

**WILLINGBORO TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
BURLINGTON COUNTY, NEW JERSEY**

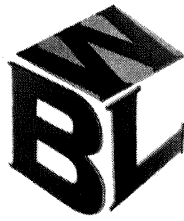
**Auditor's Management Report on Administrative Findings-
Financial, Compliance and Performance
for the Fiscal Year Ended June 30, 2017**



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

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BRENT W. LEE & CO., LLC
Certified Public Accounting Firm

**REPORT OF INDEPENDENT AUDITORS
AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS, FINANCIAL COMPLIANCE AND PERFORMANCE**

Honorable President and
Members of the Board of
Education Willingboro
Township County of Burlington
Willingboro, New Jersey 08046

We have audited, in accordance with generally accepted audit standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Willingboro Township School District in the County of Burlington for the year ended June 30, 2017, and have issued our report thereon dated November 21, 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 Willingboro Township 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.

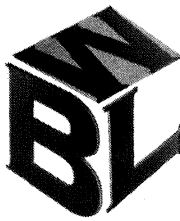
Respectfully submitted,

Brent W. Lee
Certified Public Accountant
Public School Accountant No. 700
Brent W. Lee & Co., LLC

Cinnaminson, New Jersey
November 21, 2017

609-456-8804
3008 New Albany Rd., Cinnaminson, NJ 08077

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BRENT W. LEE & CO., LLC
Certified Public Accounting Firm

To the Honorable President and Members
of the Willingboro Township
Board of Education
Willingboro, New Jersey

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 Monies, the activities of the Board of Education, the records of the Athletic Fund, the Student Activity Fund, Food Service Fund and Special Revenue Fund under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

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

Official Bonds

Name	Position	Amount
Kelvin L. Smith	Business Administrator/Board Secretary	\$400,000
William Tantum	Treasurer	400,000

There is a public employees' faithful performance blanket position bond with the Selective Insurance Company covering all other employees with multiple coverage of \$100,000.

Tuition Charges

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

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review indicated that the vouchers were in satisfactory condition.

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Payroll Account

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

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

Classification of Expenditures

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

Board Secretary's Records

My review of the financial and accounting records maintained by the Board Secretary disclosed the following item.

Finding 2017-01:

The following issues were noted during the testing of the district's health benefit coverage:

- It was noted while testing the district's medical prescription coverage that the district paid premiums for five (5) individuals that were no longer employees of the district.
- While testing the district's dental coverage the district paid premiums for seven (7) individuals where five (5) were not employees of the district and two (2) opted out of the dental coverage plan. Also, ten (10) employees that received dental coverage did not pay for such coverage.
- While testing the district's State medical health coverage seven (7) employees that received medical health coverage did not pay for such coverage.

Recommendation:

The district must implement procedures to ensure that correct amounts are paid for health benefit premiums and participating employees pay for their applicable share of such health benefits.

Finding 2017-02:

Condition:

Five budgetary line accounts were over-expended.

Recommendation:

Approved budgetary line accounts should not be over-expended. All year to date expenditures must be posted timely along with executing approved budget transfers in order to cover such costs.

Treasurer's Records

The Treasurer's records were reviewed and found to be satisfactory condition.

Pupil Transportation

My audit procedures included a test of On Roll status reported in the 2014-2015 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with no exceptions. The results of my procedures are presented in the Schedule of Audited Enrollments.

My procedures also included a review of transportation related contracts and purchases. Based on my review, the district complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in my review of transportation related purchases of goods and services.

Elementary and Secondary Education Act (E.S.E.A.)/Improving America's Schools Act (I.A.S.A.) as Reauthorized by the No Child Left Behind Act of 2001

The E.S.E.A/N.C.L.B. financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Title I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

Other Special Federal and/or State Projects

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

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

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

The study of compliance for the special projects indicated the following areas of noncompliance:

Finding 2017-03:

Condition:

One employee who was charged to the Title I Grant did not submit the required monthly activity reports for two months.

Recommendation:

All employees that charge salary and wages toward the Title I Grant should submit monthly activity reports and that the District retain these records in order to be in compliance with the provisions of 2 CFR section 200.430.

T.P.A.F. Reimbursement

My audit procedures included a test of the biweekly reimbursements filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Program

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A.18A: 18A-1 et seq. (Public School Contracts Law), the associated rules and related information on the statute, and school contracts in general is available on the website:

<http://www.state.nj.us/dca/divisions/dlgs/programs/1pcl.html>.

