

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
COUNTY OF BERGEN  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2017

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
COUNTY OF BERGEN  
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2017  
TABLE OF CONTENTS

	<u>Page</u>
Cover Letter	1
General Comments:	2
Scope of Audit	2
Administrative Practices and Procedures:	2
Insurance	2
Officials in Office and Surety Bonds	2
Tuition Charges	2
Financial Planning, Accounting and Reporting:	2
Examination of Claims	2
Payroll Account and Position Control Roster	2
Reserve for Encumbrances and Accounts Payable	3
Classification of Expenditures	3
Board Secretary's Records	3
Treasurer's Records	4
No Child Left Behind (N.C.L.B.)	4
Other Special Federal and/or State Projects	4
T.P.A.F. Reimbursement	4
School Purchasing Programs:	5
Contracts and Agreements Requiring Advertisement for Bids	5
School Food Service	6
Student Body Activities	6
Application for State School Aid	6
Pupil Transportation	7
Travel Expense and Reimbursement Policy	7
Facilities and Capital Assets	7
Management Suggestions	7
Status of Prior Year's Findings/Recommendations	9
Schedule of Meal Count Activity (Not Applicable)	
Schedule of Net Cash Resources (Not Applicable)	
Schedule of Audited Enrollments	10
Excess Surplus Calculation	14
Summary of Recommendations	16



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November 16, 2017

The Honorable President and Members  
of the Board of Education  
Township of Mahwah School District  
County of Bergen, NJ

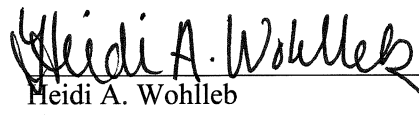
We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Board of Education of the Township of Mahwah School District in the County of Bergen for the fiscal year ended June 30, 2017, and have issued our report thereon dated November 16, 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 letter does not affect our report dated November 16, 2017, on the financial statements of the Board.

We will review the status of the comments, during our next audit engagement. We have already discussed any comments and suggestions with various management personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended for the information of the Township of Mahwah 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.

NISIVOCCIA LLP

  
Heidi A. Wohleb  
Licensed Public School Accountant #2140  
Certified Public Accountant

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2017

Scope of Audit

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

Administrative Practices and Procedures

Insurance

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

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Kenneth Sesholtz	Treasurer	\$ 350,000
Kyle J. Bleeker	School Business Administrator/Board Secretary	5,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were different than estimated costs. The Board made a proper adjustment to the billings to sending districts for the change in per pupil costs in accordance with N.J.A.C. 6A:23-3.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

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

Payroll Account and Position Control Roster

The net salaries of 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 certified by the President of the Board and the School Business Administrator, and the Superintendent.

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

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Payroll Account and Position Control Roster (Cont'd)

The required certification (ECERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents and business administrators) to the NJ Department of Treasury was filed in a timely manner.

Finding:

The overall ending balance in the payroll agency account was minimal. However, we noted that the individual agency balances did not appear correct. The receipts and related disbursements were not posted to the same withholding deduction for each withholding deduction.

Recommendation:

It is recommended that the District maintain an accurate analysis of balance for the payroll agency account.

Management's Response:

Management will ensure that an accurate analysis of balance for the payroll agency account is maintained.

Reserve for Encumbrances and Accounts Payable

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

Classification of Expenditures – General and Administrative

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 reviewed administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. As a result of the procedures performed, no errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classifications.

Board Secretary's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Board Secretary's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Treasurer's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Treasurer's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

No Child Left Behind (N.C.L.B.)

The N.C.L.B. financial exhibits are contained herein within the Special Revenue Section of the District's CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I, II and III of the No Child Left Behind Act.

The study of compliance for the N.C.L.B. did not indicate any area of noncompliance.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the CAFR.

Our audit of the federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

T.P.A.F. Reimbursement

Our 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 T.P.A.F. Reimbursement to the State for Federal Salary Expenditures was remitted to the State of New Jersey prior to the required deadline of October 1, 2017. The reimbursement form was reviewed and no exceptions were noted.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 states:

a. "When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefore, except that the Board of Education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c. 198 the Board of Education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Commencing in the fifth year after the year in which P.L.1999, c. 440 takes effect and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made . . . ."

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the Board of Education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law . . . ."

Effective July 1, 2015 and thereafter the bid thresholds in accordance with *N.J.S.A.* 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing 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 currently \$18,800.

