

**BOARD OF EDUCATION  
BOROUGH OF HADDONFIELD  
COUNTY OF CAMDEN**

**AUDITORS MANAGEMENT REPORT  
ON ADMINISTRATIVE FINDINGS  
- FINANCIAL, COMPLIANCE AND PERFORMANCE  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2017**

***INVERSO & STEWART***  
Marlton, New Jersey

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

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***INVERSO & STEWART, LLC***  
Certified Public Accountants

651 Route 73 North, Suite 402  
Marlton, New Jersey 08053  
(856) 983-2244  
Fax (856) 983-6674  
E-Mail: [iscpas@concentric.net](mailto:iscpas@concentric.net)

-Member of-  
American Institute of CPAs  
New Jersey Society of CPAs

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

The Honorable President and  
Members of the Board of Education  
Haddonfield School District  
Haddonfield, New Jersey

I 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 Haddonfield School District, in the County of Camden for the year ended June 30, 2017, and have issued my report thereon dated October 12, 2017.

As part of my audit, I 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 Haddonfield Board of Education and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

***INVERSO & STEWART, LLC***  
Certified Public Accountants



Robert P. Inverso  
Public School Accountant

Marlton, New Jersey  
October 12, 2017

## **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 Monies, 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**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
John C. Deserable	Interim Business Administrator/Board Secretary	\$ 100,000
Nancy McCabe	Treasurer	300,000

There is blanket surety coverage with the Burlington County Joint Insurance Pool covering all other employees with multiple coverage of \$500,000.

#### **Tuition Charges**

The district was not required to make any tuition adjustments.

#### **Unemployment Compensation Insurance Fund**

The Board of Education has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Fund (Exhibit H-2) in the fiduciary trust fund.

The Unemployment Compensation Insurance Fund was maintained in satisfactory condition.

#### **Financial Planning, Accounting and Reporting**

##### **Examination of Claims**

An examination of claims paid during the period under audit did not indicate any material noncompliance with respect to signatures, certifications or supporting documentation.

##### **Payroll Account**

The net salaries of all employees of the District were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account

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

**Payroll Account**

All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/Business Administrator 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 Monies with a warrant made to her order for the full amount of each payroll.

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

The Payroll Account records were maintained in satisfactory condition.

**Employee Position Control Roster**

No exceptions were noted during my examination of the Employee 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. My review did not indicate any material discrepancies to the classification of orders.

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

No exceptions were noted during my examination of obligations of federal grant awards and requests for reimbursement of expenditures against those federal grant awards made during the period under audit.

**Travel**

No exceptions were noted in my study of compliance for travel expenses.

**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 my test of transactions of randomly selected expenditure items. I also reviewed the coding of all expenditures included in my compliance and single audit testing procedures. In addition to randomly selecting a test sample, my sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-8.2*. My review did not indicate any material discrepancies with respect to classification of expenditures.

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

**Board Secretary/Business Administrator's Record**

The financial and accounting records of the Board Secretary/School Business Administrator's office were maintained in good condition.

**Treasurer's Records**

The financial and accounting records of the Treasurer were maintained in good condition.

**Elementary and Secondary Education Act of 1965 (E.S.E.A.)/ Improving America's Schools Act (I.A.S.A.) as reauthorized by the No Child Left Behind Act of 2001 (N.C.L.B.)**

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 Title I and Title II of the Elementary and Secondary Education Act, as amended by the No Child Left Behind Act.

No exceptions were noted in my study of compliance for the E.S.E.A. projects.

**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.

My 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.

No exceptions were noted in my study of compliance for special projects.

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

My audit procedures included a test of the biweekly reimbursements 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 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 state aid indicated no areas of noncompliance and/or questionable costs.

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

**School Purchasing Programs**

**Contracts and Agreements Requiring Advertisement for Bid**

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 transportation contracts under N.J.S.A. 18A-39-3 is \$18,800.

The School District 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 my examination, I 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, 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.

Cash receipts and bank records were reviewed for timely deposit. No exceptions were noted.

The District utilizes a food service management company and is depositing and expending program monies in accordance with NJSA 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 not have a loss. The operating results provision was 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 District food service employees authorized by the Board of Education. 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. 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 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 District.

**School Food Service (Continued)**

The required verification procedures for free and reduced price applications were reviewed for completeness and availability. No exceptions were noted.

USDA Food Distribution Program 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.

