

HARRISON TOWN SCHOOL DISTRICT

COUNTY OF HUDSON

NEW JERSEY

AUDITOR'S MANAGEMENT REPORT

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

FISCAL YEAR ENDED

JUNE 30, 2017

**SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS**

**HARRISON TOWN SCHOOL DISTRICT
COUNTY OF HUDSON
NEW JERSEY**

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

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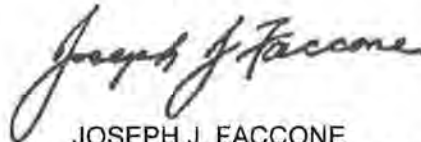
REPORT OF INDEPENDENT AUDITORS

Honorable President and Members of the Board of Education
Harrison Town School District
County of Hudson, New Jersey 07029

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 Harrison Town School District in the County of Hudson for the year ended June 30, 2017, and have issued our report thereon dated November 26, 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 Harrison Town 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.



JOSEPH J. FACCONI
Licensed Public School Accountant #194



SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
November 26, 2017

HARRISON TOWN SCHOOL DISTRICT

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

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 Comprehensive Annual Financial Report (CAFR).

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount of Bond</u>
M. Christine Griffin	Board Secretary/School Business Administrator	\$150,000.00
Gabriela V. Simoes Dos Santos	Treasurer of School Moneys	220,000.00

There is an Employee Dishonesty Blanket Bond with the Selective Insurance Company covering all other employees with multiple coverage of \$100,000.00.

Tuition Charges

The tuition charge for East Newark Board of Education is fixed.

Tuition charges are fixed by contractual agreement which does not require the District to adjust future billings.

Financial Planning, Accounting and Reporting

Examination of Claims

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

In verifying expenditures, computations were tested on claims approved and paid. No attempt was made in this connection to establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

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.

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 premium amounts withheld due to the general fund.

The propriety of deductions from individual salaries for Pensions, Social Security, Withholding Tax and other purposes was not verified as part of this examination.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, 2017 for proper classification of orders as reserve for encumbrances and accounts payable.

All encumbrances, contracts, salaries and expenditures for state and federally funded projects were in accordance with laws and regulations and in conformity with procurement requirements.

Unemployment Compensation Insurance Trust Fund

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. There were no transaction errors noted as a result of the procedures performed.

Board Secretary's Records

The financial records, books of accounts and minutes maintained by the Board Secretary were in satisfactory condition. The prescribed contractual order system was followed.

The School District's double entry system of account records were maintained in accordance with the Department of Education's prescribed GAAP Technical Systems Manual, pursuant to N.J.S.A. 18A:4-14 and N.J.A.C. 60-20-2A.

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

Treasurer's Records

The Treasurer's records were examined and found to be in agreement with the records of the Board Secretary.

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

The ESEA/NCLB financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for ESEA did not indicate any areas of noncompliance and/or questioned costs.

Other Special Federal and State Projects

The District's Special Projects were approved as listed on Schedule A (K-3) and Schedule B (K-4) reflected in the CAFR.

Financial Planning, Accounting and Reporting (Continued)

Other Special Federal and State Projects (Continued)

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 that there were no areas of noncompliance and/or questioned costs.

TPAF Reimbursement

Our audit procedures included a test of the biweekly reimbursement forms filed with the Department of Education for District employees who are members of the Teachers' Pension and Annuity Fund. No exceptions were noted.

TPAF Reimbursement to the State for Federal Salary Expenditures

The reimbursement to the State for 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 subsequent to the end of the 60 days grant liquidation period, but prior to the 90 days required by N.J.S.A. 18A:66-90. Accordingly, the expenditure was made in accordance with State law (90 days) and properly reported as obligated and not expended and as an unliquidated balance in the current year's Final Report(s) for all federal awards.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 is \$29,000.00 without a Qualified Purchasing Agent. The law regulating bidding for public school transportation contracts under N.J.S.A. 18A:39-3 is \$18,800.00 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 fiscal 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.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

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, as amended.

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

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal, however, that the following purchases were made through the use of state contracts:

Office Supplies
Athletic Supplies

School Food Service

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

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims 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 for completeness and accuracy. The number of free and reduced price meals claimed as served did not exceed 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 is uniformly administered throughout the School System. Sites approved to participate in provision complied with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review.

