

**BOARD OF EDUCATION  
CITY OF BURLINGTON  
COUNTY OF BURLINGTON**

**AUDITORS MANAGEMENT REPORT  
ON ADMINISTRATIVE FINDINGS  
- FINANCIAL, COMPLIANCE AND PERFORMANCE  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2018**

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

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

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

The Honorable President and  
Members of the Board of Education  
Burlington City School District  
County of Burlington, New Jersey

I have audited, in accordance with generally accepted audit standards and *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Burlington City School District, in the County of Burlington for the year ended June 30, 2018, and have issued my report thereon dated January 31, 2019.

As part of my audit, I performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the Burlington City Board of Education and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

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



Robert P. Inverso  
Public School Accountant No. CS001095

January 31, 2019

## **ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

### **Scope of Audit**

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

### **Administrative Practices and Procedures**

#### **Insurance**

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

#### **Officials Bonds**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Raymond W. Coxe	Board Secretary/School Business Administrator	\$ 250,000
Kenneth R. MacMillan	Treasurer of School Monies	300,000

There is a Public Employees' Faithful Performance Blanket Position Bond with Atlantic and Cape May Counties Joint Insurance Group covering all other employees with multiple coverage of \$500,000.

#### **Tuition Charges**

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

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

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

The Unemployment Compensation Insurance Fund was maintained in satisfactory condition.

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

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

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

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

**Payroll Account**

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

All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/Business Administrator and the Chief School Administrator.

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

Payrolls were delivered to the Treasurer of School Moneys with a warrant made to his order for the full amount of each payroll.

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

The Payroll Account records were maintained in satisfactory condition.

**Employee Position Control Roster**

No exceptions were noted during my examination of the Employee Position Control Roster

**Reserve for Encumbrances and Accounts Payable**

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable. My review did not indicate any material discrepancies to the classification of orders.

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

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

**Travel**

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

**Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of my test of transactions of randomly selected expenditure items. I also reviewed the coding of all expenditures included in my compliance and single audit testing procedures. In addition to randomly selecting a test sample, my sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. My review did not indicate any material discrepancies with respect to classification of expenditures.

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

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

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

**Treasurer's Records**

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

**Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA)**

The E.S.E.A./ESSA 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, Title II, and Title III of the Elementary and Secondary Education Act, as amended and reauthorized.

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

**Other Special Federal and/or State Projects**

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

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

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

The study of compliance for special projects indicated no areas of noncompliance and/or questionable costs.

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

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

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

The amount of the expenditure charged to the current year's Final Reports for all federal awards for the school district to reimburse the state for the TPAF/FICA payments made by the State on be-half of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 60 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

**Nonpublic State Aid**

The study of compliance for nonpublic state aid indicated no areas of noncompliance and/or questionable costs.

### School Purchasing Programs

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 \$19,000.

The district 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 a 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 of bids in accordance with the provision of N.J.S.A. 18A:18A-4.

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

### School Food Service

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. No exceptions were noted.

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

The District utilizes a food service management company and is depositing and expending program monies in accordance with NJSA 18A:17-34 and 19-1 through 19-4.1

Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract does not include a guarantee.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used. All vendor discounts, rebates, and credits from vendors were tracked and credited to the Food Service Account and reconciled to supporting documentation.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. Net cash resources did not exceed three months average expenditures.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all District food service employees authorized by the Board of Education. No exceptions were noted.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner. No exceptions were noted.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the District. Sites approved to participate in Provisions were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were reviewed for completeness and availability. No exceptions were noted.

### **School Food Service (Continued)**

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

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

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

### **Latchkey Program**

The financial records for the Latchkey Program were maintained in satisfactory condition.

### **Student Body Activities**

The financial records for the Student Activity Fund were maintained in satisfactory condition.

### **Application for State School Aid**

My audit procedures included a test of information reported in the October 15, 2017 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 with no exceptions noted. The information that was included on the workpapers was verified without exception. The results of my procedures are presented in the Schedule of Audited Enrollments.

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

The District has adequate written procedures for the recording of student enrollment data.

### **Pupil Transportation**

My procedures included a test of on roll status reported in the 2017-2018 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of my procedures are presented in the Schedule of Audited Enrollments.

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

### **Facilities and Capital Assets**

Not applicable.

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

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



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

In accordance with government auditing standards, my procedures included a review of all prior year recommendations including findings. Corrective action was taken on the prior year findings.

I have also reviewed the findings contained in the audit report issued by the Office of Fiscal Accountability and Compliance on the Carl D. Perkins Audit dated November 13, 2017. Corrective action has been taken on all findings.