N.J.S.A.18A:18A-3 and 4 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 receipts of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. (pending before the Legislature as section 15 of this bill) of section 9 of P.L. 1971, c.198 (C.40A:119) the board of education may establish that the bid threshold may be up to \$36,000. 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.18A:18A-2 (pending before the Legislature as section 50 of this bill), 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. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or calculated by the Governor pursuant to *N.J.S.A. 18A:18A-3* except by contract or agreement."

The bid thresholds in accordance with *N.J.S.A.18A:18A-2* and *18A:18A-3(a)* are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under *N.J.S.A. 18A:39-3* is \$18,800 for 2016-17.

The district board of education/board of trustees has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

Based on the results of my examination, I did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of *N.J.S.A. 18A:18A-4*.

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

School Food Service

The financial transactions and statistical records of the School Food Service were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

The district utilizes a food service management company Aramark 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 Aramark contract/addendum were reviewed and audited. The Aramark's contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$180,501. The operating results provision has been met.

Expenditures should be separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

Net cash resources did exceed three months average expenditures.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education. No exceptions were noted.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications/or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the School System. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review.

USDA Food Distribution Program (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

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

Unemployment Compensation Insurance Trust Fund

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

Application for State School Aid (ASSA)

My audit procedures included a test of information reported in the October 15, 2016 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. I also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers. The information that was included on the workpapers was verified. The results of my procedures are presented in the Schedule of Audited Enrollments and the following item was noted.

Finding 2017-04:

The following issues were noted during the testing of the district's ASSA report.

- It was noted during the sample test of on-roll eligible regular students that six (6) students were not reported on the ASSA report but were listed on the District's school register. Also, there were forty-six (46) students not reported on the ASSA report as compared to the District's school register.

- It was noted during the sample test of private school handicapped that one student's IEP was not available for audit review in order to verify the student's eligibility to be counted on the ASSA report. Also, there were ten (10) students not reported on the ASSA report as compared to the District's workpapers.
- It was noted during the test of on-roll Low Income students that the ASSA report listed one-hundred and six (156) more students as compared to the District's workpapers.
- It was noted during the test of on-roll eligible LEP - Low Income students that the ASSA report listed five (5) more students as compared to the District's workpapers.
- It was noted during the test of on-roll eligible LEP – Not Low Income students that the ASSA report listed four (4) more students as compared to the District's workpapers.

Recommendation:

The District must implement procedures to ensure that correct student enrollment counts are submitted on the ASSA report.

Student Activities Account

The Board adopted a policy, which effectively established the regulation of all student activity funds. During my review of the student activity funds, the following items were noted:

Finding 2017-05:

The High School Student Activity bank account was not completed correctly, timely and on a monthly basis. Also, the District did not retain and maintain all cash deposit slips and supporting documentation for audit review.

Recommendation:

The High School Student Activity bank account be completed correctly, timely and on a monthly basis. Also, the District should retain and maintain all cash deposit slips and supporting documentation in order to identify collected receipts.

Follow-up on Prior Years' Findings

In accordance with government auditing standards, my procedures included a review of all prior year recommendations including findings. Corrective action had been taken on all prior year findings with exception of the following, which is repeated in this year's recommendations noted as current year finding "2017-01 and 2017-04."

Issues were noted during the testing of the district's health benefit coverage (2017-01).

Student enrollment on the ASSA Report was not in agreement with the District's student enrollment workpapers (2017-04).

Acknowledgment

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

Should you have any questions concerning our comments or should you desire any assistance, please do not hesitate to call me.

Respectfully Submitted,

Brent W. Lee
Certified Public Accountant
Public School Accountant No. 700
Brent W. Lee & Co., LLC

Cinnaminson, New Jersey
November 21, 2017

ADDITIONAL INFORMATION



SCHEDULE OF MEAL COUNT ACTIVITY

**WILLINGBORO TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - FEDERAL
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE	(OVER) UNDER CLAIM
National School Lunch (High Rate)	Paid	97,104	34,477	34,477		0.32	
National School Lunch (High Rate)	Reduced	39,463	13,743	13,743		2.78	
National School Lunch (High Rate)	Free	302,416	98,267	98,267		3.18	
	TOTAL	438,983	146,487	146,487			
National School Lunch	HHFKA - PB Lunch Only	438,983	146,487	146,487		0.06	
School Breakfast (Severe Needs Rate)	Paid	20,912	7,288	7,288		0.29	
	Reduced	14,486	4,920	4,920		1.74	
	Free	148,079	42,237	42,237		2.04	
	TOTAL	183,477	54,445	54,445			
After School Snacks	Free (Area Eligible)	90,502	20,007	20,007	-	0.86	
Total Net (Over)/under-claim							

**NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -STATE
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE	(OVER) UNDER CLAIM
State Reimbursement - National School Lunch (High Rate)	Paid	97,104	34,477	34,477		0.040	
State Reimbursement - National School Lunch (High Rate)	Reduced	39,463	13,743	13,743		0.055	
State Reimbursement - National School Lunch (High Rate)	Free	302,416	98,267	98,267		0.055	
	TOTAL	438,983	146,487	146,487			
Total Net (Over)/under-claim							

WILLINGBORO TOWNSHIP SCHOOL DISTRICT

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.	\$504,002
B-4		Interfund Accounts Receivable	98,689
B-4		Due from Other Gov'ts	163,817
B-4		Other Accounts Receivable	28,721
CAFR		Current Liabilities	
B-4		Less Accounts Payable	153,201
B-4		Less Accruals	
B-4		Less Due to Other Funds	352,840
B-4		Less Unearned Revenue	
		Net Cash Resources	<u><u>\$289,188</u></u> (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	2,389,685	
B-5	Less Depreciation	<u>36,453</u>	
	Adj. Tot. Oper. Exp.	<u><u>\$ 2,353,232</u></u>	(B)

Average Monthly Operating Expense:

B / 10	\$	<u><u>235,323</u></u>	(C)
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Three times monthly Average:

3 X C	\$	<u><u>705,970</u></u>	(D)
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TOTAL IN BOX A	<u>\$289,188</u>
LESS TOTAL IN BOX D	<u>\$ 705,970</u>
NET	<u><u>\$ (416,782)</u></u>
From above:	
A is greater than D, cash exceeds 3 X average monthly operating expenses.	
D is greater than A, cash does not exceed 3 X average monthly operating expenses.	

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

SOURCE - USDA resource management comprehensive review form

SCHEDULE OF AUDITED ENROLLMENTS (2)

WILLINGBORO TOWNSHIP BOARD OF EDUCATION
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2016

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A. As Low Income	Reported on Workpapers As Low Income	Errors	Sample Selected From Workpapers	Verified to Application & Register	Sample Errors	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected From Workpapers	Verified to Test Score and Register	Sample Errors
Full Day Kindergarten	179	176	3	20	20		1	1		1	1	
One	178	178		25	25		1	1		1	1	
Two	149	163	(14)	20	20		3	3		3	3	
Three	181	185	(4)	21	21		5	4	1	4	4	
Four	167	169	(2)	48	48		4	3	1	3	3	
Five	165	171	(6)	29	29		5	4	1	4	4	
Six	154	120	34	24	24					1	1	
Seven	157	127	30	21	21		4	2	2	2	2	
Eight	183	162	21	28	28		1	1		1	1	
Nine	77	79	(2)	12	12		2	2		2	2	
Ten	66	64	2	8	8		1	1		1	1	
Eleven	80	82	(2)	14	14		2	2		2	2	
Twelve	117	117		14	14		5	5		5	5	
Subtotal	1,853	1,793	60	284	284		34	29	5	30	30	
Sp Ed - Elementary	205	159	46	7	7		1	1				
Sp Ed - Middle	122	97	25	2	2							
Sp Ed - High School	164	139	25	4	4							
Subtotal	491	395	96	13	13		1	1				
Totals	2,344	2,188	156	297	297		35	30	5	30	30	
Percentage Error			7%						17%			

TRANSPORTATION

	Reported on DRTRS by DOE	Reported on DRTRS District	Errors	Tested	Verified	Errors
Regular - Public Schools Col 1	1,094	1,094		194	194	
Regular - Special Ed Col 4	265	265		64	64	
Transported - Nonpublic Col 2	175	175				
Transported - Nonpublic ALL Col 3	193	193		21	21	
Special Needs - Public Col 6	95	95				
Totals	1,822	1,822		279	279	
Percentage Errors			- 0 -			- 0 -

SCHEDULE OF AUDITED ENROLLMENTS (3)

