

BOARD OF EDUCATION
TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
COUNTY OF CUMBERLAND
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS-
FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
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REPORT OF INDEPENDENT AUDITORS

Honorable President and
Members of the Board of Education
Township of Maurice River School District
County of Cumberland
Port Elizabeth, New Jersey 08348

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 Township of Maurice River School District in the County of Cumberland for the year ended June 30, 2019, and have issued our report thereon dated November 15, 2019.

As part of our audit, we performed procedures required by the Division of Administration and Finance, 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 issued in conjunction with the Comprehensive Annual Financial report of the Board of Education of the Township of Maurice River School District, for the fiscal year ended June 30, 2019 and is intended for the information of the 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,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant

No. 915

November 15, 2019

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Patricia A. Powell	School Bus. Administrator/ Board Secretary	\$ 10,000
Lynn Burshtin	Treasurer of School Monies	175,000

Tuition Charges

There were charges representing payments from parents of students not residing in the school district. In addition, the board made a proper adjustment to the billings and invoices to sending districts for the decreases and increases in per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f)3.

District Internal Control Policies

District boards of education and administration are responsible for developing internal controls policies and procedures and maintaining a strong internal control environment. NJAC 6A:23A-6.4 requires that the district's internal control policies include specific requirements at NJAC 6A:23A-6.5 through 6.13.

All Internal Control Policies were found in accordance with NJAC 6A:23A-6.5 through 6.13.

Financial Planning, Accounting and Reporting

Examination of Claims

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

Financial Planning, Accounting and Reporting (Continued)

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 School Business Administrator/Board Secretary, 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 monies with a warrant made to her order for the full amount of each payroll.

Employee Position Control Roster

An inquiry and subsequent review of the Position Control Roster did not find any discrepancies between the payroll records, employee benefit records, the general ledger accounts to where wages are posted, and the Position Control Roster.

Certification of Income Tax Compliance - The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (Superintendent and Business Administrator) to the N.J. Department of Treasury appeared to be filed by the March 15 due date.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, 2018 for proper classification of orders as reserve for encumbrances (for goods not yet received or services not yet rendered) or accounts payable, and it was determined that open orders appeared properly classified and no blanket purchase orders were included in the balance of the reserves for encumbrances.

Obligations of federal grant awards and requests for reimbursement of Expenditures against those federal grants awards

No exceptions were noted.

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 our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. As a result of the procedures performed, no errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Financial Planning, Accounting and Reporting (Continued)

Classification of Expenditures (Continued)

A. General Classification Findings

None

B. Administrative Classification Findings

None

Board Secretary's Records

The financial records, books of accounts maintained by the Secretary were in satisfactory condition.

Acknowledgment of the Board's receipt of the Board Secretary's monthly financial reports was included in the minutes.

Monthly financial certificates of the Board Secretary and Board of Education for positive line item account status certifications (N.J.A.C. 6:2-2.13) were performed. Budgetary line item account transfers were approved monthly to cover any anticipated deficits.

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

Treasurer's Records - Board Secretary's office

Board Secretary personnel prepared cash reconciliations for the general operating account, payroll account and payroll agency account per N.J.S.A.18A:17-9.

All cash receipts were promptly deposited. (N.J.S.A.18A:17-34, 18A:17-9.1)

The Treasury records were in agreement with the records of the Board Secretary.

The Treasury reports were filed in a timely manner.

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

The E.S.E.A. 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-A, II-A, and IV of the Elementary and Secondary Education Act as amended and reauthorized.

Our audit of the E.S.E.A. 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 study of compliance for E.S.E.A. indicated that all E.S.E.A. programs were in compliance.

Financial Planning, Accounting and Reporting (Continued)

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.

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 projects indicated no areas of noncompliance.

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 Report(s) for all federal awards for the school district (or charter school or renaissance school project) to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district (or charter school or renaissance school project) 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.

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 are available on the website: http://www.state.nj.us/dca/divisions/dlgs/programs/ps_contracts.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 currently \$19,000 for 2018-19.

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Based on the results of our examination, 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 provisions of N.J.S.A. 18A:18A-4, amended.

