

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
COUNTY OF SUSSEX
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
COUNTY OF SUSSEX
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017
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November 17, 2017

The Honorable President and Members
of the Board of Education
Sussex-Wantage Regional School District
County of Sussex, NJ

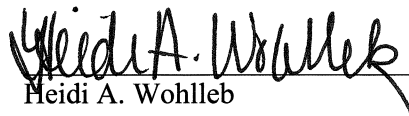
We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Board of Education of the Sussex-Wantage Regional School District in the County of Sussex 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 letter does not affect our report dated November 17, 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 these 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 Sussex-Wantage Regional 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. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

SUSSEX-WANTAGE REGIONAL 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 of School Moneys, 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>
Grant W. Rome	Treasurer of School Monies	\$ 250,000
Christina Riker	Business Administrator/Board Secretary	50,000

The District has Employee Dishonesty and Faithful Performance coverage through the School Alliance Insurance Fund for employees not separately bonded as detailed on Exhibit J-20 of the CAFR.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid on a test basis, during the period under review indicated overall compliance with respect to certification and supporting documentation.

Payroll Account

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 tested were approved by the Superintendent and certified by the President of the Board, 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.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendent, and business administrator) to the NJ Department of Treasury was filed in a timely manner.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Payroll Account (Cont'd)

Finding

During our review of the analysis of the Payroll Agency account balance at June 30, 2017, we noted there were certain older withholding balances which should be reviewed and resolved. As the District has already started to review and resolve these balances in the current fiscal year and will ensure that all balances are reviewed and resolved in a timely manner in the future, no formal recommendation is judged to be warranted.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made on a test basis as of June 30, 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, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. Overall compliance was noted.

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 except as noted under the Treasurer's records.

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 except as noted below.

Finding:

A definite effort was made to resolve some of the older reconciling items from the prior year on the various accounts included in the Treasurer's report. However, in our review of the bank reconciliations included in the Treasurer's report at June 30, 2017 we noted that there are still some older reconciling items which need to be reviewed and resolved.

Recommendation:

It is recommended that a continuing effort be made to review and resolve any reconciling items on the bank reconciliations for the various accounts included in the Treasurer's report in timely manner.

SUSSEX-WANTAGE REGIONAL 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 (Cont'd)

Management's Response:

The District has plans in place to review any older reconciling items on the bank reconciliations and will ensure that any new reconciling items are addressed in a timely manner.

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 and Title IIA of the No Child Left Behind Act.

The study of compliance for the N.C.L.B. did not indicate any area of noncompliance except as noted in the below section on Other Special Federal and/or Special Projects.

Other Special Federal and/or State Projects

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

Our audit of the 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.

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.

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,

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

School Purchasing Programs (Cont'd)

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

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, the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:39-3(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.

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.

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. No exceptions were noted.

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.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

School Purchasing Programs (Cont'd)

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

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.

Finding:

During our review of the Food Service Fund it was noted that net cash resources exceeded three months average expenditures. However, as the District is already in the process of determining how to reduce the excess net cash resources no formal recommendation is deemed necessary.

Student Body Activities and Care Program

In planning and performing our audit of the financial statements of the Board, we considered the condition of the records of the Student Activities and Care Program Funds for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records.

Finding:

Receipts for the Care Program were not always deposited in a timely manner. Also, there were no detailed records of receipts maintained for the Wantage School student activities account.

Recommendation:

It is recommended that receipts for the Care Program be deposited in a timely manner and that a detailed record of receipts is maintained for the Wantage School student activities account.

Management's Response:

The District will make every effort to ensure that receipts for the Care Program are deposited in a timely manner and that a detailed record of receipts is maintained for the Wantage School student activities account.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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 disabled, low income and bilingual education students. 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 with a few exceptions. The information that was included on the workpapers was verified on a test basis with a few exceptions.

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

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

Pupil Transportation

Our audit procedures included a test of on-roll status reported on 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. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

The District has a solar panel project which was funded by a contribution from a private source.

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. Overall compliance was noted in our testing.

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.

SUSSEX-WANTAGE REGIONAL 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.