Cash received and bank records were reviewed for timely deposits.

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. 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 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 nonprofit status of the School Food Service.

Net cash resources did not exceed three months average expenditures.

U.S.D.A. Food Distribution Program (food and/or commodities) were received and a separate inventory was maintained on a first-in, first-out basis.

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 did provide the detailed revenue and expenditure information necessary in order to execute the U.S.D.A. 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.

Student Body Activities

The Student Body Activity Fund encompasses two (2) Elementary Schools, One (1) Middle School, One (1) Athletic Account and the High School.

Cash receipts and disbursements records submitted for examination were analyzed in detail. Cancelled checks and available vouchers and invoices were examined and compared to disbursement records.

Application for State School Aid

Our audit procedures included a test of information reported in the October 14, 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 ASSA was compared to the District workpapers without exception. The information that was included on the workpapers was compared to the registers without exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

Application for State School Aid (Continued)

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

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

Accounting for capital assets is required in order to maintain physical accountability over the assets owned by a school. The accounting system should provide a record of the fixed assets obtained over the years that are still in service and identify the funding source for the purchase of those assets. This provides the ability to prevent, detect and recognize losses of capital assets. The New Jersey Department of Education notified school districts that, effective July 1, 2001, there is a \$2,000.00 capitalization threshold for capital assets. This is a policy set for financial reporting and accounting purposes. Schools may use a lower threshold for asset management and insurance purposes.

Testing for Lead of all Drinking Water in Educational Facilities

The School District adheres 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 education facilities.

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.

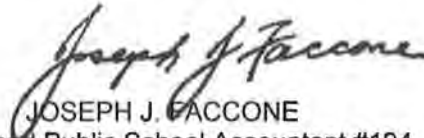
Miscellaneous

The minutes indicate that the Report on Examination of Accounts for the 2015-2016 fiscal year was reviewed by the Board, a synopsis thereof distributed at a public meeting and public discussion held.

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

Acknowledgment

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



JOSEPH J. FACCONE
Licensed Public School Accountant #194



SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
November 26, 2017

SCHEDULE OF MEAL COUNT ACTIVITY

HARRISON TOWN 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</u>	<u>(Over)/ Under-Claim</u>
National School Lunch (Higher Rate)	Paid	37,746	37,746	37,746	None	\$0.32	None
National School Lunch (Higher Rate)	Reduced	38,756	38,756	38,756	None	2.78	None
National School Lunch (Higher Rate)	Free	<u>213,448</u>	<u>213,448</u>	<u>213,448</u>	None	3.18	<u>None</u>
Total		<u>289,950</u>	<u>289,950</u>	<u>289,950</u>			<u>None</u>
National School Lunch	HHFKA - PB Lunch only	<u>289,950</u>	<u>289,950</u>	<u>289,950</u>	<u>None</u>	0.06	<u>None</u>
School Breakfast (Severe Rate)	Paid	31,004	31,004	31,004	None	0.29	None
	Reduced	22,296	22,296	22,296	None	1.74	None
	Free	<u>128,302</u>	<u>128,302</u>	<u>128,302</u>	None	2.04	<u>None</u>
Total		<u>181,602</u>	<u>181,602</u>	<u>181,602</u>			<u>None</u>
After School Snacks	Free	<u>28,857</u>	<u>28,857</u>	<u>28,857</u>	None	0.86	<u>None</u>

SCHEDULE OF MEAL COUNT ACTIVITY

HARRISON TOWN 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</u>	<u>(Over)/ Under-Claim</u>
State Reimbursement - National School Lunch (Regular Rate)	Paid	37,746	37,746	37,746	None	\$0.040	None
State Reimbursement - National School Lunch (Regular Rate)	Reduced	38,756	38,756	38,756	None	0.055	None
State Reimbursement - National School Lunch (Regular Rate)	Free	<u>213,448</u>	<u>213,448</u>	<u>213,448</u>	None	0.055	<u>None</u>
Total		<u>289,950</u>	<u>289,950</u>	<u>289,950</u>			<u>None</u>

NET CASH RESOURCE SCHEDULE

Net Cash Resources did not Exceed Three Months of Expenditures Proprietary Funds - Food Service FYE 2017