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2016**

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected From Workpapers	Verified to Application & Register	Sample Errors
Full Day Kindergarten	1	2	(1)	2	2	
One						
Two						
Three	3		3			
Four						
Five	2	1	1	1	1	
Six		2	(2)	2	2	
Seven	2	2		2	2	
Eight	1		1			
Nine						
Ten	2	2		2	2	
Eleven	2		2			
Twelve	1	1		1	1	
Subtotal	<u>14</u>	<u>10</u>	<u>4</u>	<u>10</u>	<u>10</u>	
Sp Ed - Elementary						
Sp Ed - Middle						
Sp Ed - High School						
Subtotal						
Totals	<u><u>14</u></u>	<u><u>10</u></u>	<u><u>4</u></u>	<u><u>10</u></u>	<u><u>10</u></u>	
Percentage Error			<u><u>29%</u></u>			

EXCESS SURPLUS CALCULATION

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2016-17 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>73,053,872</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	\$ _____ (B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ _____ (B1b)
Transfer from General Fund to SRF for PreK-Regular	\$ _____ (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$ _____ (B1d)
Decrease by:	
On-Behalf TPAF Pension & Social Security	\$ <u>7,100,398</u> (B2a)
Assets Acquired Under Capital Leases	\$ _____ (B2b)
Adjusted 2016-17 General Fund Expenditures {(B)+(B1s)-(B2s)}	\$ <u>65,953,474</u> (B3)
2% of adjusted 2016-17 General Fund Expenditures {(B3) times .02}	\$ <u>1,319,069</u> (B4)
Enter Greater of (B4) or \$250,000	\$ <u>1,319,069</u> (B5)
Increased by: Allowable Adjustment *	\$ <u>818,799</u> (K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]	\$ <u>2,137,868</u> (M)

SECTION 2

Total General Fund - Fund Balance @6-30-17 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>8,001,011</u> (C)
Decreased by:	
Reserved for Encumbrances	\$ <u>728,331</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ <u>313,698</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>3,146,536</u> (C3)
Other Reserved Fund Balances ****	\$ _____ (C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ _____ (C5)
Additional Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures July 1, 2017 - August 1, 2017	_____ (C6)*****
Total Unassigned Fund Balance {(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)}	\$ <u>3,812,446</u> (U1)

SECTION 3

Reserved Fund Balance - Excess Surplus *** {(U1)-(M)} IF NEGATIVE ENTER -0-	\$ <u>\$1,674,578</u> (E)
<i>Recapitulation of excess surplus as of June 30, 2017</i>	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>\$3,146,536</u> (C3)
Reserved Excess Surplus *** {(E)}	\$ <u>\$1,674,578</u> (E)
Total Excess Surplus {(C3) + (E)}	\$ <u>\$4,821,114</u> (D)

REGULAR DISTRICT (continued):

Footnotes:

* Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:

(H) Federal Impact Aid. The passage of P.L. 2015, c. 46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, effective for the year ending June 30, 2017 the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary to the portion of Federal Impact Comparison Schedule, but not transferred to the Federal Impact Aid Reserve - General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);

(I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);

(J1) Extraordinary Aid;

(J2) Additional Nonpublic School Transportation Aid;

(J3) Recognized current year School Bus Advertising Revenue; and

(J4) Family Crisis Transportation Aid.

Detail of Allowable Adjustments

Impact Aid	\$ _____ (H)
Sale & Lease-back	\$ _____ (I)
Extraordinary Aid	\$ <u>777,867</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>40,932</u> (J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____ (J3)
Family Crisis Transportation Aid	\$ _____ (J4)
 Total Adjustments {(H)+(I)+J1)+(J2)+(J3)+(J4)}	 \$ <u>818,799</u> (K)

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

*** Amounts must agree to the June 30, 2017 CAFR and the sum of the two lines must agree to Audit Summary Line 90030

**** Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by another type of government such as the judicial branch of government must have Departmental approval. District requests should be submitted to the Division of Administration and Finance prior to September 30.

***** Increase in Assigned Fund Balance- Unreserved- Designated for Subsequent Year's expenditures July 1, 2017 to August 1, 2017 resulting from decrease in State Aid after adoption of 2017-2018 district budget.

Detail of Other Reserved Fund Balance

Statutory Restrictions:

Approved Unspent Separate Proposal	\$ _____
Sale/Lease-Back Reserve	\$ _____
Capital Reserve	\$ _____
Maintenance Reserve	\$ _____
Emergency Reserve	\$ _____
Tuition Reserve	\$ _____
School Bus Advertising 50% Fuel Offset Reserve - current year	\$ _____
Other State/Government Mandated Reserve	\$ _____
{Other Reserved Fund Balance Not Noted Above} ****	\$ _____

Total Other Reserved Fund Balance \$ _____ (C4)

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