As per N.J.S.A. 18A:18A-3, the Board passed a resolution authorizing the Business Administrator as a qualified purchasing agent and increasing the bid threshold to \$40,000.

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 Attorney's opinion should be sought before a commitment is made.

In as much 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. General compliance was noted.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

School Purchasing Programs (Cont'd)

Contracts and Agreements Requiring Advertisement for Bids (Cont'd)

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.

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.

School Food Service

The school food service program was not selected as a major federal and/or state program. We inquired of school management, or the appropriate school food service personnel, as to whether the SFA had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

Non-program foods were purchased, prepared or offered for sale. The Statement of Revenue, Expenses and Changes in Net Position in the CAFR Schedule B-5 does separate program and non-program revenue and program and non-program cost of goods sold.

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the records of the Student Activities Fund for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

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 disabled, low income and bilingual students. 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 verified on a test basis without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed State forms or their equivalent.

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



TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

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 on a test basis 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.

Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal policy and procedure pertaining to travel and expense reimbursement for its employees and board members. The regulations include requirements for the District to establish a maximum travel amount for the year and to ensure that the maximum amount is not exceeded. The regulations also require that all travel must be preapproved by the Board of Education and Superintendent and that a brief report detailing the key issues addressed at the travel event must be submitted after the travel event has occurred.

Our review of the travel policies and records revealed that the District is in general compliance with the travel regulations.

Facilities and Capital Assets

Our procedures included a review of the SDA grant agreements for consistency with recording SDA revenue, transfer of local funds from the general fund or from the capital reserve account, and awarding of contracts for eligible facilities construction. Based on these procedures, we have no comments.

Management Suggestions

Governmental Accounting Standards Board Statements

The next Governmental Accounting Standards Board (“GASB”) statement which will have a significant impact on the District will be GASB#75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, will be effective for the fiscal year ending June 30, 2018. This standard replaces GASB#45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. It is similar to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* in that successful implementation of this standard will require the provision of certain key financial and non-financial information from the New Jersey Division of Pensions.

Cyber Security

Cyber-crime has become much more prevalent in the last few years. Websites and internal networks, including personally identifiable information (“PII”), have been hacked and resulted in significant losses to organizations, both financial and reputational. We suggest that the District consider options to test and protect the District from cyber-crime

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

Management Suggestions (Cont'd)

Student Activities

It has recently been determined that personnel in certain school districts may not be completely aware of the limitations and restrictions on the use of Student Activity Funds. We believe it is important that the District be aware that any pupil organization which is part of the activity program of the School District, places at least indirect responsibility for supervision and control of that organization with the Board of Education. We suggest that the Board formally approve each school club or activity. As directed by the New Jersey Department of Education, collections related to fund raising for outside organizations should not be maintained in the District's Student Activity Funds.

Additionally, the District should ensure that District-wide standard policies and procedures are implemented for all Student Activity Funds. These policies should indicate the student activities funds are to be utilized for the benefit of the student activity or club and not to be utilized for enhancement of instructional programs or school facilities. The District should at least at a minimum communicate to school personnel on an annual basis the District's policies and procedures regarding Student Activity Funds. We suggest that these policies include guidance regarding timely deposits of funds and the safeguarding of funds prior to deposit as well as the appropriate purchasing guidelines for student activities disbursements.

Surety Bond – Business Administrator

The duties of the Business Administrator have evolved over the last few decades into a position that is responsible for the collection, disbursement, and investment of the School's main funds. At the time of the passage of the statute delineating the duties of the Treasurer of School Monies the aforementioned duties were to be the responsibility of the Treasurer. Also, the statute that established the requirement for the amount of the Treasurer's bond did not contemplate the evolution of the Business Administrator's position. As a result the person most intimately involved in the handling of the main school funds is not required to be bonded in an amount commensurate with the related responsibilities. We suggest that the position of the Business Administrator be bonded in an amount at least equal to the required bond for the Treasurer of School Monies.

Deferred Compensation Plans

The District has a fiduciary responsibility to its employees related to the deferred compensation plans offered by the District. The District should consider a periodic review of the benefits, features, costs, and performance of its deferred compensation plans and make that information available to employees to assist employees in making suitable choices for investing their retirement funds while fulfilling the District's fiduciary responsibilities.

