>	<u>-</u>	<u>-</u>	<u>20.5</u>	<u>18.0</u>	<u>18.0</u>	<u>-</u>
Percentage Error					<u>0.00%</u>	<u>0.00%</u>					<u>0.00%</u>	<u>0.00%</u>				<u>0.00%</u>

SCHEDULE OF AUDITED ENROLLMENTS

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2016**

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as Low Income</u>	<u>Reported on Workpapers as Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>	<u>Reported on A.S.S.A. as LEP low Income</u>	<u>Reported on Workpapers as LEP low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Test Score and Register</u>	<u>Sample Errors</u>
3 Preschool	-	-	-	-	-	-	-	-	-	-	-	-
4 Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	129.0	129.0	-	37.0	37.0	-	57.0	57.0	-	31.0	31.0	-
One	156.0	156.0	-	50.0	49.0	1.0	64.0	64.0	-	33.0	33.0	-
Two	122.0	122.0	-	22.0	22.0	-	27.0	27.0	-	11.0	11.0	-
Three	155.0	155.0	-	32.0	32.0	-	32.0	32.0	-	21.0	21.0	-
Four	166.0	166.0	-	25.0	25.0	-	27.0	27.0	-	12.0	12.0	-
Five	137.0	137.0	-	21.0	21.0	-	12.0	12.0	-	7.0	7.0	-
Six	150.0	150.0	-	15.0	15.0	-	12.0	12.0	-	6.0	6.0	-
Seven	140.0	140.0	-	17.0	16.0	1.0	15.0	15.0	-	9.0	9.0	-
Eight	129.0	129.0	-	18.0	18.0	-	16.0	16.0	-	10.0	10.0	-
Nine	121.0	121.0	-	12.0	12.0	-	18.0	18.0	-	6.0	6.0	-
Ten	92.0	92.0	-	11.0	11.0	-	14.0	14.0	-	5.0	5.0	-
Eleven	86.5	86.5	-	7.0	7.0	-	13.0	13.0	-	3.0	3.0	-
Twelve	92.0	92.0	-	9.0	9.0	-	11.0	11.0	-	3.0	3.0	-
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	<u>1,675.5</u>	<u>1,675.5</u>	<u>-</u>	<u>276.0</u>	<u>274.0</u>	<u>2.0</u>	<u>318.0</u>	<u>318.0</u>	<u>-</u>	<u>157.0</u>	<u>157.0</u>	<u>-</u>
Special Ed - Elementary	146.0	146.0	-	5.0	5.0	-	6.0	6.0	-	2.0	2.0	-
Special Ed - Middle	68.0	68.0	-	2.0	2.0	-	3.0	3.0	-	1.0	1.0	-
Special Ed - High	87.5	87.5	-	1.0	1.0	-	1.0	1.0	-	1.0	1.0	-
Subtotal	<u>301.5</u>	<u>301.5</u>	<u>-</u>	<u>8.0</u>	<u>8.0</u>	<u>-</u>	<u>10.0</u>	<u>10.0</u>	<u>-</u>	<u>4.0</u>	<u>4.0</u>	<u>-</u>
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	<u>1,977.0</u>	<u>1,977.0</u>	<u>-</u>	<u>284.0</u>	<u>282.0</u>	<u>2.0</u>	<u>328.0</u>	<u>328.0</u>	<u>-</u>	<u>161.0</u>	<u>161.0</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.70%</u>			<u>0.00%</u>			<u>0.00%</u>

Transportation

	<u>Reported on DRTRS by DOE/county</u>	<u>Reported on DRTRS by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>		<u>Reported</u>	<u>Recalculated</u>
	Reg. - Public Schools, col. 1	2,370.0	2,370.0	-	222	219		3	Reg Avg.(Mileage) = Regular Including Grade PK students
Reg -SpEd, col. 4	241.5	241.5	-	24	24	-	Reg Avg.(Mileage) = Regular Excluding Grade PK students	4.1	4.1
Transported - AIL, col.2 & Non-Public, col. 3	278.0	278.0	-	25	25	-	Spec Avg. = Special Ed with Special Needs	5.5	5.5
Special Ed Spec, col. 6	240.5	240.5	-	24	24	-			
Totals	<u>3,130.0</u>	<u>3,130.0</u>	<u>-</u>	<u>295</u>	<u>292</u>	<u>3</u>			
Percentage Error						<u>1.02%</u>			

