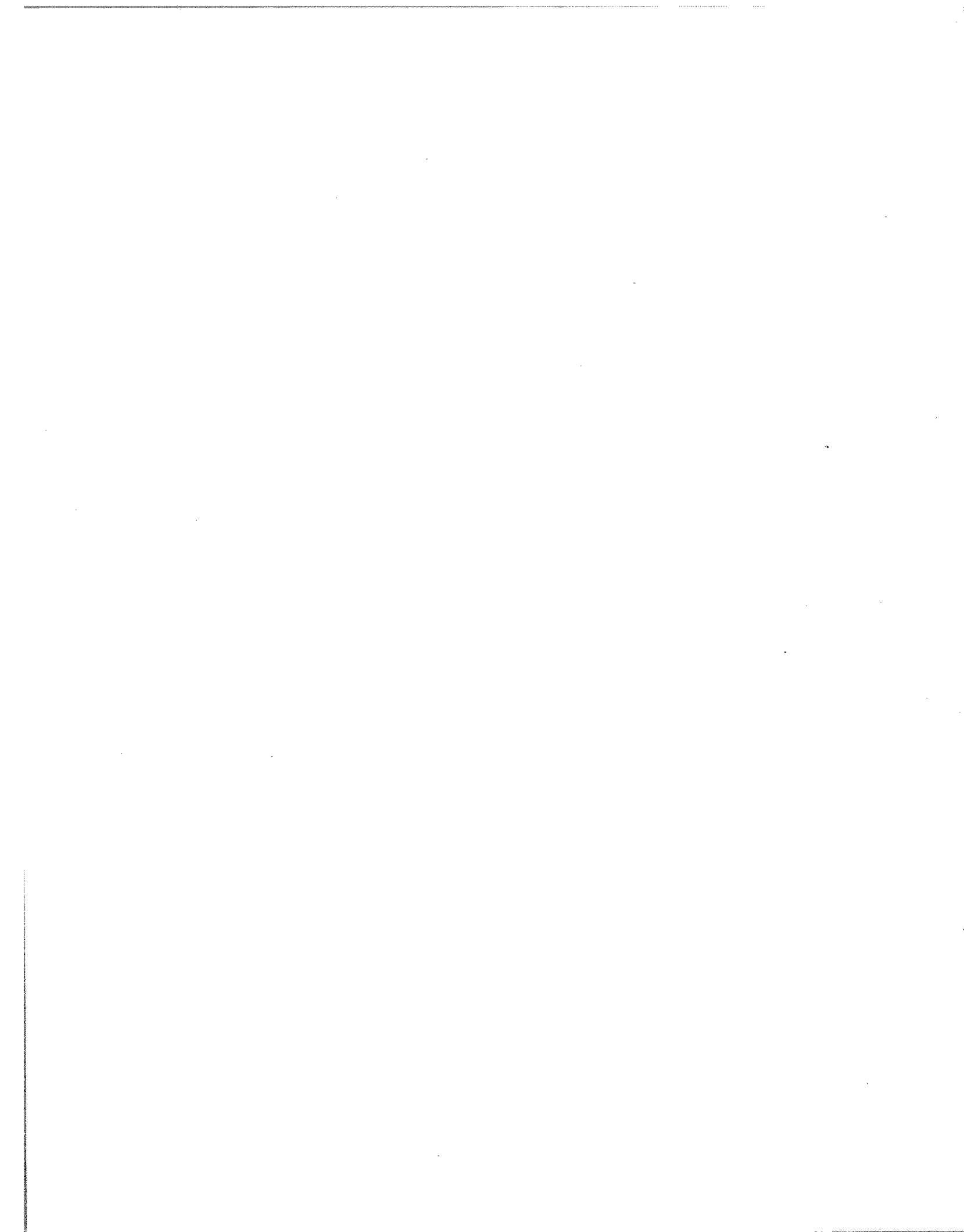


PEMBERTON TOWNSHIP SCHOOL DISTRICT

**Pemberton, New Jersey
County of Burlington**

**Auditor's Management Report on Administrative Findings -
Financial, Compliance and Performance
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

*Revised
5/24/19
(AV)*



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

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**AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE**

Honorable President and Members
of the Board of Education
Pemberton Township School District
County of Burlington
Pemberton, New Jersey 08068

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 Pemberton Township School District in the County of Burlington for the year ended June 30, 2018, and have issued our report thereon dated February 21, 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 Pemberton Township School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Public School Accountant, No. 1011

Medford, New Jersey
February 21, 2019

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

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator, 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 School 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>
Patricia Austin	Board Secretary/School Business Administrator	\$510,000

Tuition Charges

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

Financial Planning, Accounting and Reporting

Examination of Claims

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

Payroll Account

The net salaries of sampled 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.

