

CUMBERLAND REGIONAL SCHOOL DISTRICT

**Auditor's Management Report on Administrative
Findings, Financial, Compliance and Performance
For the Fiscal Year Ended June 30, 2018**

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

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REPORT OF INDEPENDENT AUDITORS

Honorable President and
Members of the Board of Education
Cumberland Regional School District
County of Cumberland, New Jersey

We have audited, in accordance with audit standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Cumberland Regional School District in the County of Cumberland for the year ended June 30, 2018, and have issued our report thereon dated January 25, 2019.

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 management of the Cumberland Regional Board of Education, the New Jersey State Department of Education (cognizant audit agency), other state and federal awarding agencies and pass-through entities, and is not intended and should not be used by anyone other than these parties. However, this report is a matter of public record and its distribution is not limited.

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia

Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

January 25, 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 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.

Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32,18A:13-13)

| <u>Name</u> | <u>Position</u> | <u>Amount</u> |
|--------------------|------------------------|---------------|
| Bruce D. Harbinson | Business Administrator | \$ 250,000.00 |

Financial Planning, Accounting and Reporting

Examination of Claims

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

Payroll Account

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

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

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium amounts withheld and due to the general fund.

Reserve for Encumbrances, Liability for 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. No discrepancies were noted.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection 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, a transaction error rate of 0.00% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Financial Planning, Accounting and Reporting - continued

Business Administrator / Board Secretary's Records

The Board Secretary's Records were in satisfactory condition.

Bids received were summarized in the minutes.

Acknowledgement of the Board's receipt of the Board Secretary's reports were included in the minutes.

Budget appropriations were not greater than realized revenues and Board authorized use of surplus.

No budgetary line accounts were over-expended during the fiscal year and at June 30.

Purchase orders were charged to the appropriate line accounts in accordance with State prescribed Uniform Minimum Chart of Accounts (2R2), for New Jersey Public Schools.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2017-18 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 include a review of transportation related contracts and purchases. Based on our review, the district complied with the proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

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

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

The study of compliance for E.S.E.A. revealed no areas of noncompliance and/or questionable costs.

Other Special Federal and/or State Projects

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

The study of compliance for Special Federal and/or State Projects revealed no areas of noncompliance and/or questioned costs.

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.

TPAF 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-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 Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3 are \$40,000. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is \$19,000 for 2017-18.

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 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 school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or 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.

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

The financial transactions and statistical records of the School Food Services were reviewed and found to be in satisfactory condition. 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 (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17- 34, and 19-1 through 19-4.1. Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$15,000. The operating results provision has been not met and therefore the Management Fee in the amount of \$25,000 is due back to the District.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used. No exceptions were noted.

The cash disbursement 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. No exceptions were noted.

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

The number of meals claimed for reimbursement were verified against 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 and or 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 is uniformly administered 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 & 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 in the CAFR.

Student Body Activities

During our review of the student activity funds, the records were found to be in satisfactory condition.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2017 Application for State School Aid (ASSA) for on-roll, private schools for the handicapped, low income and bilingual. We also performed a review of the districts 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 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 has adequate written procedures for the recording of student enrollment data.

Facilities and Capital Assets

Our procedures included a review of the SDA grant agreements for consistency and recording SDA revenue, transfer of local funds from the general fund or from the capital reserve account, and the awarding of contracts for eligible facilities construction. No exceptions were noted.

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 Year Findings

Not Applicable

Acknowledgment

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia
Michael S. Garcia
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No. 2080