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

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977; therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal, however, that items were purchased from vendors approved for state contract:

Classroom Supplies	School Supplies	Printer Supplies
Computer Equipment	Office Supplies	LCD Projectors
Maintenance Materials	Photocopier	

The review of contracts and agreements did not disclose any areas of statutory noncompliance.

Although a particular contract is exempt from the formal requirements of public advertising and competitive bidding, N.J.S.A. 18A:18A-37 requires that quotations be obtained, whenever practical, for any contract less than the bid threshold but 15% or more of that amount, except for contracts for professional services. All contracts and agreements, which are subject to quotations, shall be awarded on the basis of the lowest responsible quotation received, which is most advantageous to the Board of Education, price and other factors considered.

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.

School Food Service (Continued)

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.

Net Cash resources did not exceed three months average expenditures.

Finding 2019-1

The Federal and State food subsidy reimbursement forms for the month of March, 2019 were not submitted in a timely manner.

Recommendation

Procedures to monitor the submission of food service reimbursement vouchers within the required timeline should be strengthened, in order to avoid late filing.

Student Body Activities

The Board has a policy, which clearly established the regulation of student activity funds.

All receipts were promptly deposited.

A monthly report of student activity funds is being submitted to the Board.

Cash receipts and disbursements books were maintained in good condition.

Receipts appeared to be deposited promptly in the bank.

Vouchers and supporting invoices were maintained for the student activity fund purchases. All disbursements appeared to be supported by appropriate documentation.

Unemployment Compensation Insurance Trust Fund

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

Facilities and Capital Assets

Our procedures included a review of the NJEDA grant agreements, if any, for consistency with recording NJEDA revenue, transfer of local funds from the general fund or from the capital reserve account, and awarding of contracts for eligible facilities construction. There were no NJEDA grant agreements for the fiscal year ending June 30, 2019.

Testing for Lead of all Drinking Water in Educational Facilities

The school district adhered to all the requirements of NJAC 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities. The test results were posted on the district's website as well as being available at the school facility.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2018 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped and low-income. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers 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 Enrollment.

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

Our audit procedures included a test of on roll status reported in the 2018-19 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 County Summary was also verified to the District's DRTRS Eligibility Summary Report. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures included a review of transportation related contracts and purchases. Based on our 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 our review of transportation related purchases of goods and services.

Follow-up on Prior Years' Findings

In accordance with government auditing standards, our procedures included a review of prior year recommendations. Correction action was taken on prior year findings.

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,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.

Licensed Public School Accountant No. 915

SCHEDULE OF AUDITED ENROLLMENTS

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
APPLICATION OR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018

	2019-2020 APPLICATION FOR STATE SCHOOL AID						SAMPLE FOR VERIFICATION						PRIVATE SCHOOLS FOR DISABLED			
	Reported On A.S.S.A. On Roll		Reported On Workpapers On Roll		Errors		Sample Selected From Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported On A.S.S.A. as Private Schools	Sample for Verification	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Full Day Preschool 3 Year Olds	23		23					11		11						
Full Day Preschool 4 Year Olds	18		18					9		9						
Full Day Kindergarten	27		27					13		13						
One	31		31					15		15						
Two	35		35					17		17						
Three	38		38					19		19						
Four	29		29					14		14						
Five	38		38					19		19						
Six	41		41					20		20						
Seven	35		35					17		17						
Eight	34		34					17		17						
Nine																
Ten																
Eleven																
Twelve																
Subtotal	349	0	349	0	0	0		171	0	171	0	0	0	0	0	0
Special Ed - Elementary	31		31					15		15						
Special Ed - Middle	23		23					11		11						
Special Ed - High																
Subtotal	54	0	54	0	0	0		26	0	26	0	0	0	0	0	0
Totals	403	0	403	0	0	0		197	0	197	0	0	0	0	0	0
Percentage Error					0.00%	0.00%				0.00%	0.00%				0.00%	

SCHEDULE OF AUDITED ENROLLMENTS

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
APPLICATION OR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018**