<u>Net Cash Resources:</u>		Food Service B - 4/5	
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 19,011
B-4		Due from Other Gov'ts	\$ 97,015
B-4		Accounts Receivable	\$ 57,489
B-4		Investments	
CAFR		Current Liabilities	
B-4		Less Accounts Payable	
B-4		Less Accruals	
B-4		Less Due to Other Funds	\$ (272,319)
B-4		Less Deferred Revenue	
		Net Cash Resources	<u>\$ (98,804)</u> (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	1,518,438	
B-5	Less Depreciation	<u>(4,610)</u>	
	Adj. Tot. Operating Exp.	<u>\$ 1,513,828</u>	(B)

Average Monthly Operating Expense:

	B / 10	<u>\$ 151,383</u>	(C)
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Three times monthly Average:

	3 X C	<u>\$ 454,149</u>	(D)
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TOTAL IN BOX A	\$ (98,804)
LESS TOTAL IN BOX D	\$ 454,149
NET	<u>\$ (552,953)</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

HARRISON TOWN 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 Handicapped				
	Reported on A.S.S.A. On-Roll		Reported on Work Papers On-Roll		Errors		Sample Selected from Work Papers		Verified per Registers On-Roll		Errors per Registers On-Roll		Reported on A.S.S.A. es Private Schools		Sample for Verification	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Private Schools	Sample for Verification	Sample Verified	Sample Errors	
Full Day Preschool 3 Years Old	6.0		6.0				1.0		1.0								
Full Day Preschool 4 Years Old	5.0		5.0				1.0		1.0								
Full Day Kindergarten	144.0		144.0				19.0		19.0								
One	158.0		158.0				21.0		21.0								
Two	150.0		150.0				20.0		20.0								
Three	133.0		133.0				17.0		17.0								
Four	141.0		141.0				19.0		19.0								
Five	121.0		121.0				16.0		16.0								
Six	121.0		121.0				16.0		16.0								
Seven	131.0		131.0				17.0		17.0								
Eight	115.0		115.0				15.0		15.0								
Nine	152.0		152.0				20.0		20.0								
Ten	148.0		148.0				20.0		20.0								
Eleven	167.0		167.0				22.0		22.0								
Twelve	155.0		155.0				20.0		20.0								
Sub-Total	1,847.0		1,847.0				244.0		244.0								
Special Ed - Elementary	107.0		107.0				14.0		14.0				20.0	17.0	17.0		
Special Ed - Middle	88.0		88.0				13.0		13.0				9.0	8.0	8.0		
Special Ed - High	87.0		87.0				13.0		13.0				14.0	12.0	12.0		
Sub-Total	282.0		282.0				40.0		40.0				43.0	37.0	37.0		
Totals	2,129.0		2,129.0				284.0		284.0				43.0	37.0	37.0		
Percentage Error																	

HARRISON TOWN SCHOOL DISTRICT
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 14, 2016