January 25, 2019

School Food Service

SCHEDULE OF MEAL COUNT ACTIVITY

ANYTOWN SCHOOL DISTRICT/CHARTER SCHOOL

FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -Federal

ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

| PROGRAM | MEAL CATEGORY | MEALS CLAIMED | MEALS TESTED | MEALS VERIFIED | DIFFERENCE | RATE (a) | (OVER) UNDER CLAIM (b) |
|--------------------------------------|-----------------------|------------------|-----------------|-------------------|------------|----------|------------------------------|
| National School Lunch (Regular Rate) | Paid | 24,190 | 24,190 | 24,190 | 0 | 0.33 | 0.00 |
| National School Lunch (Regular Rate) | Reduced | 9,118 | 9,118 | 9,118 | 0 | 2.85 | 0.00 |
| National School Lunch (Regular Rate) | Free | 49,021 | 49,021 | 49,021 | 0 | 3.25 | 0.00 |
| | TOTAL | 82,329 | 82,329 | 82,329 | | | 0.00 |
| National School Lunch | HHFKA - PB Lunch Only | 82,329 | 82,329 | 82,329 | 0 | 0.06 | 0.00 |
| School Breakfast (Severe Rate) | Paid | 1,506 | 1,506 | 1,506 | 0 | 0.30 | 0.00 |
| | Reduced | 1,677 | 1,677 | 1,677 | 0 | 1.79 | 0.00 |
| | Free | 23,185 | 23,185 | 23,185 | 0 | 2.09 | 0.00 |
| | TOTAL | 26,368 | 26,368 | 26,368 | | | 0.00 |
| Total Net Overclaim | | | | | | | 0.00 |

Auditor Notation:

(a) Reimbursement rates are subject to annual change. Rates indicated in this sample schedule are for illustrative purposes only. Refer to the detailed schedule of reimbursement rates presented on page II-60.27 of this Audit Program. (b) Overclaims or underclaims must be reflected by program on the Schedule of Findings and Questioned Costs (where applicable) and in the AMR. (c) If underclaims are identified and total \$100.00 or more by program, please contact the DOA for requirements to request reimbursement from USDA. Underclaim requests may or may not be approved by USDA for reimbursement. (d) Child and Adult Care Food Program-(CACFP)-At-Risk Dinners

School Food Service

SCHEDULE OF MEAL COUNT ACTIVITY

ANYTOWN SCHOOL DISTRICT/CHARTER SCHOOL

FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -STATE

ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

| PROGRAM | MEAL CATEGORY | MEALS CLAIMED | MEALS TESTED | MEALS VERIFIED | DIFFERENCE | RATE (a) | (OVER) UNDER CLAIM (b) |
|--|------------------|------------------|-----------------|-------------------|------------|----------|------------------------------|
| State Reimbursement - National School Lunch (Regular Rate) | Paid | 24,190 | 24,190 | 24,190 | 0 | 0.050 | 0.00 |
| State Reimbursement - National School Lunch (Regular Rate) | Reduced | 9,118 | 9,118 | 9,118 | 0 | 0.055 | 0.00 |
| State Reimbursement - National School Lunch (Regular Rate) | Free | 49,021 | 49,021 | 49,021 | 0 | 0.055 | 0.00 |
| | TOTAL | <u>82,329</u> | <u>82,329</u> | <u>82,329</u> | | | |

Total Net Overclaim

0.00

Auditor Notation:

(a) Reimbursement rates are subject to annual change. Rates indicated in this sample schedule are for illustrative purposes only. Refer to the detailed schedule of reimbursement rates presented on page II-60.27 of this Audit Program. (b) Overclaims or underclaims must be reflected by program on the Schedule of Findings and Questioned Costs (where applicable) and in the AMR. (c) State underclaims identified are not eligible for reimbursement.

NET CASH RESOURCE SCHEDULE

**Net cash resources DID NOT exceed three months of expenditures
Proprietary Funds - Food Service
FYE 2018**

| <u>Net Cash Resources:</u> | Food Service B - 4/5 | |
|----------------------------|----------------------------|----------------------------|
| CAFR | | Current Assets |
| B-4 | 47,311.03 | Cash & Cash Equiv. |
| B-4 | - | Due from Other Gov'ts |
| B-4 | 39,365.56 | Accounts Receivable |
| B-4 | - | Investments |
| CAFR | | Current Liabilities |
| B-4 | (91,657.34) | Less Accounts Payable |
| B-4 | | Less Accruals |
| B-4 | - | Less Due to Other Funds |
| B-4 | - | Less Deferred Revenue |
| | <u><u>(4,980.75)</u></u> | Net Cash Resources |
| | | (A) |

Net Adj. Total Operating Expense:

| | | |
|-----|--------------------------|----------------------|
| B-5 | 538,953.07 | Tot. Operating Exp. |
| B-5 | <u>(16,098.00)</u> | Less Depreciation |
| | <u><u>522,855.07</u></u> | Adj. Tot. Oper. Exp. |
| | | (B) |

Average Monthly Operating Expense:

| | | |
|--------|-------------------------|------------|
| B / 10 | <u><u>52,285.51</u></u> | (C) |
|--------|-------------------------|------------|