Independent Contractors vs. Employees

The District should consider reviewing the status of "Independent Contractors" utilized by the District with Internal Revenue Service guidelines for determination of employment status. The IRS has been reviewing employers, including governments, to determine compliance. A proactive approach may help to minimize or eliminate potential penalties related to incorrect employment status determination.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

Management Suggestions (Cont'd)

Capital Projects and Related SDA Grants

There are five projects in the Capital Projects Fund which appear to be fully complete and are funded in part with Schools Development Authority ("SDA") grants. The District should review the status of these projects to ensure that all grant reimbursements are requested and collected. When the projects are closed out and finalized, the District should return the remaining funds to the appropriate funding source and transfer the related construction in progress to the District's capital asset inventory.

Status of Prior Year Findings/Recommendations

There were no prior year findings or recommendations.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 14, 2016

	2017-2018 Application for State School Aid						Sample for Verification					
	Reported on		Reported on		Errors		Sample		Verified per		Errors per	
	ASSA		Workpapers				Selected from		Registers		Registers	
	On Roll		On Roll		Workpapers		On Roll		on Roll			
Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	
Preschool:												
3 Year Old Half Day	13		13				13		13			
4 Year Old Half Day	12		12				12		12			
Kindergarten Full Day	181		181				181		181			
Grade One	166		166				166		166			
Grade Two	171		171				171		171			
Grade Three	183		183				183		183			
Grade Four	179		179				179		179			
Grade Five	190		190				190		190			
Grade Six	182		182				182		182			
Grade Seven	200		200				200		200			
Grade Eight	222		222				222		222			
Grade Nine	216		216				216		216			
Grade Ten	171		171				171		171			
Grade Eleven	187		187				187		187			
Grade Twelve	223		223				223		223			
Subtotal	2,496		2,496				2,496		2,496			
Special Education:												
Elementary School	208		208				15		15			
Middle School	99		99				10		10			
High School	149	1	149	1			15		15			
Subtotal	456	1	456	1			40		40			
Totals	2,952	1	2,952	1	-0-	-0-	2,536	-0-	2,536	-0-	-0-	-0-
Percentage Error					0.00%	0.00%					0.00%	0.00%

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
 SCHEDULE OF AUDITED ENROLLMENT  
 APPLICATION FOR STATE SCHOOL AID SUMMARY  
 ENROLLMENT AS OF OCTOBER 14, 2016

	Private Schools for Disabled				Resident Low Income						
	Reported on ASSA as Private Schools	Reported on Workpapers as Private Schools	Sample for Verification	Sample Verified	Sample Errors	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten											
Grade One						12	12		3	3	
Grade Two						13	13		3	3	
Grade Three						15	15		3	3	
Grade Four						16	16		3	3	
Grade Five						13	13		3	3	
Grade Six						9	9		3	3	
Grade Seven						16	16		3	3	
Grade Eight						16	16		3	3	
Grade Nine						13	13		3	3	
Grade Ten						12	12		3	3	
Grade Eleven						17	17		3	3	
Grade Twelve						16	16		3	3	
Subtotal						14	14		3	3	
						182	182		39	39	
Special Education:											
Elementary School	10	10	1	1		47	47		3	3	
Middle School	6	6	1	1		22	22		1	1	
High School	11	11	2	2		32	32		2	2	
Subtotal	27	27	4	4		101	101		6	6	
Totals	27	27	4	4	-0-	283	283	-0-	45	45	-0-
Percentage Error					0.00%			0.00%			0.00%

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 14, 2016

Resident LEP Not Low Income

	Reported on A.S.S.A. as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Kindergarten:						
Full Day	15	15		3	3	
Grade One	6	6		1	1	
Grade Two	5	5		1	1	
Grade Three	7	7		1	1	
Grade Five	6	6		1	1	
Grade Six	3	3		1	1	
Grade Seven	2	2		1	1	
Grade Eight	1	1				
Grade Nine	2	2		1	1	
Grade Ten	1	1				
Grade Eleven	1	1				
Sp. Ed. Elementary	4	4		2	2	
Totals	<u>53</u>	<u>53</u>	<u>-0-</u>	<u>12</u>	<u>12</u>	<u>-0-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