SCHEDULE OF AUDITED ENROLLMENTS

EAST WINDSOR REGIONAL SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2016

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as NOT Low Income</u>	<u>Reported on Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Test Score and Register</u>	<u>Sample Errors</u>
3 Preschool	-	-	-	-	-	-
4 Preschool	-	-	-	-	-	-
Full Day Kindergarten	16.0	16.0	-	1.0	1.0	-
One	11.0	11.0	-	3.0	3.0	-
Two	9.0	9.0	-	5.0	5.0	-
Three	9.0	9.0	-	3.0	3.0	-
Four	3.0	3.0	-	2.0	2.0	-
Five	3.0	3.0	-	2.0	2.0	-
Six	8.0	8.0	-	5.0	5.0	-
Seven	5.0	5.0	-	1.0	1.0	-
Eight	12.0	12.0	-	3.0	3.0	-
Nine	6.0	6.0	-	3.0	2.0	1.0
Ten	6.0	6.0	-	5.0	5.0	-
Eleven	6.0	6.0	-	1.0	1.0	-
Twelve	5.0	5.0	-	2.0	2.0	-
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	<u>99.0</u>	<u>99.0</u>	<u>-</u>	<u>36.0</u>	<u>35.0</u>	<u>1.0</u>
Special Ed - Elementary	1.0	1.0	-	-	-	-
Special Ed - Middle	1.0	1.0	-	-	-	-
Special Ed - High	-	-	-	-	-	-
Subtotal	<u>2.0</u>	<u>2.0</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Co. Voc. - Regular	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-
Totals	<u>101.0</u>	<u>101.0</u>	<u>-</u>	<u>36.0</u>	<u>35.0</u>	<u>1.0</u>
Percentage Error			<u>0.00%</u>			<u>2.78%</u>

EAST WINDSOR REGIONAL SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2017

SECTION 1

A. 2% Calculation of Excess Surplus

2016-17 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>93,042,160</u>	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$ _____	- (B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ _____	- (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, PRM, LTD and Social Security	\$ <u>10,352,920</u>	(B2a)
Assets Acquired Under Capital Leases	\$ _____	- (B2b)
Adjusted 2016-17 General Fund Expenditures [(B) + (B1s) - (B2s)]	\$ <u>82,689,240</u>	(B3)
2% of Adjusted 2016-17 General Fund Expenditures [(B3) times .02]	\$ <u>1,653,785</u>	(B4)
Enter Greater of (B4) or \$250,000	\$ <u>1,653,785</u>	(B5)
Increased by: Allowable Adjustment*	\$ <u>205,411</u>	(K)
Maximum Unassigned/Undesignated - Unreserved Fund Balance [(B5) + (K)]	\$ <u>1,859,196</u>	(M)

SECTION 2

Total General Fund - Fund Balances at 6-30-17 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>15,175,791</u>	(C)
Decreased by:		
Assigned Year End Encumbrances	\$ <u>2,356,702</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ <u>10,213</u>	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>800,000</u>	(C3)
Other Restricted Fund Balances****	\$ <u>8,986,444</u>	(C4)
Assigned Fund Balance-Unreserved- Designated for Subsequent Year's Expenditures	\$ <u>112,772</u>	(C5)
Additional Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures July 1, 2017 - August 1, 2017	\$ _____	- (C6)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	\$ <u>2,909,660</u>	(U1)

EAST WINDSOR REGIONAL SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2017

SECTION 3

Restricted Fund Balance - Excess Surplus ***
[(U1)-(M)] IF NEGATIVE ENTER -0- \$ 1,050,464 (E)

Recapitulation of Excess Surplus as of June 30, 2017

Reserved Excess Surplus - Designated for Subsequent Year's
Expenditures ** \$ 800,000 (C3)
Reserved Excess Surplus *** [(E)] \$ 1,050,464 (E)

Total Excess Surplus [(C3)+(E)] \$ 1,850,464 (D)

Detail of Allowable Adjustments

Impact Aid \$ - (H)
Sales & Lease-back \$ - (I)
Extraordinary Aid \$ 182,443 (J1)
Additional Nonpublic School Transportation Aid \$ 22,968 (J2)
Current Year School Bus Advertising Revenue Recognized \$ - (J3)
Family Crisis Transportation Aid \$ - (J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)] \$ 205,411 (K)

** This amount represents the June 30, 2016 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 Line 90030.

Amount for Other Restricted Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by 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.

EAST WINDSOR REGIONAL SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2017

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$	-
Sale/lease-back reserve	\$	-
Capital reserve	\$	4,790,645
Emergency reserve	\$	-
Maintenance reserve	\$	4,195,799
Tuition reserve	\$	-
School Bus Advertising 50% Fuel Offset-current year	\$	-
School Bus Advertising 50% Fuel Offset-prior year	\$	-
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$	-
Impact Aid General Fund Reserve (Sections 8007 and 8008)	\$	-
Other State / government madated reserve	\$	-
[Other Restricted Fund Balance not noted above]****	\$	-
Total Other Restricted Fund Balance	\$	8,986,444 (C4)

East Windsor Regional School District

Audit Recommendations Summary

June 30, 2017

We suggest the following:

Administrative Practices and Procedures

None

Financial Planning, Accounting and Reporting

2017-001 - The District implement procedures to ensure that the actual expenditures are used when filing the IDEA final report.

School Purchasing Programs

None

School Food Service

2017-002 - The District utilize available cash resources to purchase equipment that is in need of repair or replacement, improve food quality or take other appropriate actions to reduce the excess cash resources.

2017-003 - The District raise school lunch prices through an authorized Board resolution to comply with the paid lunch equity requirement.

Student Body Activities

None

Application for State School Aid

None

Pupil Transportation

None

Facilities and Capital Assets

None

Miscellaneous

None

Status of Prior Year Findings

All prior year findings were corrected, except for findings 2017-002 and 2017-003.