Three times monthly Average:

| | | |
|-------|--------------------------|------------|
| 3 X C | <u><u>156,856.52</u></u> | (D) |
|-------|--------------------------|------------|

| | |
|---------------------|-------------------------------|
| TOTAL IN BOX A | \$ (4,980.75) |
| LESS TOTAL IN BOX D | \$ 156,856.52 |
| NET | <u><u>\$ (161,837.27)</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

**CUMBERLAND REGIONAL SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
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 A.S.S.A. On Roll | | Workpapers | | Errors | | Sample Selected from Workpapers | | Registers Verified per On Roll | | Errors per Registers On Roll | | Reported on Private Schools | | Workpapers | | Sample Verification | | Sample Errors | | |
| | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Full | Shared | |
| Half Day Preschool | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Full Day Preschool | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Half Day Kindergarten | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Full Day Kindergarten | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| One | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Two | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Three | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Four | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Five | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Six | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Seven | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Eight | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Nine | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Ten | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Eleven | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Twelve | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Post-Graduate | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Adult H.S. (15+CR.) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Adult H.S. (1-14+CR.) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Subtotal | 904 | 24 | 904 | 24 | - | - | 211 | 6 | 211 | 6 | - | 211 | 6 | - | - | - | - | - | - | - | - |
| Special Ed - Elementary | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Ed - Middle School | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Ed - High School | 183 | 9 | 183 | 9 | - | - | 43 | 1 | 43 | 1 | - | 43 | 1 | - | - | - | - | - | - | - | - |
| Subtotal | 183 | 9 | 183 | 9 | - | - | 43 | 1 | 43 | 1 | - | 43 | 1 | - | - | - | - | - | - | - | - |
| Co. Voc. - Regular | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Co. Voc. - FT Post Sec. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Totals | 1,067 | 33 | 1,067 | 33 | - | - | 254 | 7 | 254 | 7 | - | 254 | 7 | - | - | - | - | - | - | - | - |
| Percentage Error | | | | | 0.00% | 0.00% | | | | | 0.00% | 0.00% | | | | | | | | | 0.00% |

**CUMBERLAND REGIONAL SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2017**

| | 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 and Register | Sample Errors | Reported on A.S.S.A as LEP Low Income | Reported on Workpapers LEP Low Income | Errors | Sample Selected from Workpapers | Verified to LEP Score, Lunch App. and Register | Sample Errors |
| Half Day Preschool | - | - | - | - | - | - | - | - | - | - | - | - |
| Full Day Preschool | - | - | - | - | - | - | - | - | - | - | - | - |
| Half Day Kindergarten | - | - | - | - | - | - | - | - | - | - | - | - |
| Full Day Kindergarten | - | - | - | - | - | - | - | - | - | - | - | - |
| One | - | - | - | - | - | - | - | - | - | - | - | - |
| Two | - | - | - | - | - | - | - | - | - | - | - | - |
| Three | - | - | - | - | - | - | - | - | - | - | - | - |
| Four | - | - | - | - | - | - | - | - | - | - | - | - |
| Five | - | - | - | - | - | - | - | - | - | - | - | - |
| Six | - | - | - | - | - | - | - | - | - | - | - | - |
| Seven | - | - | - | - | - | - | - | - | - | - | - | - |
| Eight | - | - | - | - | - | - | - | - | - | - | - | - |
| Nine | 104.0 | 104.0 | - | 39 | 39 | - | - | - | - | - | - | - |
| Ten | 106.0 | 106.0 | - | 39 | 39 | - | 1 | 1 | - | 1 | 1 | - |
| Eleven | 89.0 | 89.0 | - | 34 | 34 | - | 1 | 1 | - | 1 | 1 | - |
| Twelve | 114.5 | 114.5 | - | 42 | 42 | - | 2 | 2 | - | 2 | 2 | - |
| Post-Graduate Adult H.S. (15+CR) | - | - | - | - | - | - | - | - | - | - | - | - |
| Adult H.S. (1-14+CR) | - | - | - | - | - | - | - | - | - | - | - | - |
| Subtotal | 413.5 | 413.5 | - | 154 | 154 | - | 4 | 4 | - | 4 | 4 | - |
| Special Ed - Elementary | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Ed - Middle School | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Ed - High School | 118.0 | 118.0 | - | 43 | 43 | - | 1 | 1 | - | 1 | 1 | - |
| Subtotal | 118.0 | 118.0 | - | 43 | 43 | - | 1 | 1 | - | 1 | 1 | - |
| Co. Voc. - Regular | - | - | - | - | - | - | - | - | - | - | - | - |
| Co. Voc. - FT Post Sec. | - | - | - | - | - | - | - | - | - | - | - | - |
| Totals | 531.5 | 531.5 | - | 197 | 197 | - | 5 | 5 | - | 5 | 5 | - |
| Percentage Error | | | 0.00% | | | | | | 0.00% | | | 0.00% |