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

Financial Planning, Accounting and Reporting (continued)

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

Payrolls were delivered to the School Business Administrator/Board Secretary who then deposited with warrants in separate bank accounts for net payroll and withholdings.

Employee Position Control Roster

A sample inquiry and subsequent review of the Position Control Roster found no inconsistencies between the payroll records, employee benefit records (e.g. pension reports and health benefit coverage reports), the general ledger accounts to where wages are posted (administrative versus instruction), and the Position Control Roster.

Reserve for Encumbrances and Accounts Payable

A sample of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable. No exceptions were noted.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A:23 A-16.29(f)* as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of a sample of expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-8.3*. As a result of the procedures performed, a transaction error rate of 0% percent overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

Our review of the financial and accounting records maintained by the board secretary were found to be in satisfactory condition.

Treasurer's Records

The School District does not maintain a Treasurer.

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 Titles I, II, III and IV of the Elementary and Secondary Education Act as amended and reauthorized.

T.P.A.F. Reimbursement

Our audit procedures included a sample test of the biweekly reimbursements forms 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 Programs

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/lpcl.html>

Current statute is posted on the New Jersey Legislature website at: http://lis.njleg.state.nj.us/cgi-bin/om_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headingswithhits=on&infobase=statutes.nfo&softpage=TOC_Frame_Pg42

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.

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 our tests on sample basis, we 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 fund were reviewed on a sample basis. The financial accounts, meal count records and eligibility applications were reviewed on a sample basis.

School Food Service (continued)

Cash receipts and bank records were reviewed on a sample basis for timely deposit.

Expenditures should be separately recorded as food, labor and other costs. Vendor invoices were reviewed on sample basis 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.

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 on a sample basis and labor costs verified. On a sample basis, payroll records were maintained on school food services employees authorized by the board of education/board of trustees. 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 on sample basis 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.

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

The School District maintains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

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

Student Body Activities

Our review of the financial and accounting records for student activities indicated they were in satisfactory condition.

Application for State School Aid (ASSA)

Our audit procedures included a sample test of information reported in the October 13, 2017 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped and low-income, and bilingual. We also performed a review on a sample basis of the School District's procedures related to its completion. The information on the ASSA was compared to the School 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 School District maintained workpapers on the prescribed state forms of their equivalent.

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

Pupil Transportation

Our audit procedures included a sample 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 our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a sample of transportation contracts and purchases. Based on our sample, the School 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 our sampling of transportation related purchases of goods and services.

Testing for Lead of All Drinking Water in Educational Facilities

The school district submitted the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

Follow-up on Prior Year Findings

In accordance with audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, our procedures included a review of all prior year findings reported in the prior year's Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance. There were no prior year findings.

Office of Fiscal Accountability and Compliance (OFAC) Findings

There were no Office of Fiscal Accountability and Compliance (OFAC) audit reports issued during the fiscal year ended June 30, 2018.

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,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in cursive script that reads "Kevin P. Frenia".

Kevin P. Frenia
Certified Public Accountant
Public School Accountant, No. 1011

Medford, New Jersey
February 21, 2019

ADDITIONAL INFORMATION

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SCHEDULE OF MEAL COUNT ACTIVITY - FEDERAL

PEMBERTON TOWNSHIP BOARD OF EDUCATION
 FOOD SERVICE FUND
 NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - FEDERAL
 ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE	(OVER)/ UNDER CLAIM
School Lunch Program (Severe Rate)	Paid	149,360	44,808	44,808	-	\$ 0.33	-
	Reduced	65,937	19,781	19,781	-	2.85	-
	Free	253,638	76,091	76,091	-	3.25	-
	Total	468,935	140,680	140,680	-		-
School Breakfast Program (Severe Rate)	Paid	34,822	10,447	10,447	-	\$ 0.30	-
	Reduced	19,939	5,982	5,982	-	1.79	-
	Free	106,738	32,021	32,021	-	2.09	-
	Total	161,499	48,450	48,450	-		-
After School Snack Program	Amount	53,105	15,932	15,932	-	\$ 0.88	-
	Total	53,105	15,932	15,932	-		-