	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 as LEP Low Income	Errors	Sample Selected From Workpapers	Verified to Test Score and Register	Sample Errors
Full Day Preschool 3 Year Olds												
Half Day Preschool 4 Year Olds												
Full Day Kindergarten	12.0	12.0		7.0	7.0							
One	14.0	14.0		9.0	9.0							
Two	13.0	13.0		9.0	9.0							
Three	19.0	19.0		12.0	12.0							
Four	14.0	14.0		9.0	9.0							
Five	12.0	12.0		7.0	7.0							
Six	14.0	14.0		9.0	9.0							
Seven	12.0	12.0		7.0	7.0							
Eight	8.0	8.0		5.0	5.0							
Nine												
Ten												
Eleven												
Twelve												
Subtotal	118.0	118.0	0.0	74.0	74.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special Ed - Elementary	19.0	19.0		12.0	12.0							
Special Ed - Middle	14.0	14.0		9.0	9.0							
Special Ed - High												
Subtotal	33.0	33.0	0.0	21.0	21.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	151	151	0	95	95	0	0	0	0	0	0	0
Percentage Error			0.00%			0.00%			0.00%			0.00%

TRANSPORTATION

	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors	Reported	Re-Calculated
	Reg. - Public Schools	335	335		155	155		
Reg. - Special Ed.	73	73		34	34			
Transported - Non-Public								
Aid in Lieu - Non-Public	12	12		6	6			
Special Needs - Public	6	6		3	3			
Totals	426	426	0	198	198	0		
Percentage Error						0.00%		

Avg. Mileage - Regular Including Grade PK students 8.1
 Avg. Mileage - Regular Excluding Grade PK students 8.3
 Avg. Mileage - Special Ed with Special Needs 19.1

SCHEDULE OF AUDITED ENROLLMENTS

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
APPLICATION OR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Report On A.S.S.A. as NOT Low Income</u>	<u>Report 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>
Half Day Preschool 4 Year Olds						
Full Day Kindergarten						
One						
Two						
Three						
Four						
Five						
Six						
Seven						
Eight						
Subtotal	0	0	0	0	0	0
Special Ed - Elementary						
Special Ed - Middle						
Special Ed - High						
Subtotal	0	0	0	0	0	0
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	0	0	0	0	0	0
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

SCHEDULE OF MEAL COUNT ACTIVITY

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT

FOOD SERVICE FUND

NUMBER OF MEALS/MILKS SERVED AND (OVER)/UNDERCLAIM-FEDERAL

ENTERPRISE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over)/Under Claim</u>
National School Lunch (Regular Rate)	Paid	14,038	14,038	14,038		0.3300	\$
	Reduced	3,093	3,093	3,093		2.9300	
	Free	16,618	16,618	16,618		3.3300	
	TOTAL	<u>33,749</u>	<u>33,749</u>	<u>33,749</u>	<u>0</u>		<u>0.00</u>
HHFKA	Paid	14,038	14,038	14,038		0.0600	
	Reduced	3,093	3,093	3,093		0.0600	
	Free	16,618	16,618	16,618		0.0600	
	TOTAL	<u>33,749</u>	<u>33,749</u>	<u>33,749</u>	<u>0</u>		<u>0.00</u>
School Breakfast (Regular Rate)	Paid	4,119	4,119	4,119		0.3100	
	Reduced	1,518	1,518	1,518		1.8400	
	Free	9,369	9,369	9,369		2.1400	
	TOTAL	<u>15,006</u>	<u>15,006</u>	<u>15,006</u>	<u>0</u>		<u>0.00</u>
TOTAL NET (OVER) UNDER CLAIM							<u>\$ -</u>

SCHEDULE OF MEAL COUNT ACTIVITY
TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS/MILKS SERVED AND (OVER)/UNDERCLAIM-STATE
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over)/Under Claim</u>
State Reimbursement	Paid	14,038	14,038	14,038		0.0500	\$ -
National School Lunch (Regular Rate)	Reduced	3,093	3,093	3,093		0.0550	
	Free	16,618	16,618	16,618		0.0550	
	TOTAL	<u>33,749</u>	<u>33,749</u>	<u>33,749</u>	<u>0</u>		<u>0.00</u>
TOTAL NET (OVER) UNDER CLAIM							<u>\$ -</u>