	Resident Low Income						Sample for Verification						Bilingual Education Low Income			Sample for Verification		
	Free Reported on A.S.S.A. as Low Income	Reduced Reported on A.S.S.A. as Low Income	Free Reported on Workpapers as Low Income	Reduced Reported on Workpapers as Low Income	Free Errors	Reduced Errors	Free Sample Selected from Workpapers	Reduced Sample Selected from Workpapers	Free Verified to Application and Registrar	Reduced Verified to Application and Registrar	Free Sample Errors	Reduced Sample Errors	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Registrar	Sample Errors
Full Day Kindergarten	80.0	13.0	80.0	13.0			17.0	7.0	17.0	7.0			20.0	20.0		12.0	12.0	
One	102.0	20.0	102.0	20.0			18.0	10.0	18.0	10.0			15.0	15.0		8.0	8.0	
Two	99.0	22.0	99.0	22.0			18.0	12.0	18.0	12.0			8.0	8.0		5.0	5.0	
Three	80.0	18.0	80.0	18.0			15.0	9.0	15.0	9.0			8.0	8.0		5.0	5.0	
Four	91.0	24.0	91.0	24.0			17.0	13.0	17.0	13.0			11.0	11.0		7.0	7.0	
Five	75.0	16.0	75.0	16.0			14.0	8.0	14.0	8.0			7.0	7.0		4.0	4.0	
Six	81.0	11.0	81.0	11.0			15.0	6.0	15.0	6.0			11.0	11.0		7.0	7.0	
Seven	67.0	21.0	67.0	21.0			16.0	11.0	16.0	11.0			10.0	10.0		8.0	8.0	
Eight	83.0	9.0	83.0	9.0			15.0	5.0	15.0	5.0			11.0	11.0		7.0	7.0	
Nine	119.0	11.0	119.0	11.0			22.0	6.0	22.0	6.0			21.0	21.0		13.0	13.0	
Ten	89.0	21.0	89.0	21.0			16.0	11.0	16.0	11.0			21.0	21.0		13.0	13.0	
Eleven	119.0	25.0	119.0	25.0			22.0	13.0	22.0	13.0			26.0	26.0		16.0	16.0	
Twelve	104.0	33.0	104.0	33.0			19.0	17.0	19.0	17.0			12.0	12.0		7.0	7.0	
Sub-Total	1,228.0	244.0	1,228.0	244.0			227.0	128.0	227.0	128.0			181.0	181.0		111.0	111.0	
Special Ed - Elementary	78.0	12.0	78.0	12.0			14.0	8.0	14.0	8.0			1.0	1.0		1.0	1.0	
Special Ed - Middle	66.0	8.0	66.0	8.0			12.0	4.0	12.0	4.0			1.0	1.0		1.0	1.0	
Special Ed - High	61.0	12.0	61.0	12.0			11.0	6.0	11.0	6.0								
Sub-Total	205.0	32.0	205.0	32.0			37.0	16.0	37.0	16.0			2.0	2.0		2.0	2.0	
Totals	1,434.0	276.0	1,434.0	276.0			264.0	144.0	264.0	144.0			Bilingual Students 183.0	183.0		113.0	113.0	
Percentage Error																		

	Transportation						Reported	Recalculated
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors		
Spec - Special Needs	50.0	50.0		43.0	43.0		13.4	
Totals	50.0	50.0		43.0	43.0			
Percentage Error								

Average Mileage - Special Ed wrt: Special Needs

HARRISON TOWN SCHOOL DISTRICT
 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 Test Score and Register	Sample Errors
Full Day Kindergarten	4.0	4.0		3.0	3.0	
One	2.0	2.0		2.0	2.0	
Two	-	-		-	-	
Three	1.0	1.0		1.0	1.0	
Four	1.0	1.0		1.0	1.0	
Five	2.0	2.0		2.0	2.0	
Six	-	-		-	-	
Seven	-	-		-	-	
Eight	2.0	2.0		2.0	2.0	
Nine	4.0	4.0		3.0	3.0	
Ten	2.0	2.0		1.0	1.0	
Eleven	1.0	1.0		1.0	1.0	
Twelve	-	-		-	-	
Sub-Total	<u>19.0</u>	<u>19.0</u>		<u>16.0</u>	<u>16.0</u>	
Special Ed - Elementary	2.0	2.0		2.0	2.0	
Special Ed - Middle	-	-		-	-	
Special Ed - High	-	-		-	-	
Sub-Total	<u>2.0</u>	<u>2.0</u>		<u>2.0</u>	<u>2.0</u>	
Totals	<u>21.0</u>	<u>21.0</u>		<u>18.0</u>	<u>18.0</u>	
Percentage Error			<u>-</u>			<u>-</u>

**BOARD OF EDUCATION
HARRISON TOWN SCHOOL DISTRICT
COUNTY OF HUDSON
FISCAL YEAR ENDED JUNE 30, 2017**

EXCESS SURPLUS CALCULATION

SCHOOL BASED BUDGET DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2016-17 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>40,882,207.97</u> (A)	
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$ _____ (A1a)	
Transfer from Capital Reserve to Capital Projects Fund	\$ _____ (A1a)	
Less: Expenditures Allocated to Restricted Federal Resources as Reported on Exhibit D-2	\$ _____ (A1b)	
Decreased by:		
On-Behalf TPAF Pension and Social Security	\$ <u>4,687,033.79</u> (A4)	
Assets Acquired Under Capital Leases in Fund 15	\$ _____ (A5)	
 Adjusted 2016-17 General Fund Expenditures	 \$ <u>36,195,174.18</u> (A9)	
 2% of Adjusted 2016-17 General Fund Expenditures [(A9) times .02]	 \$ <u>723,903.48</u> (A10)	
Enter Greater of (A10) or \$250,000	\$ <u>723,903.48</u> (A11)	
Increased by: Allowable Adjustment *	\$ <u>213,275.00</u> (K)	
 Maximum Unassigned Fund Balance [(A11)+(K)]		 \$ <u>937,178.48</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-17 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>4,235,141.13</u> (C)	
Decreased by:		
Year ended Encumbrances	\$ <u>1,022,392.82</u> (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ <u>149,521.96</u> (C2)	
Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>1,495,070.04</u> (C3)	
Other Restricted Fund Balances ****	\$ <u>3,899.06</u> (C4)	
Assigned - Fund Balance - Designated for Subsequent Year's Expenditures	\$ _____ (C5)	
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		 \$ <u>1,564,257.25</u> (U1)

