

BOARD OF EDUCATION
TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
COUNTY OF SALEM
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS-
FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED
JUNE 30, 2017

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT

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REPORT OF INDEPENDENT AUDITORS

Honorable President and
Members of the Board of Education
Township of Elsinboro School District
County of Salem
Salem, New Jersey 08079

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 Elsinboro School District in the County of Salem for the year ended June 30, 2017, and have issued our report thereon dated November 6, 2017.

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 Elsinboro School District, for the fiscal year ended June 30, 2017 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 6, 2017

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> |
|----------------------|--|---------------|
| Rebecca Joyce | School Board Administrator/Board Secretary | \$ 50,000 |
| Shannon DuBois-Brody | Treasurer of School Monies | \$ 150,000 |

Tuition Charges

These charges represent payments from parents of students not residing in the school district.

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. N.J.A.C. 6A:23A-6.4 requires that the district's internal control policies include specific requirements at N.J.A.C. 6A:23A-6.5 through 6.13.

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

Financial Planning, Accounting and Reporting

Examination of Claims

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

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 was filed by the March 15 due date.

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 moneys 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.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, 2017 for goods not yet received or services not yet rendered, and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for proprietary and to determine that goods were received and services were rendered as of June 30, 2017.

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, a transaction error rate of 0.00% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

A. General Classification Findings - None

B. Administrative Classification Findings - None

Financial Planning, Accounting and Reporting (Continued)

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 and Treasurer'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

The Treasurer 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 Treasurer's records were in agreement with the records of the Board Secretary.

The Treasurer filed her reports in a timely manner.

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

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 and VI of the Elementary and Secondary School Improvement Act as amended and reauthorized.

The study of compliance for E.S.E.A. indicated 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 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 reimbursement forms 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/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 currently \$18,800 for 2016-2017.

The District Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal 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 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 revealed purchases through the use of State contracts for the following:

Laptops

iPads

Fuel Oil

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

School Purchasing Programs (Cont'd)

Contracts and Agreements Requiring Advertisement for Bids (Cont'd)

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 over the statutory threshold amount of \$6,000 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. Our examination indicated that the Board of Education complied with these provisions.

School Food Service

The school food service program was not selected as a major federal and/or State program and expended less than \$100,000 in Federal and/or State Support for its Child Nutrition Program.

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.

Workers' Compensation Insurance Trust Fund

The Board has not adopted a self-insurance plan for workers' compensation and has not established a Workers' Compensation Insurance Trust Fund.

Application for State School Aid

Our audit procedures included a test of information reported in the October 14, 2016 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. The Kindergarten was under reported by one student and grade one was over reported by two students creating a net result of an over reporting of one student. The information that was included on the workpapers was verified. 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 2016-17 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 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.

Facilities and Capital Assets

Our procedures included a review of the SDA grant agreements, if any, for consistency with recording SDA 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 SDA grant agreements for the fiscal year ending June 30, 2017.

The general fixed asset records were updated for the additions and disposals of general fixed assets made during the year.

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.

Follow-up on Prior Years' Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. There were no prior year recommendations.

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

**ELSINBORO SCHOOL DISTRICT
APPLICATION OR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2016**

| | 2017-2018 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 | | | | |
| | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Private Schools | Sample for Verification | Sample Verified | Sample Errors | |
| Full Day Kindergarten | 11 | | 12 | | (1) | | 7 | | 7 | | | | | | | | |
| One | 14 | | 12 | | 2 | | 10 | | 10 | | | | | | | | |
| Two | 15 | | 15 | | | | 10 | | 10 | | | | | | | | |
| Three | 18 | | 18 | | | | 12 | | 12 | | | | | | | | |
| Four | 12 | | 12 | | | | 8 | | 8 | | | | | | | | |
| Five | 18 | | 18 | | | | 12 | | 12 | | | | | | | | |
| Six | 16 | | 16 | | | | 11 | | 11 | | | | | | | | |
| Seven | 12 | | 12 | | | | 8 | | 8 | | | | | | | | |
| Eight | 6 | | 6 | | | | 4 | | 4 | | | | | | | | |
| Nine | | | | | | | | | | | | | | | | | |
| Ten | | | | | | | | | | | | | | | | | |
| Eleven | | | | | | | | | | | | | | | | | |
| Twelve | | | | | | | | | | | | | | | | | |
| Subtotal | 122 | 0 | 121 | 0 | 1 | 0 | 82 | 0 | 82 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Special Ed - Elementary | 4 | | 4 | | | | 3 | | 3 | | | | | | | | |
| Special Ed - Middle | 4 | | 4 | | | | 3 | | 3 | | | | | | | | |
| Special Ed - High | | | | | | | | | | | | | 1 | 1 | 1 | | |
| Subtotal | 8 | 0 | 8 | 0 | 0 | 0 | 6 | 0 | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Totals | 130 | 0 | 129 | 0 | 1 | 0 | 88 | 0 | 88 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Percentage Error | | | | | 0.77% | 0.00% | | | | 0.00% | 0.00% | | | | | | 0.00% |