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

**Community Education/Adult School**

The financial records for the Community Education/Adult School were reviewed and the following was noted:

**Finding 2017-001:**

Cash receipts supporting documentation was not maintained and approvals appear to be lacking for payment of instructors.

**Recommendation:**

That supporting documentation is maintained for all receipts and expenditures.

**Student Body Activities**

The financial records for the Student Activity Fund were reviewed and the following was noted:

**Finding 2017-002:**

Supporting documentation was not available for receipts and several disbursements did not appear to be student related.

**Recommendation:**

That the District obtain and retain supporting documentation for all receipts and all disbursements be student related.

**Application for State School Aid**

My audit procedures included a 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, low-income and bilingual. I 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 verified without exception. The results of my 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**

My 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 exception. The results of my procedures are presented in the Schedule of Audited Enrollments.

My procedures also included a review of transportation related contracts and purchases. Based on my review, the District complied with proper bidding procedures and award of contracts. No exceptions were noted in my review of transportation related purchases of goods and services.

**Facilities and Capital Assets**

My procedures included a review of the School Development Authority (SDA) grant agreement for consistency with recording SDA revenue and awarding of contracts for eligible facilities construction.

**Testing for Lead of all Drinking Water in Educational Facilities**

The School District adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

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

In accordance with government auditing standards, my procedures included a review of all prior year recommendations. Corrective action has not been taken on the following prior year recommendations:

- 1) That supporting documentation is maintained for all Community Education/Adult School receipts and expenditures.
- 2) That all employee compensation is included in gross payroll.

**Acknowledgment**

I received the complete cooperation of all the officials of the Haddonfield School District and I greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

***INVERSO & STEWART, LLC***  
Certified Public Accountants



Robert P. Inverso  
Certified Public Accountant  
Public School Accountant

October 12, 2017

SCHEDULE OF MEAL COUNT ACTIVITY

HADDONFIELD SCHOOL DISTRICT  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - FEDERAL  
ENTERPRISE FUND  
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	41,016	41,016	41,016	0	0.30	0.00
National School Lunch (Regular Rate)	Reduced	207	207	207	0	2.76	0.00
National School Lunch (Regular Rate)	Free	1,235	1,235	1,235	0	3.16	0.00
	TOTAL	<u>42,458</u>	<u>42,458</u>	<u>42,458</u>			<u>0.00</u>
National School Lunch	HHFKA-PB Lunch Only	<u>42,458</u>	<u>42,458</u>	<u>42,458</u>	0	0.06	<u>0.00</u>
	<b>Total Net Overclaim</b>						<u><u>0.00</u></u>

**HADDONFIELD SCHOOL DISTRICT**  
**FOOD SERVICE FUND**  
**NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - STATE**  
**ENTERPRISE FUND**  
**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	41,016	41,016	41,016	0	0.040	0.00
State Reimbursement - National School Lunch (Regular Rate)	Reduced	207	207	207	0	0.055	0.00
State Reimbursement - National School Lunch (Regular Rate)	Free	1,235	1,235	1,235	0	0.055	0.00
	TOTAL	<u>42,458</u>	<u>42,458</u>	<u>42,458</u>			
<b>Total Net Overclaim</b>							<u><u>0.00</u></u>

**HADDONFIELD SCHOOL DISTRICT  
NET CASH RESOURCE SCHEDULE**

**Net cash resources did not exceed three months of expenditures  
Proprietary Funds - Food Service  
For the fiscal year ended June 30, 2017**

<u>Net Cash Resources:</u>	Food Service B - 4/5	
<b>CAFR * Current Assets</b>		
<b>B-4</b> Cash & Cash Equivalents	\$ 26,891	
<b>B-4</b> Intergovernmental Accounts Receivable	-	
<b>B-4</b> Other Accounts Receivable	3,843	
<b>B-4</b> Interfund Accounts Receivable	13,775	
<b>CAFR Current Liabilities</b>		
<b>B-4</b> Less: Accounts Payable	(1,179)	
<b>B-4</b> Less: Compensated Absences Payable		
<b>B-4</b> Less: Interfund Accounts Payable		
<b>B-4</b> Less: Unearned revenue	<u>(32,270)</u>	
<b>Net Cash Resources</b>	<u>\$ 11,060</u>	<b>( A )</b>
 <b><u>Net Adjustment To Total Operating Expense:</u></b>		
<b>B-5</b> Total Operating Expense	609,298	
<b>B-5</b> Less: Depreciation	<u>(17,772)</u>	
Adjusted Total Operating Expense	<u>\$ 591,526</u>	<b>( B )</b>
 <b><u>Average Monthly Operating Expense:</u></b>		
B / 10	<u>\$ 59,153</u>	<b>( C )</b>
 <b><u>Three times monthly Average:</u></b>		
3 X C	<u>\$ 177,458</u>	<b>( D )</b>