**Acknowledgment**

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

Respectfully submitted,

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



Robert P. Inverso  
Certified Public Accountant  
Public School Accountant

January 31, 2019

SCHEDULE OF MEAL COUNT ACTIVITY

BURLINGTON CITY TOWNSHIP SCHOOL DISTRICT  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - FEDERAL  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
National School Lunch (Severe Need)	Paid	47,791	47,791	47,791	0	0.33	0.00
National School Lunch (Severe Need)	Reduced	12,808	12,808	12,808	0	2.85	0.00
National School Lunch (Severe Need)	Free	116,612	116,612	116,612	0	3.25	0.00
	TOTAL	<u>177,211</u>	<u>177,211</u>	<u>177,211</u>			<u>0.00</u>
National School Lunch	HHFKA - PB Lunch Only	<u>177,211</u>	<u>177,211</u>	<u>177,211</u>	0	0.06	<u>0.00</u>
<b>Total Net Underclaim</b>							<u><u>0.00</u></u>

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
National School Breakfast (Severe Need)	Paid	26,935	26,935	26,935	0	0.30	0.00
National School Breakfast (Severe Need)	Reduced	4,753	4,753	4,753	0	1.79	0.00
National School Breakfast (Severe Need)	Free	53,679	53,679	53,679	0	2.09	0.00
	TOTAL	<u>85,367</u>	<u>85,367</u>	<u>85,367</u>			<u>0.00</u>
<b>Total Net Underclaim</b>							<u><u>0.00</u></u>

**BURLINGTON CITY TOWNSHIP SCHOOL DISTRICT**  
**FOOD SERVICE FUND**  
**NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - STATE**  
**ENTERPRISE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
State Reimbursement - National School	Paid	47,791	47,791	47,791	0	0.050	0.00
State Reimbursement - National School	Reduced	12,808	12,808	12,808	0	0.055	0.00
State Reimbursement - National School	Free	116,612	116,612	116,612	0	0.055	0.00
	<b>TOTAL</b>	<u>177,211</u>	<u>177,211</u>	<u>177,211</u>			
<b>Total Net Underclaim</b>							<u>0.00</u>

**BURLINGTON CITY SCHOOL DISTRICT  
NET CASH RESOURCE SCHEDULE**

Net cash resources did not exceed three months of expenditures  
Proprietary Funds - Food Service  
For the fiscal year ended June 30, 2018

<u>Net Cash Resources:</u>		Food Service B - 4/5	
<b>CAFR</b>	<b>* Current Assets</b>		
B-4	Cash & Cash Equivalents	\$ 52,365	
B-4	Intergovernmental Accounts Receivable	124,743	
B-4	Other Accounts Receivable	1,692	
<b>CAFR</b>	<b>Current Liabilities</b>		
B-4	Less: Accounts Payable	(33,772)	
B-4	Less: Compensated Absences Payable	-	
B-4	Less: Interfund Accounts Payable	-	
B-4	Less: Unearned revenue	<u>(5,454)</u>	
	<b>Net Cash Resources</b>	<u>\$ 139,574</u>	<b>( A )</b>
 <u>Net Adjustment To Total Operating Expense:</u>			
B-5	Total Operating Expense	933,857	
B-5	Less: Depreciation	<u>(15,684)</u>	
	Adjusted Total Operating Expense	<u>\$ 918,173</u>	<b>( B )</b>
 <u>Average Monthly Operating Expense:</u>			
	B / 10	<u>\$ 91,817</u>	<b>( C )</b>
 <u>Three times monthly Average:</u>			
	3 X C	<u>\$ 275,452</u>	<b>( D )</b>

TOTAL IN BOX A	\$ 139,574	
LESS TOTAL IN BOX D	<u>(275,452)</u>	
NET	<u>(135,878)</u>	
From above:		
<b>A is greater than D, cash exceeds 3 X average monthly operating expenses.</b>		
<b>D is greater than A, cash does not exceed 3 X average monthly operating expenses.</b>		

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

SOURCE - USDA resource management comprehensive review form.