Resident LEP Low Income

	Reported on A.S.S.A. as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Errors
Kindergarten:						
Full Day	3	3		1	1	
Grade One	4	4		1	1	
Grade Two	4	4		1	1	
Grade Three	2	2		1	1	
Sp. Ed. Elementary	3	3		1	1	
Sp. Ed. Middle School	1	1		1	1	
Totals	<u>17</u>	<u>17</u>	<u>-0-</u>	<u>6</u>	<u>6</u>	<u>-0-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 14, 2016

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	1,277	1,277		125	125	
Regular - Special Ed	89	89		8	8	
Transported - Non Public	137	137		13	13	
AIL - Non Public	152	152		15	15	
Special Needs - Public	146.5	146.5		15	15	
Special Needs - Private	5.5	5.5		2	2	
Totals	1,807	1,807		178	178	
Percentage Error			0.00%			0.00%
				Reported	Re- calculated	
Average Mileage:						
Regular Including Grade PK Students				4.3	4.3	
Regular Excluding Grade PK Students				4.3	4.3	
Special Education with Special Needs				6.6	6.6	

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FISCAL YEAR ENDED JUNE 30, 2017

**REGULAR DISTRICT**

**SECTION 1**

**2% Calculation of Excess Surplus**

2016-17 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ 67,442,639 (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 and Social Security	\$ 6,733,983 (B2a)
Assets Acquired Under Capital Leases	_____ (B2b)
Adjusted 2016-17 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 60,708,656 (B3)</u>
2% of Adjusted 2016-17 General Fund Expenditures [(B3) times .02]	<u>\$ 1,214,173 (B4)</u>
Enter Greater of (B4) or \$250,000	<u>\$ 1,214,173 (B5)</u>
Increased by: Allowable Adjustments	<u>\$ 310,489 (K)</u>
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]	<u>\$ 1,524,662 (M)</u>

**SECTION 2**

Total General Fund - Fund Balances @ 6/30/2017 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 17,475,673 (C)</u>
Decreased by:	
Year-End Encumbrances	<u>\$ 1,997,852 (C1)</u>
Legally Restricted:	
Designated for Subsequent Year's Expenditures	\$ _____ (C2)
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 1,896,742 (C3)</u>
Other Restricted Fund Balances	<u>\$ 9,534,583 (C4)</u>
Assigned Fund Balance:	
Unreserved - Designated for Subsequent Year's Expenditures	<u>\$ 115,080 (C5)</u>
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>\$ 3,931,416 (U1)</u>



TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

**SECTION 3**

Restricted Fund Balance - Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0- \$ 2,406,754 (E)

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

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures \$ 1,896,742 (C3)

Restricted Excess Surplus [(E)] \$ 2,406,754 (E)

Total Excess Surplus [(C3)+(E)] \$ 4,303,496 (D)

**Detail of Allowable Adjustments**

Impact Aid \$ -0- (H)

Sale & Lease-back \$ -0- (I)

Extraordinary Aid \$ 278,956 (J1)

Additional Nonpublic School Transportation Aid \$ 31,533 (J2)

Current Year School Bus Advertising Revenue Realized \$ -0- (J3)

Family Crisis Transportation Aid \$ -0- (J4)

Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)] \$ 310,489 (K)

**Detail of Other Restricted Fund Balances**

Statutory Restrictions:

Approved Unspent Separate Proposal \$ -0-

Sale/Lease-back Reserve \$ -0-

Capital Reserve \$ 9,034,583

Maintenance Reserve \$ -0-

Emergency Reserve \$ 500,000

Tuition Reserve \$ -0-

School Bus Advertising 50% Fuel Offset Reserve - Current Year \$ -0-

School Bus Advertising 50% Fuel Offset Reserve - Prior Year \$ -0-

Impact Aid General Fund Reserve (Sections 8002 and 8003) \$ -0-

Impact Aid General Fund Reserve (Sections 8007 and 8008) \$ -0-

Other State/Government Mandated Reserve \$ -0-

Other Restricted Fund Balances Not Noted Above \$ -0-

Total Other Restricted Fund Balances \$ 9,534,583 (C4)

TOWNSHIP OF MAHWAH SCHOOL DISTRICT  
SUMMARY OF RECOMMENDATIONS  
FISCAL YEAR ENDED JUNE 30, 2017

It is recommended that:

1.     Administrative Practices and Procedures  
None
2.     Financial Planning, Accounting and Reporting  
The District maintain an accurate analysis of balance for the payroll agency account.
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.     Miscellaneous  
None
10.    Status of Prior Year's Findings/Recommendations  
There were no prior year findings or recommendations.