SCHEDULE OF AUDITED ENROLLMENTS

**ELSINBORO SCHOOL DISTRICT
APPLICATION OR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2016**

| | <u>Resident Low Income</u> | | | <u>Sample for Verification</u> | | | <u>Resident LEP Low Income</u> | | | <u>Sample for Verification</u> | | |
|-------------------------|---|---|---------------|--|---|--------------------------|---|---|---------------|--|--|--------------------------|
| | <u>Reported On A.S.S.A. as Low Income</u> | <u>Reported On Workpapers as Low Income</u> | <u>Errors</u> | <u>Sample Selected From Workpapers</u> | <u>Verified to Application and Register</u> | <u>Sample Errors</u> | <u>Reported on A.S.S.A. as LEP Low Income</u> | <u>Reported on Workpapers as LEP Low Income</u> | <u>Errors</u> | <u>Sample Selected From Workpapers</u> | <u>Verified to Test Score and Register</u> | <u>Sample Errors</u> |
| Full Day Kindergarten | 6 | 6 | | 5 | 5 | | | | | | | |
| One | 5 | 5 | | 4 | 4 | | | | | | | |
| Two | 12 | 12 | | 9 | 9 | | | | | | | |
| Three | 6 | 6 | | 5 | 5 | | | | | | | |
| Four | 6 | 6 | | 5 | 5 | | | | | | | |
| Five | 7 | 7 | | 5 | 5 | | | | | | | |
| Six | 10 | 10 | | 8 | 8 | | | | | | | |
| Seven | 5 | 5 | | 4 | 4 | | | | | | | |
| Eight | 1 | 1 | | 1 | 1 | | | | | | | |
| Nine | | | | | | | | | | | | |
| Ten | | | | | | | | | | | | |
| Eleven | | | | | | | | | | | | |
| Twelve | | | | | | | | | | | | |
| Subtotal | 58 | 58 | 0 | 46 | 46 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Special Ed - Elementary | 2 | 2 | | 2 | 2 | | | | | | | |
| Special Ed - Middle | 2 | 2 | | 2 | 2 | | | | | | | |
| Special Ed - High | | | | | | | | | | | | |
| Subtotal | 4 | 4 | 0 | 4 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Totals | 62 | 62 | 0 | 50 | 50 | 0 | | | | | | |
| Percentage Error | | | <u>0.00%</u> | | | <u>0.00%</u> | | | <u>0.00%</u> | | | <u>0.00%</u> |

TRANSPORTATION

| | <u>Reported on DRTRS by DOE/County</u> | <u>Reported on DRTRS by District</u> | <u>Errors</u> | <u>Tested</u> | <u>Verified</u> | <u>Errors</u> | | <u>Reported</u> | <u>Re-Calculated</u> |
|--------------------------|--|--|---------------|---------------|-----------------|---------------|--|-----------------|----------------------|
| Reg. - Public Schools | 89 | 89 | | 61 | 61 | | | 5.9 | |
| Reg. - Special Ed. | 5 | 5 | | 3 | 3 | | | 5.9 | |
| Transported - Non-Public | | | | | | | | 14.0 | |
| Aid in Lieu - Non-Public | 3 | 3 | | 2 | 2 | | | | |
| Special Needs - Public | 8 | 8 | | 5 | 5 | | | | |
| Totals | 105 | 105 | 0 | 71 | 71 | 0 | | | |
| Percentage Error | | | | | | <u>0.00%</u> | | | |