SCHEDULE OF MEAL COUNT ACTIVITY - STATE

**PEMBERTON TOWNSHIP BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - STATE
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE	(OVER)/ UNDER CLAIM
National School Lunch (Regular Rate)	Paid	149,360	44,808	44,808	-	\$ 0.050	-
	Reduced	65,937	19,781	19,781	-	0.055	-
	Free	253,638	76,091	76,091	-	0.055	-
	Total	468,935	140,680	140,680	-		-

NET CASH RESOURCE SCHEDULE

Net cash resources "DID NOT" exceed three months of expenditures
Proprietary Funds - Food Service
FYE 2017/18

<u>Net Cash Resources:</u>	Food Service B - 4/5		
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ (83,550)
B-4		Due from Other Gov'ts	328,179
B-4		Interfund Receivable	377,432
B-4		Other Accounts Rec.	23,772
CAFR		Current Liabilities	
B-4		Less Accounts Payable	-
B-4		Less Accruals	(7,488)
B-4		Less Due to Other Funds	-
B-4		Less Deferred Revenue	(84,345)
		Net Cash Resources	<u>\$ 554,000</u> (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	\$ 2,196,479	
B-5	Less Depreciation	-	
	Adj. Tot. Oper. Exp.	<u>\$ 2,196,479</u>	(B)

Average Monthly Operating Expense:

B / 10 **\$ 219,648** (C)

Three times monthly Average:

3 X C **\$ 658,944** (D)

TOTAL IN BOX A	\$	554,000.00	
LESS TOTAL IN BOX D	\$	658,943.70	
NET	\$	<u>(104,943.70)</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

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SCHEDULE OF AUDITED ENROLLMENTS (1)

PEMBERTON TOWNSHIP BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017

	2018-2019 Application for State School Aid						Sample for Verification				Private Schools for Disabled					
	Reported on A.S.S.A. On Roll		Workpapers On Roll		Errors		Sample Selected from Workpapers		Registers Verified per On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools		Sample for Verification	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Full Day Preschool - 3 Yr. Old	190	-	-	-	-	-	18	-	18	-	-	-	-	-	-	-
Full Day Preschool - 4 Yr. Old	314	-	-	-	-	-	18	-	18	-	-	-	-	-	-	-
Full Day Kindergarten	345	-	-	-	-	-	18	-	18	-	-	-	-	-	-	-
One	338	-	-	-	-	-	18	-	18	-	-	-	-	-	-	-
Two	333	-	-	-	-	-	18	-	18	-	-	-	-	-	-	-
Three	312	-	-	-	-	-	18	-	18	-	-	-	-	-	-	-
Four	311	-	-	-	-	-	18	-	18	-	-	-	-	-	-	-
Five	312	-	-	-	-	-	18	-	18	-	-	-	-	-	-	-
Six	267	-	-	-	-	-	18	-	18	-	-	-	-	-	-	-
Seven	274	-	-	-	-	-	18	-	18	-	-	-	-	-	-	-
Eight	268	-	-	-	-	-	18	-	18	-	-	-	-	-	-	-
Nine	224	-	-	-	-	-	18	-	18	-	-	-	-	-	-	-
Ten	191	-	-	-	-	-	18	-	18	-	-	-	-	-	-	-
Eleven	199	-	-	-	-	-	18	-	18	-	-	-	-	-	-	-
Twelve	205	-	-	-	-	-	18	-	18	-	-	-	-	-	-	-
Subtotal	4,083	-	-	-	-	-	270	-	270	-	-	-	-	-	-	-
Special Ed - Elementary	309	-	-	-	-	-	11	-	11	-	-	-	-	7	6	6
Special Ed - Middle School	176	-	-	-	-	-	11	-	11	-	-	-	-	7	6	6
Special Ed - High School	186	-	-	-	-	-	11	-	11	-	-	-	-	31	27	27
Subtotal	671	-	-	-	-	-	33	-	33	-	-	-	-	45	39	39
Totals	4,754	-	-	-	-	-	303	-	303	-	-	-	-	45	39	39
Percentage Error	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

SCHEDULE OF AUDITED ENROLLMENTS (2)