TOTAL IN BOX A	\$ 11,060
LESS TOTAL IN BOX D	<u>(177,458)</u>
NET	<u>(166,398)</u>
From above:	
<b>A is greater than D, cash exceeds 3 X average monthly operating expenses.</b>	
<b>D is greater than A, cash does not exceed 3 X average monthly operating expenses.</b>	

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

SOURCE - USDA resource management comprehensive review form.

SCHEDULE OF AUDITED ENROLLMENTS

Haddonfield School District

Application for State School Aid Summary

Enrollment as of October 15, 2016

	2017-2018 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on ASSA On Roll		Reported on Workpapers On Roll		Errors		Sample Selected From Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on ASSA as Private Schools	Sample for Verifi- cation	Sample Varified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Pre K 3 Yrs	15		15					15		15						
Half Day Pre K 4 Yrs	22		22					22		22						
Half Day K	137		137					137		137						
One	164		164					164		164						
Two	179		179					179		179						
Three	144		144					144		144						
Four	184		184					184		184						
Five	185		185					185		185						
Six	177		177					177		177						
Seven	192		192					192		192						
Eight	188		188					188		188						
Nine	174		174					174		174						
Ten	175		175					175		175						
Eleven	165		165					165		165						
Twelve	177		177					177		177						
Subtotal	<u>2,278</u>	<u>0</u>	<u>2,278</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,278</u>	<u>0</u>	<u>2,278</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
SpEd Elementary	176		176					176		176			3	3	3	
SpEd Middle School	99		99					99		99			2	2	2	
SpEd High School	136		136					136		136			3.5	3.5	3.5	
Subtotal	<u>411</u>	<u>0</u>	<u>411</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>411</u>	<u>0</u>	<u>411</u>	<u>0</u>	<u>0</u>	<u>8.5</u>	<u>8.5</u>	<u>8.5</u>	<u>0</u>
Totals	<u>2,689</u>	<u>0</u>	<u>2,689</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,689</u>	<u>0</u>	<u>2,689</u>	<u>0</u>	<u>0</u>	<u>8.5</u>	<u>8.5</u>	<u>8.5</u>	<u>0</u>
Percentage Error					<u>-0-</u>	<u>-0-</u>						<u>-0-</u>	<u>-0-</u>		<u>-0-</u>	<u>-0-</u>

Schedule of Audited Enrollments

**Haddonfield School District**

Application for State School Aid Summary

Enrollment as of October 15, 2016

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on ASSA 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 Application and Register</u>	<u>Sample Errors</u>
Half Day Pre K 3 Yrs						
Half Day Pre K 4 Yrs	0	0		0	0	
Half Day K	0	0		0	0	
One	0	0		0	0	
Two	0	0		0	0	
Three	0	0		0	0	
Four	0	0		0	0	
Five	0	0		0	0	
Six	0	0		0	0	
Seven	0	0		0	0	
Eight	0	0		0	0	
Nine	0	0		0	0	
Ten	0	0		0	0	
Eleven	0	0		0	0	
Twelve	0	0		0	0	
Subtotal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
SpEd Elementary	0	0		0	0	
SpEd Middle School	0	0		0	0	
SpEd High School	0	0		0	0	
Subtotal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>
Percentage Error			<u><u>-0-</u></u>			<u><u>-0-</u></u>

Schedule of Audited Enrollments

**Haddonfield School District**

Application for State School Aid Summary

Enrollment as of October 15, 2016

13

	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 per Application and Register	Sample Errors	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified per Test Score and Register	Sample Errors
Half Day Pre K 3 Yrs												
Half Day Pre K 4 Yrs												
Half Day K												
One	2	2		2	2							
Two	2	2		2	2							
Three												
Four	3	3		3	3							
Five	1	1		1	1							
Six	3	3		3	3							
Seven	3	3		3	3							
Eight	3	3		3	3							
Nine	3	3		3	3							
Ten	1	1		1	1							
Eleven	4	4		4	4							
Twelve	4	4		4	4							
	<u>29</u>	<u>29</u>	<u>0</u>	<u>29</u>	<u>29</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
SpEd Elementary	10	10		10	10							
SpEd Middle School												
SpEd High School	4	4		4	4							
Subtotal	<u>14</u>	<u>14</u>	<u>0</u>	<u>4</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals	<u>43</u>	<u>43</u>	<u>0</u>	<u>4</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Percentage Error			<u>-0-</u>			<u>-0-</u>			<u>-0-</u>			<u>-0-</u>