SCHEDULE OF AUDITED ENROLLMENTS

Burlington City School District

Application for State School Aid Summary

Enrollment as of October 15, 2017

	2018-2019 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on ASSA On Roll		Reported on Workpapers On Roll		Errors		Sample Selected From Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on ASSA as Private Schools	Sample for Verifi- cation	Sample Varified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Full Day Pre K3	81		81					16		16						
Full Day Pre K 4	103		103					21		21						
Full Day K	130		130					26		26						
One	111		111					22		22						
Two	89		89					18		18						
Three	95		95					19		19						
Four	82		82					16		16						
Five	81		81					16		16						
Six	79		79					16		16						
Seven	69		69					14		14						
Eight	79		79					16		16						
Nine	96		96					19		19						
Ten	90		90					18		18						
Eleven	80		80					16		16						
Twelve	101		101					20		20						
Subtotal	1,366	0	1,366	0	0	0	273	0	273	0	0	0	0	0	0	0
SpEd Elementary	137		137				27		27				7	7	7	
SpEd Middle School	69		69				14		14				5	5	5	
SpEd High School	106		106				21		21				7	7	7	
Subtotal	312	0	312	0	0	0	62	0	62	0	0	0	19	19	19	0
Totals	1,678	0	1,678	0	0	0	335	0	335	0	0	0	19	19	19	0
Percentage Error					-0-	-0-					-0-	-0-			-0-	-0-

Schedule of Audited Enrollments

**Burlington City School District**

Application for State School Aid Summary

Enrollment as of October 15, 2017

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	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on ASSA as NOT Low Income</u>	<u>Reported on Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Full Day K	1	1	0	1	1	
One	0	0	0	0	0	
Two	1	1	0	1	1	
Three	2	2	0	2	2	
Four	0	0	0	0	0	
Five	0	0	0	0	0	
Six	1	1	0	1	1	
Seven	0	0	0	0	0	
Eight	0	0	0	0	0	
Nine	1	1	0	1	1	
Ten	1	1	0	1	1	
Eleven	1	1	0	1	1	
Twelve	0	0	0	0	0	
Subtotal	<u>8</u>	<u>8</u>	<u>0</u>	<u>8</u>	<u>8</u>	<u>0</u>
SpEd Elementary	1	1	0	1	1	
SpEd Middle School	0	0	0	0	0	
SpEd High School	0	0	0	0	0	
Subtotal	<u>1</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>
Totals	<u>9</u>	<u>9</u>	<u>0</u>	<u>9</u>	<u>9</u>	<u>0</u>
Percentage Error			<u>-0-</u>			<u>-0-</u>

Schedule of Audited Enrollments

**Burlington City School District**

Application for State School Aid Summary

Enrollment as of October 15, 2017

13

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on ASSA as Low Income</u>	<u>Reported on Workpapers as Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>	<u>Reported on ASSA as LEP Low Income</u>	<u>Reported on Workpapers as LEP Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Test Score and Register</u>	<u>Sample Errors</u>
Full Day K	71	71		18	18		3	3		3	3	
One	68	68		17	17		1	1		1	1	
Two	52	52		13	13		3	3		3	3	
Three	61	61		15	15		2	2		2	2	
Four	54	54		13	13		0	0		0	0	
Five	48	48		12	12		0	0		0	0	
Six	45	45		11	11		0	0		0	0	
Seven	40	40		10	10		2	2		2	2	
Eight	47	47		12	12		2	2		2	2	
Nine	44	44		11	11		2	2		2	2	
Ten	44	44		11	11		0	0		0	0	
Eleven	25	25		6	6		1	1		1	1	
Twelve	26	26		6	6		1	1		1	1	
	<u>625</u>	<u>625</u>	<u>0</u>	<u>155</u>	<u>155</u>	<u>0</u>	<u>17</u>	<u>17</u>	<u>0</u>	<u>17</u>	<u>17</u>	<u>0</u>
SpEd Elementary	96	96		24	24		2	2		2	2	
SpEd Middle School	45	45		11	11		0	0		0	0	
SpEd High School	60	60		15	15		0	0		0	0	
Subtotal	<u>201</u>	<u>201</u>	<u>0</u>	<u>50</u>	<u>50</u>	<u>0</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>2</u>	<u>2</u>	<u>0</u>
Totals	<u>826</u>	<u>826</u>	<u>0</u>	<u>205</u>	<u>205</u>	<u>0</u>	<u>19</u>	<u>19</u>	<u>0</u>	<u>19</u>	<u>19</u>	<u>0</u>
Percentage Error			<u>-0-</u>			<u>-0-</u>			<u>-0-</u>			<u>-0-</u>

	<u>Transportation</u>					
	<u>Reported on DRTRS by DOE</u>	<u>Reported on DRTRS by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>
Reg. Public School, col. 1	94	94		94	94	
Reg. Special Education, col. 4	43	43		43	43	
Transported-Non-Public, col. 3	0	0		0	0	
Special Needs, Col. 6	37	37		37	37	
	<u>174</u>	<u>174</u>	<u>0</u>	<u>174</u>	<u>174</u>	<u>0</u>
Percentage Error			<u>-0-</u>			<u>-0-</u>