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION

SECTION 1

A. 2% Calculation of Excess Surplus

2018-19 Total General Fund Expenditures per the CAFR	\$	<u>8,644,978</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 PreK-Regular		<u> </u>	(B1c)	
Transfer from General Fund to SRF for PreK-Inclusion		<u> </u>	(B1d)	
Decreased by:				
On-Behalf TPAF Pension & Social Security		<u>847,172</u>	(B2a)	
Assets Acquired Under Capital Leases		<u> </u>	(B2b)	
 Adjusted 2018-19 General Fund Expenditures [(B)+(B1s)-(B2s)]		 <u><u>7,797,806</u></u>	 (B3)	
 2% of Adjusted 2018-19 General Fund Expenditures [(B3) times .02]		 <u>155,956</u>	 (B4)	
Enter Greater of (B4) or \$250,000		<u>250,000</u>	(B5)	
Increased by: Allowable Adjustment*		<u>29,608</u>	(K)	
 Maximum Unassigned/Undesignated-Unreserved Fund Balance[(B5)+(K)]				 \$ <u><u>279,608</u></u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-19 (Per CAFR Budgetary Comparison Schedule C-1)	\$	<u>1,661,922</u>	(C)	
Decreased by:				
Year-end Encumbrances		<u>112,399</u>	(C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures (Capital, Emergency and Tuition Reserves)		<u>240,000</u>	(C2)	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**		<u> </u>	(C3)	
Other Restricted Fund Balances****		<u>769,150</u>	(C4)	
Assigned Fund balance Unreserved - Designated for Subsequent Year's Expenditures		<u>250,000</u>	(C5)	
Additional Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures July 1, 2019 - August - 1, 2019		<u> </u>	(C6) *****	
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]				 \$ <u><u>290,373</u></u> (U1)

SECTION 3

Section 1				
Restricted Fund Balance- Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0-		<u>10,765</u>	(E)	
 <u>Recapitulation of Excess Surplus as of June 30, 2019</u>				
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures**		<u>-</u>	(C3)	
Reserved Excess Surplus ***[(E)]		<u>10,765</u>	(E)	
 Total Excess Surplus [(C3) + (E)]				 \$ <u><u>10,765</u></u> (D)

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION

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, 2016 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 & 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.

Notes to auditor: 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	\$		(H)
Sale & Lease-Back			(I)
Extraordinary Aid		26,128	(J1)
Additional Nonpublic School Transportation Aid		3,480	(J2)
Current Year School Bus Advertising Revenue Recognized			(J3)
Family Crisis Transportation Aid			(J4)
Total Adjustments [(H) + (I) + (J1) + (J2) + (J3) + (J4)]	\$	29,608	(K)

** This amount represents the June 30, 2019 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amounts must agree to the June 30, 2018 CAFR and must agree to Audit Summary Worksheet Line 90030.

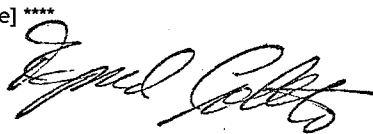
**** Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by another type of government, such as the judicial branch of government, must have Departmental approval. 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, 2019 to August 1, 2019 resulting from decrease in state aid after adoption of 2018-19 district budget. Refer to Commissioner's Broadcast of July 13, 2019 at the NJDOE Broadcast webpage <https://homeroom5.doe.state.nj.us/broadcasts/> and to page 1-4.2 of this Audit Program.

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$		
Sale/lease-back reserve			
Capital reserve			
Maintenance reserve		355,292	
Emergency Reserve		200,000	
Tuition reserve		213,858	
School Bus Advertising 50% Fuel Offset Reserve - Current Year			
School Bus Advertising 50% Fuel Offset Reserve - Prior Year			
Impact Aid General Fund Reserve (Sections 8007 and 8008)			
Impact Aid General Fund Reserve (Sections 8002 and 8003)			
Other state/government mandated reserve			
[Other Restricted Fund Balance not noted above] ****			
Total Other Restricted Fund Balance	\$	769,150	(C4)



**AUDIT RECOMMENDATIONS SUMMARY
For the Fiscal Year Ended June 30, 2019
Township of Maurice River 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. Charter School Enrollment System(CHE) (Applicable to audits of charter schools)

None

8. Pupil Transportation

None

9. Facilities and Capital Assets

None

10. Miscellaneous

None

11. Status of Prior Year Audit Findings/Recommendations

A review was performed on the prior year recommendations and corrective action was taken on all prior year findings.