Transportation							
Reported on DRTS by DOE	Reported on DRTS by District	Errors	Tested	Verified	Errors	Reported	Recalculated
Reg. Public School , col. 1	0	0	0	0			
Reg. Special Education, col. 4	2	2	2	2			
Transported-Non-Public, col. 3	0	0	0	0			
Special Needs, Col. 6	63	63	63	63			
	<u>65</u>	<u>65</u>	<u>0</u>	<u>65</u>	<u>65</u>	<u>0</u>	<u>0</u>
Percentage Error		<u>-0-</u>			<u>-0-</u>		
						Avg. Mileage - Regular Including Grade PK students	1.5
						Avg. Mileage - Regular Excluding Grade PK students	1.5
						Avg. Mileage - Special Ed. with Special Needs	3.5

HADDONFIELD SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

**SECTION 1 - Regular Districts**

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

2016-17 Total General Fund Expenditures per the CAFR, Ex C-1	\$	<u>38,317,790</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>(4,361,255)</u>	(B2a)
Assets Acquired Under Capital Leases	\$	<u>                    </u>	(B2b)
Adjusted 2016-17 General Fund Expenditures [(B)+(B1s)+(B2s)]	\$	<u>33,956,535</u>	(B3)
2% of Adjusted 2016-17 General Fund Expenditures [(B3) times .02]	\$	<u>679,131</u>	(B4)
Enter Greater of (B4) or \$250,000	\$	<u>679,131</u>	(B5)
Increased by: Allowable Adjustment	\$	<u>                    </u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]			\$ <u><u>679,131</u></u> (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-17 (Per CAFR Budgetary Comparison Schedule C-1)	\$	<u>4,982,151</u>	(C)
Decreased by:			
Year-end Encumbrances	\$	<u>27,572</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$	<u>                    </u>	(C2)
Legally Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	\$	<u>464,848</u>	(C3)
Other Restricted Fund Balances	\$	<u>3,294,341</u>	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$	<u>87,724</u>	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]			\$ <u><u>1,107,666</u></u> (U1)



**HADDONFIELD SCHOOL DISTRICT**

**EXCESS SURPLUS CALCULATION**

**SECTION 3 - All Districts**

Restricted Fund Balance - Excess Surplus [(U2)-(M)] IF NEGATIVE ENTER -0- \$ 428,535 (E)

**Recapitulation of Excess Surplus as of June 30, 2017**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures \$ 464,848 (C3)

Reserved Excess Surplus [(E)] \$ 428,535 (E)

Total [(C3) + (E)] \$ 893,383 (D)

**Detail of Allowable Adjustments**

Impact Aid	\$		(H)
Sale & Lease-back	\$		(I)
Extraordinary Aid	\$		(J1)
Additional Nonpublic School Transportation Aid	\$		(J2)
Current Year School Bus Advertising Revenue	\$		(J3)
Family Crisis Transportation Aid	\$		(J4)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	 \$	 	 (K)

**Detail of Other Restricted Fund Balance**

Statutory restrictions:

Approved unspent separate proposal	\$		
Sale/lease-back reserve	\$		
Capital reserve	\$	2,893,341	
Maintenance reserve	\$	401,000	
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 reserves	\$		
 Other Restricted Fund Balance not noted above	 \$	 	
 Total Other Restricted Fund Balance	 \$	 3,294,341	 (C4)

AUDIT 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

None

5. Student Body Activities

Supporting documentation was not available for receipts and several disbursements did not appear to be student related.

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

Community Education/Adult School

That supporting documentation is maintained for all receipts and expenditures.

10. Status of Prior Year Audit Findings/Recommendations

In accordance with government auditing standards, my procedures included a review of all prior year recommendations. Corrective action has not been taken on the following prior year recommendations:

That supporting documentation is maintained for all Community Education/Adult School receipts and expenditures.

That all employee compensation is included in gross payroll.