| | Transportation | | | Sample for Verification | | | Resident LEP Low Income | | | Sample for Verification | | |
|----------------------------------|---------------------------------|-------------------------------|--------|-------------------------|----------------------|---------------|---------------------------------------|---------------------------------------|--------|---------------------------------|--|---------------|
| | Reported on DTRTS by DOE/County | Reported on DTRTS by District | Errors | Sample Tested | Verified to Register | Sample Errors | Reported on A.S.S.A as LEP Low Income | Reported on Workpapers LEP Low Income | Errors | Sample Selected from Workpapers | Verified to LEP Score, Lunch App. and Register | Sample Errors |
| Reg. - Public Schools, col. 1 | 741.0 | 741.0 | - | 197 | 197 | - | - | - | - | - | - | - |
| Reg. - Sp Ed, col. 4 | 135.5 | 135.5 | - | 36 | 36 | - | - | - | - | - | - | - |
| Transported - Non-Public, col. 3 | - | - | - | - | - | - | - | - | - | - | - | - |
| Transported - Non-Public, AIL | 44.0 | 44.0 | - | 12 | 12 | - | - | - | - | - | - | - |
| Special Ed Special Needs, col. 6 | 32.5 | 32.5 | - | 9 | 9 | - | - | - | - | - | - | - |
| Totals | 953.00 | 953.00 | - | 254 | 254 | - | - | - | - | - | - | - |
| Percentage Error | | | 0.00% | | | | | | 0.00% | | | 0.00% |

(from dtrts)
Reported **Recalculated**
 0.0 0.0
 6.9 6.9
 15.6 15.6

Reg Avg. (Mileage) = Regular Including Grade PK Students (Part A)
 Reg Avg. (Mileage) = Regular Excluding Grade PK Students (Part B)
 Spec Avg. = Special Ed with Special Needs

**CUMBERLAND REGIONAL SCHOOL DISTRICT
 SCHEDULE OF AUDITED ENROLLMENTS
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2017**

| | Resident LEP NOT Low Income | | Sample for Verification | |
|----------------------------|---|---|---------------------------------|------------------------------------|
| | Reported on A.S.S.A as LEP Not Low Income | Reported on Workpapers LEP Not Low Income | Sample Selected from Workpapers | Verified to LEP Score and Register |
| | | Errors | | Errors |
| Half Day Preschool | - | - | - | - |
| Full Day Preschool | - | - | - | - |
| Half Day Kindergarten | - | - | - | - |
| Full Day Kindergarten | - | - | - | - |
| One | - | - | - | - |
| Two | - | - | - | - |
| Three | - | - | - | - |
| Four | - | - | - | - |
| Five | - | - | - | - |
| Six | - | - | - | - |
| Seven | - | - | - | - |
| Eight | - | - | - | - |
| Nine | - | - | - | - |
| Ten | - | - | - | - |
| Eleven | - | - | - | - |
| Twelve | 1 | 1 | 1 | 1 |
| Post-Graduate | - | - | - | - |
| Adult H.S. (15+CR.) | - | - | - | - |
| Adult H.S. (1-14+CR.) | - | - | - | - |
| Subtotal | 1 | 1 | 1 | 1 |
| Special Ed - Elementary | - | - | - | - |
| Special Ed - Middle School | - | - | - | - |
| Special Ed - High School | - | - | - | - |
| Subtotal | - | - | - | - |
| Co. Voc. - Regular | - | - | - | - |
| Co. Voc. - FT Post Sec. | - | - | - | - |
| Totals | 1 | 1 | 1 | 1 |
| Percentage Error | | 0.00% | | 0.00% |