BOARD OF EDUCATION
HARRISON TOWN SCHOOL DISTRICT
COUNTY OF HUDSON
FISCAL YEAR ENDED JUNE 30, 2017

SECTION 3

Restricted Fund Balance - Excess Surplus***[(U2)-(M)] IF NEGATIVE ENTER -0- \$ 627,078.77 (E)

Recapitulation of Excess Surplus as of June 30, 2017

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>1,495,070.04</u> (C3)
Reserved Excess Surplus***[(E)]	\$ <u>627,078.77</u> (E)
Total [(C3) + (E)]	\$ <u>2,122,148.81</u> (D)

* This adjustment line (as detailed below) is to be utilized for Impact Aid, Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10) and Extraordinary Aid, and Additional Nonpublic School Transportation Aid. Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid and Additional Nonpublic School Transportation Aid.

Detail of Allowable Adjustments

Impact Aid	\$ _____ (H)
Sale and Lease-Back	\$ _____ (I)
Extraordinary Aid	\$ <u>213,275.00</u> (J1)
Additional Nonpublic School Transportation Aid	\$ _____ (J2)
Total Adjustments [(H)+(I)+(J1)+(J2)]	\$ <u>213,275.00</u> (K)

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

*** Amounts must agree to the June 30, 2017 CAFR and Audit Summary Worksheet Line 90030.

**** Amount for Other Restricted/Reserved Fund Balance must be detailed for each source and request for approval to use amounts other than state imposed legal restrictions in the excess surplus calculation must be submitted to the Assistant Commissioner - Field Services prior to September 30.

Detail of Other Restricted Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	\$ _____
Capital outlay for a district with a capital outlay Cap Waiver	\$ _____
Sale/lease-back reserve	\$ _____
Capital reserve	\$ <u>1.00</u>
Maintenance reserve	\$ _____
Tuition reserve	\$ _____
Other state/government mandated reserve	\$ <u>3,898.06</u>
[Other Restricted Fund Balance not noted above] ****	\$ _____
Total Other Restricted Fund Balance	\$ <u>3,899.06</u> (C4)

HARRISON TOWN SCHOOL DISTRICT
ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Encumbrances per the June 30, 2017 Board Secretary's Report \$ 1,022,392.82

<u>Description</u>	<u>Total by Category</u>	<u>Amount Properly Encumbered</u>	<u>Encumbrances Cancelled Through Audit Adjustments</u>
Salaries	\$ 88.59	\$ 88.59	\$
General Supplies	93,746.56	93,746.56	
Non-Instructional Supplies	16,396.28	16,396.28	
Purchased Educational Services	28,944.09	28,944.09	
Purchased Technical Services	20,440.50	20,440.50	
Tuition	320,983.00	320,983.00	
Other Contracted Services	56,587.62	56,587.62	
Other Objects	4,824.86	4,824.86	
Operations of Plant	99,489.66	99,489.66	
Equipment	46,351.98	46,351.98	
Transportation	95,729.67	95,729.67	
Fringe Benefits	238,810.01	238,810.01	
	<u>1,022,392.82</u>	<u>1,022,392.82</u>	<u>-</u>
 Total Encumbrances Cancelled During the Audit			 <u>-</u>
 Fund Balance Reserved for Encumbrances in the CAFR			 <u>\$ 1,022,392.82</u>

HARRISON TOWN SCHOOL DISTRICT
AUDIT RECOMMENDATIONS SUMMARY
FISCAL YEAR ENDED JUNE 30, 2017

It is recommended that:

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
None
3. School Purchasing Program
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. Follow-Up on Prior Years' Findings

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