PEMBERTON TOWNSHIP BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017

	Resident Low Income			Resident LEP Low Income		
	Reported on A.S.A. as Low Income	Workpapers as Low Income	Errors	Reported on A.S.A. as LEP low Income	Workpapers as LEP low Income	Errors
Full Day Kindergarten	150	150	-	1	1	-
One	144	144	-	-	-	-
Two	153	153	-	2	2	-
Three	136	136	-	2	2	-
Four	136	136	-	1	1	-
Five	146	146	-	-	-	-
Six	129	129	-	2	2	-
Seven	141	141	-	1	1	-
Eight	122	122	-	-	-	-
Nine	115	115	-	-	-	-
Ten	81	81	-	1	1	-
Eleven	84	84	-	1	1	-
Twelve	92	92	-	1	1	-
Subtotal	1,629	1,629	-	12	12	-
Special Ed - Elementary	165	165	-	5	5	-
Special Ed - Middle School	111	111	-	1	1	-
Special Ed - High School	109	109	-	-	-	-
Subtotal	385	385	-	6	6	-
Totals	2,014	2,014	-	18	18	-

	Sample for Verification			Sample for Verification		
	Sample Selected from Workpapers	Verified to Application and Register	Errors	Sample Selected from Workpapers	Verified to Test Score & Register	Errors
Full Day Kindergarten	21	21	-	1	1	-
One	20	20	-	-	-	-
Two	21	21	-	2	2	-
Three	19	19	-	2	2	-
Four	19	19	-	1	1	-
Five	21	21	-	-	-	-
Six	18	18	-	2	2	-
Seven	20	20	-	1	1	-
Eight	17	17	-	-	-	-
Nine	16	16	-	-	-	-
Ten	12	12	-	1	1	-
Eleven	13	13	-	1	1	-
Twelve	13	13	-	1	1	-
Subtotal	230	230	-	12	12	-
Special Ed - Elementary	23	23	-	5	5	-
Special Ed - Middle School	16	16	-	1	1	-
Special Ed - High School	15	15	-	-	-	-
Subtotal	54	54	-	6	6	-
Totals	284	284	-	18	18	-

Transportation

	Reported on DRTS by DOE/county			Reported on DRTS by District			Transportation		
	Reported on DRTS by DOE/county	Errors	Verified	Reported on DRTS by District	Errors	Verified	Tested	Verified	Errors
Reg - Public Schools, col. 1	2,894	2,894	-	240	240	-	-	-	-
Reg - SpEd, col. 4	639	639	-	40	40	-	-	-	-
All, col. 2	69	69	-	5	5	-	-	-	-
Special Ed Spec, col. 6	145	145	-	14	14	-	-	-	-
Totals	3,747	3,747	-	299	299	-	-	-	-

Percentage Error

SCHEDULE OF AUDITED ENROLLMENTS (3)

**PEMBERTON TOWNSHIP BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017**

	Resident LEP NOT Low Income			Sample for Verification		
	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	1	-	1	1	-
One	1	1	-	1	1	-
Two	2	2	-	2	2	-
Three	6	6	-	5	5	-
Four	2	2	-	2	2	-
Five	1	1	-	1	1	-
Six	1	1	-	1	1	-
Seven	1	1	-	1	1	-
Eight	-	-	-	-	-	-
Nine	2	2	-	2	2	-
Ten	-	-	-	-	-	-
Eleven	-	-	-	-	-	-
Twelve	-	-	-	-	-	-
Subtotal	17	17	-	16	16	-
Special Ed - Elementary	-	-	-	-	-	-
Special Ed - Middle School	-	-	-	-	-	-
Special Ed - High School	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Totals	17	17	-	16	16	-
Percentage Error			-			-

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EXCESS SURPLUS CALCULATION

SECTION 1

Calculation A: 2% Excess Surplus:

All Districts required to use school-based budgeting are required to complete this calculation using 2% on line A10.