Confirmation of Payroll Taxes Paid by Payroll Service Provider

Consideration be given to confirming with the applicable states and federal governments that the District's payroll taxes were properly remitted to those government agencies on a regular basis.

Unemployment Compensation Trust

The payroll service provider turns over the entire amount of the employee withholdings for State Unemployment Insurance to the State of New Jersey. The payroll service provider should be retaining the required percentage of the withholdings in the District's Unemployment Trust Fund (as they fund the unemployment benefit claims under the Benefit Reimbursement Method) and be remitting the required percentage withholdings to the State of New Jersey. We suggest the District contact the payroll service provider to ensure that the withholdings are turned over to the District as required. We also suggest the District contact the State of New Jersey to verify if there are any overpayment credits due back to the District.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

Follow-up on Prior Year Recommendations

The prior year recommendations regarding the District's June Board Secretary and Treasurer's reports being submitted to the County Superintendent before the August 1 deadline, the Clifton Lawrence School maintaining a detailed receipts log and the receipts for the Clifton Lawrence School being deposited in the timely manner have been resolved. However, the recommendation regarding the older reconciling items on the bank reconciliations of the various accounts included in the Treasurer's report being reviewed has not been fully resolved and is included as a current year recommendation.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
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	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool 3 Years Old	1		1				1				1	
Full Day Preschool 4 Years Old	7		7				7				7	
Full Day Kindergarten	92		92				92				92	
Grade One	102		102				102				102	
Grade Two	90		90				90				90	
Grade Three	97		97				97				97	
Grade Four	105		105				105				105	
Grade Five	78		78				78				78	
Grade Six	91		91				91				91	
Grade Seven	83		83				83				83	
Grade Eight	97		97				97				97	
Subtotal	843		843				843				843	
Special Ed - Elementary	137		137				13				13	
Special Ed - Middle School	83		84		1		8				8	
Subtotal	220		221		1		21				21	
Totals	1,063		1,064		1		864				864	
Percentage Error					0.09%						0.00%	
												0.00%

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 14, 2016

	Private Schools for Disabled				Resident Low Income				
	Reported on A.S.S.A. as Private Schools	Sample for Verification	Sample Verified	Sample Errors	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten					10	10	1	1	
Grade One					18	18	2	2	
Grade Two					16	17	1	1	
Grade Three					21	21	1	1	
Grade Four					32	31	3	3	
Grade Five					15	15	2	2	
Grade Six					13	13	2	2	
Grade Seven					19	18	2	1	1
Grade Eight					18	14	1	1	1
Subtotal					162	157	15	13	2
Special Ed - Elementary	1	1	1		66	65	6	6	
Special Ed - Middle School	6	6	1		35	32	4	4	
Subtotal	7	7	2		101	97	10	10	
Totals	7	7	2		263	254	25	23	2
Percentage Error									8.00%
									-3.42%

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 14, 2016

	Resident LEP Low Income					
	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Errors
Full Day Kindergarten	1	1				
Grade One	2	2				
Grade Two	1	1		1	1	
Grade Three	1	1				
Grade Five	1	1				
Subtotal	<u>6</u>	<u>6</u>		<u>1</u>	<u>1</u>	
Special Ed - Middle School	<u>1</u>	<u>1</u>		<u>1</u>	<u>1</u>	
Subtotal	<u>1</u>	<u>1</u>		<u>1</u>	<u>1</u>	
Totals	<u><u>7</u></u>	<u><u>7</u></u>		<u><u>2</u></u>	<u><u>2</u></u>	
Percentage Error			<u><u>0.00%</u></u>			<u><u>0.00%</u></u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
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
Full Day Kindergarten	1	1				
Grade One	1	1		1	1	
Grade Two	2	2		1	1	
Grade Four	1	1				
Subtotal	<u>5</u>	<u>5</u>		<u>2</u>	<u>2</u>	
Totals	<u>5</u>	<u>5</u>		<u>2</u>	<u>2</u>	
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
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	652	652		25	25	
Regular - Special Education	180	180		18	18	
Transported - Non Public	74	74		7	7	
AIL - Non Public	2	2		1	1	
Special Needs Public	58	58		5	5	
Special Needs Private	6	6		2	2	
Totals	972	972		58	58	
Percentage Error			0.00%			0.00%