**CUMBERLAND REGIONAL HIGH SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE YEAR ENDED JUNE 30, 2018**

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

| | | |
|---|--------------------------------|-------|
| 2017-18 Total General Fund Expenditures per the CAFR, Ex. C-1 | \$ <u>21,911,909.82</u> | (B) |
| Increased by: | | |
| Transfer from Capital Outlay to Capital Projects Fund | \$ <u>-</u> | (B1a) |
| Transfer from Capital Reserve to Capital Projects Fund | \$ <u>500,000.00</u> | (B1b) |
| Transfer from General Fund to SRF for Preschool - Regular | \$ <u>-</u> | (B1c) |
| Transfer from General Fund to SRF for Preschool - Inclusion | \$ <u>-</u> | (B1d) |
| Decreased By: | | |
| On-Behalf TPAF Pension & Social Security | \$ <u>2,308,004.84</u> | (B2a) |
| Assets Acquired Under Capital Leases | <u>-</u> | (B2b) |
| Adjusted 2017-18 General Fund Expenditures [(B)+(B1's)-(B2's)] | \$ <u><u>20,103,904.98</u></u> | (B3) |
| 2% of Adjusted 2017-18 General Fund Expenditures [(B3) times .02] | \$ <u>402,078.10</u> | (B4) |
| Enter Greater of (B4) or \$250,000 | \$ <u>402,078.10</u> | (B5) |
| Increased by: Allowable Adjustment* | \$ <u>-</u> | (K) |
| Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)] | \$ <u><u>402,078.10</u></u> | (M) |

SECTION 2

| | | |
|---|-----------------------------|------|
| Total General Fund - Fund Balances @ 06/30/18 (Per CAFR Budgetary Comparison Schedule C-1) | \$ <u>5,647,220.51</u> | (C) |
| Decreased by: | | |
| Year-end Encumbrances | \$ <u>283,191.36</u> | (C1) |
| Legally Restricted - Designated for Subsequent Year's Expenditures | <u>-</u> | (C2) |
| Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures ** | \$ <u>573,057.15</u> | (C3) |
| Other Restricted Fund Balances **** | \$ <u>3,843,144.00</u> | (C4) |
| Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures | <u>-</u> | (C5) |
| Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)] | \$ <u><u>947,828.00</u></u> | (U1) |

SECTION 3

| | | |
|---|-------------------------------|------|
| Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER - 0 - | \$ <u>545,749.90</u> | (E) |
| <u>Recapitulation of Excess Surplus as of June 30, 2018:</u> | | |
| Reserved Excess Surplus - Designated for Subsequent Year's Expenditures ** | \$ <u>573,057.15</u> | (C3) |
| Reserved Excess Surplus *** | \$ <u>545,749.90</u> | (E) |
| Total [(C3) + (E)] | \$ <u><u>1,118,807.05</u></u> | (D) |

**CUMBERLAND REGIONAL HIGH SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE YEAR ENDED JUNE 30, 2018**

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

Detail of Allowable Adjustments

| | | |
|---|--------------|---------|
| Impact Aid | \$ _____ | (H) |
| Sale & Lease-back | \$ _____ | (I) |
| Extraordinary Aid | \$ _____ | (J1) |
| Additional Nonpublic School Transportation Aid | \$ _____ | (J2) |
| Unbudgeted TPAF Wage Freeze Grant Funding | \$ _____ | (J3) |
| Family Crisis Transportation Aid | \$ _____ | (J4) |
| Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)] | \$ _____ | (K) |

** This amount represents the June 30, 2018 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 10025.

*** Amounts must agree to the June 30, 2018 CAFR and the sum of the two lines must agree to Audit Summary Worksheet Line 10024.

**** 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 an other type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Division of Finance prior to September 30.

Detail of Other Restricted Fund Balance

| | | |
|--|---------------------|----------|
| Statutory restrictions: | | |
| Approved unspent separate proposal | \$ _____ | - |
| Capital outlay for a district with a capital outlay cap waiver | \$ _____ | - |
| Sale/lease-back reserve | \$ _____ | - |
| Capital reserve | \$ 3,043,144.00 | |
| Maintenance reserve | \$ 800,000.00 | |
| Emergency reserve | \$ _____ | - |
| Tuition reserve | \$ _____ | - |
| Impact Aid General Fund Reserve (Sections 8002 and 8003) | \$ _____ | - |
| Impact Aid Capital Fund Reserve (Sections 8007 and 8008) | \$ _____ | - |
| Other state/government mandated reserve | \$ _____ | - |
| [Other Restricted Fund Balance not noted above] **** | \$ _____ | |
| Total Other Restricted Fund Balance | \$ 3,843,144.00 | (C4) |

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

All findings and recommendations were addressed and cleared during Fiscal Year 2018.