	<u>Reported</u>	<u>Recalculated</u>
Avg. Mileage - Regular Including Grade PK students	5.8	5.8
Avg. Mileage - Regular Excluding Grade PK students	5.8	5.8
Avg. Mileage - Special Ed. with Special Needs	10.1	10.1

BURLINGTON CITY SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

**SECTION 1 - Regular Districts**

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

2017-18 Total General Fund Expenditures per the CAFR, Ex C-1	\$	<u>36,797,267</u>	(B)
Increased by:			
Transfer from Capital Outlay to Capital Projects Fund	\$	<u>                    </u>	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$	<u>                    </u>	(B1b)
Transfer from General Fund to SRF for Preschool - Regular	\$	<u>                    </u>	(B1b)
Transfer from General Fund to SRF for Preschool - Inclusion	\$	<u>302,256</u>	(B1b)
Decreased by:			
On-Behalf TPAF Pension & Social Security	\$	<u>(5,014,530)</u>	(B2a)
Assets Acquired Under Capital Leases	\$	<u>                    </u>	(B2b)
Adjusted 2017-2018 General Fund Expenditures [(B)+(B1s)+(B2s)]	\$	<u>32,084,993</u>	(B3)
2% of Adjusted 2017-2018 General Fund Expenditures [(B3) times .02]	\$	<u>641,700</u>	(B4)
Enter Greater of (B4) or \$250,000	\$	<u>641,700</u>	(B5)
Increased by: Allowable Adjustment	\$	<u>109,497</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]			\$ <u>751,197</u> (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-18 (Per CAFR Budgetary Comparison Schedule C-1)	\$	<u>5,191,443</u>	(C)
Decreased by:			
Year-end Encumbrances	\$	<u>                    </u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$	<u>                    </u>	(C2)
Legally Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	\$	<u>2,112,247</u>	(C3)
Other Restricted Fund Balances	\$	<u>810,726</u>	(C4)
Assigned Fund Balance - ARRA/SEMI- Designated for Subsequent Year's Expenditures	\$	<u>                    </u>	(C5)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$	<u>500,000</u>	(C5)
Additional Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures July 1, 2018 - August 1, 2018	\$	<u>                    </u>	(C6)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]			\$ <u>1,768,470</u> (U1)



**BURLINGTON CITY SCHOOL DISTRICT**

**EXCESS SURPLUS CALCULATION**

**SECTION 3 - All Districts**

Restricted Fund Balance - Excess Surplus [(U2)-(M)] IF NEGATIVE ENTER -0- \$ 1,017,273 (E)

**Recapitulation of Excess Surplus as of June 30, 2018**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	\$ <u>2,112,247</u>	(C3)
Reserved Excess Surplus [(E)]	\$ <u>1,017,273</u>	(E)
Total [(C3) + (E)]	\$ <u>3,129,520</u>	(D)

**Detail of Allowable Adjustments**

Impact Aid	\$ _____	(H)
Sale & Lease-back	\$ _____	(I)
Extraordinary Aid	\$ <u>109,497</u>	(J1)
Additional Nonpupic School Transportation Aid	\$ _____	(J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____	(J3)
Family Crisis Transportation Aid	\$ _____	(J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	\$ <u>109,497</u>	(K)

**Detail of Other Restricted Fund Balance**

Statutory restrictions:	
Approved unspent separate proposal	\$ _____
Capital outlay for a district with a capital outlay cap waiver	\$ _____
Sale/lease-back reserve	\$ _____
Capital reserve	\$ <u>676,210</u>
Maintenance reserve	\$ _____
Tuition Reserve	\$ _____
Emergency reserve	\$ <u>134,516</u>
School Bus Advertising 50% Fuel Offest Reserve - current year	\$ _____
School Bus Advertising 50% Fuel Offest Reserve - prior year	\$ _____
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ _____
Impact Aid General Fund Reserve (Sections 8007 and 8008)	\$ _____
Other Restricted Fund Balance not noted above	\$ _____
Total Other Restricted Fund Balance	\$ <u>810,726</u> (C4)

**BURLINGTON CITY SCHOOL DISTRICT**  
**Encumbrances**  
**For the Fiscal Year Ended June 30, 2018**

Encumbrances per the June 30, 2018 Board Secretary Report				\$ -
Description	Total by Category	Amount Properly Encumbered	Encumbrances Cancelled Through Audit Adjustments	
Total Encumbrances Cancelled During the Audit				-
Fund Balance Reserved for Encumbrances in the CAFR				\$ -

AUDIT RECOMMENDATIONS SUMMARY  
For the Fiscal Year Ended June 30, 2018

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Programs

None

4. School Food Service

None

5. Student Body Activities

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 Audit Findings/Recommendations

Corrective action was taken on the prior year recommendations.