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	4.8	4.8
Average Mileage - Regular Excluding Grade PK Students	4.8	4.8
Average Mileage - Special Education with Special Needs	6.4	6.4

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2017

EXCESS SURPLUS CALCULATION

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2016-2017 Total General Fund Expenditures per the CAFR, Ex. C-1	<u>\$ 26,152,922</u> (B)	
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -0-</u> (B1a)	
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ -0-</u> (B1b)	
Transfer from General Fund to SRF for PreK-Regular	<u>\$ -0-</u> (B1c)	
Transfer from General Fund to SRF for PreK-Inclusion	<u>\$ -0-</u> (B1d)	
Decreased by:		
On-Behalf TPAF Pension and Social Security	<u>\$ 2,758,058</u> (B2a)	
Assets Acquired Under Capital Leases	<u>\$ -0-</u> (B2b)	
Adjustment for Disallowed Expenditures per S1701	<u>\$ -0-</u> (B2c)	
Adjusted 2016-2017 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 23,394,864</u> (B3)	
2% of Adjusted 2016-2017 General Fund Expenditures [(B3) times .02]	<u>\$ 467,897</u> (B4)	
Enter Greater of (B4) or \$250,000	<u>\$ 467,897</u> (B5)	
Increased by: Allowable Adjustment	<u>\$ 65,291</u> (K)	
Maximum Unassigned Fund Balance [(B5)+(K)]		<u>\$ 533,188</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6/30/2017 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 5,140,564</u> (C)	
Decreased by:		
Year-End Encumbrances	<u>\$ 447,897</u> (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C2)	
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 1,007,471</u> (C3)	
Other Restricted Fund Balances	<u>\$ 2,024,729</u> (C4)	
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ 47,963</u> (C5)	
Additional Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures 7/1/17-8/1/17	<u>\$ -0-</u> (C6)	
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]		<u>\$ 1,612,504</u> (U1)

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

SECTION 3

Restricted Fund Balance - Excess Surplus [(U2)-(M)] IF NEGATIVE, ENTER -0- \$ 1,079,316 (E)

Recapitulation of Excess Surplus as of June 30, 2017

Excess Surplus - Designated for Subsequent Year's Expenditures \$ 1,007,471 (C3)

Excess Surplus [(E)] \$ 1,079,316 (E)

Total [(C3)+(E)] \$ 2,086,787 (D)

Detail of Allowable Adjustments

Impact Aid \$ -0- (H)

Sale and Lease Back \$ -0- (I)

Extraordinary Aid \$ 52,291 (J1)

Additional Nonpublic School Transportation Aid \$ 13,000 (J2)

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

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

Total Adjustments ((H)+(I)+(J1)+(J2)+(J3)+(J4)) \$ 65,291 (K)

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal \$ -0-

Sale/lease-back reserve \$ -0-

Emergency reserve \$ -0-

Capital reserve \$ 2,024,729

Maintenance reserve \$ -0-

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 Capital Fund Reserve (Sections 8007 and 8008) \$ -0-

Other state/governmental mandated reserve \$ -0-

Other Restricted Fund Balance not noted above \$ -0-

Total Other Restricted Fund Balance \$ 2,024,729 (C4)

SUSSEX-WANTAGE REGIONAL 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

A continuing effort be made to review and resolve any reconciling items on the bank reconciliations for the various accounts included in the Treasurer's report in timely manner.

3. School Purchasing Program

None

4. School Food Service

None

5. Student Body Activities

Receipts for the Care Program be deposited in a timely manner and that a detailed record of receipts is maintained for the Wantage School student activities account.

7. Application for State School Aid

None

8. Pupil Transportation

None

9. Facilities and Capital Assets

None

10. Status of Prior Year's Recommendations

The prior year recommendations regarding the District's June Board Secretary and Treasurer's reports being submitted to the County Superintendent before the August 1 deadline, the Clifton Lawrence School maintaining a detailed receipts log and the receipts for the Clifton Lawrence School being deposited in the timely manner have been resolved. However, the recommendation regarding the older reconciling items on the bank reconciliations of the various accounts included in the Treasurer's report being reviewed has not been fully resolved and is included as a current year recommendation.