2017-2018 Total General Fund Expenditures Reported on Exhibit (C-1)	\$ <u>116,117,672</u> (A)
Increased by Applicable Operating Transfers:	
Transfer from Capital Outlay to Capital Projects	\$ <u> -</u> (A1a)
Transfer from Capital Reserve to Capital Projects	\$ <u> 3,691,500</u> (A1a)
Transfer from General Fund to SRF for PreK-Regular	\$ <u> -</u> (A1a)
Transfer from General Fund to SRF for PreK-Inclusion	\$ <u> -</u> (A1a)
Less: Expenditures Allocated to Restricted Federal Resources as Reported on Exhibit D-2	
	\$ <u> -</u> (A1b)
2017-2018 Adjusted General Fund & Other State Expenditures [(A)-(A1)]	\$ <u>119,809,172</u> (A2)
Decreased by:	
On-Behalf TPAF Pension & Social Security	\$ <u>13,994,038</u> (A3)
Assets Acquired Under Capital Leases:	
General Fund 2018 Assets Acquired Under Capital Leases reported on Exhibit C-1a	\$ <u> -</u> (A4)
Add: General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases:	
Assets Acquired Under Capital Leases in Fund 15 Reported on Exhibit C-1a	\$ <u> -</u> (A5)
Combined General Fund Contribution & State Resources Percent of Fund 15 Resources Reported on Exhibit D-2	<u>100.00%</u> (A6)
General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases [(A5)*(A6)]	\$ <u> -</u> (A7)
Total Assets Acquired Under Capital Leases [(A4)+(A7)]	\$ <u> -</u> (A8)
2017-2018 General Fund Expenditures [(A-2)-(A-3)-(A-8)]	\$ <u>105,815,134</u> (A9)
2% of Adjusted 2017-2018 General Fund Expenditures [(A9) times .02]	\$ <u> 2,116,303</u> (A10)
Enter Greater of (A10) or \$250,000	\$ <u> 2,116,303</u> (A11)
Increased by: Allowable Adjustment *	\$ <u> 650,992</u> (K)
Maximum Unassigned Fund Balance [(A11)+(K)]	\$ <u> 2,767,295</u> (M)

EXCESS SURPLUS CALCULATION (continued):

SECTION 2:

Total General Fund - Fund Balances @ 06/30/2018 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>26,063,056</u> (C)
Decreased by:	
Year-End Encumbrances	\$ <u>284,394</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ <u>7,698,299</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>16,989</u> (C3)
Other Restricted Fund Balances ****	\$ <u>13,695,774</u> (C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ <u>3,557,149</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>810,451</u> (U)

SECTION 3

Restricted Fund Balance - Excess Surplus *** {(U)-(M)} IF NEGATIVE ENTER -0-	\$ <u>-</u> (E)
Restricted Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>-</u> (C3)
Restricted Excess Surplus *** {(E)}	\$ <u>-</u> (E)
 Total [(C3) + (E)]	 \$ <u>-</u> (D)

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, 2015 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 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 Transportation Aid;
 - (J3) Recognized current year School Bus Advertising Revenue; and
 - (J4) Family Crisis Transportation Aid.
- Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid and Additional Nonpublic School Transportation Aid.

Detail of Allowable Adjustments

Impact Aid	\$ <u>355,411</u> (H)
Sale & Lease-back	\$ <u>-</u> (I)
Extraordinary Aid	\$ <u>275,571</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>20,010</u> (J2)
Current Year School Bus Advertising Revenue Recognized	\$ <u>-</u> (J3)
Family Crisis Transportation Aid	\$ <u>-</u> (J4)
 Total Adjustments {(H)+(I)+(J1)+(J2)+(J3)}	 \$ <u>650,992</u> (K)

EXCESS SURPLUS CALCULATION (continued):

SECTION 3 (continued):

- ** This amount represents the June 30, 2017 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.
- *** Amount entered must agree with the June 30, 2018 CAFR and Audit Summary Worksheet Line 90030
- **** Amount for Other Restricted Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve 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, 2018 to August 1, 2018 resulting from decrease in state aid after adoption of 2018-19 district budget.

Detail of Other Reserved Fund Balance

Statutory Restrictions:

Approved Unspent Separate Proposal	\$ -
Sale/Lease-Back Reserve	\$ -
Capital Reserve	\$ 61,253
Maintenance Reserve	\$ 6,870,000
Emergency Reserve	\$ -
Tuition Reserve	\$ -
School Bus Advertising 50% Fuel Offset Reserve - current year	\$ -
School Bus Advertising 50% Fuel Offset Reserve - prior year	\$ -
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ 6,764,521
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$ -
Other State/Government Mandated Reserve	\$ -
Other Restricted/Reserved Fund Balance Not Noted Above ****	\$ -
 Total Other Restricted/Reserved Fund Balance	 \$ 13,695,774 (C4)

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AUDIT RECOMMENDATIONS SUMMARY
For the Fiscal Year Ended June 30, 2018
Pemberton Township School District

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
There were no prior year findings.