SCHEDULE OF AUDITED ENROLLMENTS

ELSINBORO SCHOOL DISTRICT
APPLICATION OR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2016

| | <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> |
| Full Day Kindergarten | | | | | | |
| One | | | | | | |
| Two | | | | | | |
| Three | | | | | | |
| Four | | | | | | |
| Five | | | | | | |
| Six | | | | | | |
| Seven | | | | | | |
| Eight | | | | | | |
| Subtotal | - | - | - | - | - | - |
| Special Ed - Elementary | | | | | | |
| Special Ed - Middle | | | | | | |
| Special Ed - High | | | | | | |
| Subtotal | - | - | - | - | - | - |
| Totals | - | - | - | - | - | - |
| Percentage Error | | | <u>0.00%</u> | | | <u>0.00%</u> |

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION

SECTION 1

A. 2% Calculation of Excess Surplus

| | | |
|--|----------------------|---------------------------|
| 2016-17 Total General Fund Expenditures per the CAFR | \$ <u>2,350,500</u> | (B) |
| Increased by: | | |
| Transfer from Capital Outlay to Capital Projects Fund | - | (B1a) |
| Transfer from Capital Reserve to Capital Projects Fund | - | (B1b) |
| Transfer from General Fund to SRF for PreK-Regular | - | (B1c) |
| Transfer from General Fund to SRF for PreK-Inclusion | - | (B1d) |
| Decreased by: | | |
| On-Behalf TPAF Pension & Social Security | 261,255 | (B2a) |
| Assets Acquired Under Capital Leases | - | (B2b) |
| Adjusted 16-17 General Fund Expenditures [(B)+(B1s)-(B2s)] | <u>2,089,245</u> | (B3) |
| 2% of Adjusted 2016-17 General Fund Expenditures | | |
| [(B3) times .02] | 41,785 | (B4) |
| Enter Greater of (B4) or \$250,000 | 250,000 | (B5) |
| Increased by: Allowable Adjustment* | 522 | (K) |
| Maximum Unassigned Fund Balance[(B5)+(K)] | | <u>\$ 250,522</u> (M) |

SECTION 2

| | | |
|--|---------------------|----------------------------|
| Total General Fund - Fund Balances at June 30, 2017 (Per CAFR Budgetary Comparison Schedule C-1) | \$ <u>1,054,828</u> | (C) |
| Decreased by: | | |
| Year-end Encumbrances | - | (C1) |
| Legally Restricted - Designated for Subsequent Year's Expenditures | - | (C2) |
| Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures** | - | (C3) |
| Other Restricted Fund Balances**** | 441,261 | (C4) |
| Assigned Fund balance Unreserved - Designated for Subsequent Year's Expenditures | - | (C5) |
| Additional Assigned Fund Balance - Unreserved - Designated for Subsequent Year's July 1, 2017 - August - 1, 2017 | - | (C6) ***** |
| Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)] | | <u>\$ 613,567</u> (U1) |

SECTION 3

| | | |
|---|---------|---------------------------|
| Restricted Fund Balance- Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0- | | \$ <u>363,045</u> (E) |
| <u>Recapitulation of Excess Surplus as of June 30, 2016</u> | | |
| Reserved Excess Surplus - Designated for Subsequent Year's Expenditures** | - | (C3) |
| Reserved Excess Surplus ***[(E)] | 363,045 | (E) |
| Total Excess Surplus [(C3) + (E)] | | <u>\$ 363,045</u> (D) |

TOWNSHIP OF ELSINBORO 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

| | | |
|---|--------------|------|
| Federal Impact Aid | \$ _____ | (H) |
| Sale & Lease-Back | _____ | (I) |
| Extraordinary Aid | _____ | (J1) |
| Additional Nonpublic School Transportation Aid | _____ 522 | (J2) |
| Current Year School Bus Advertising Revenue Recognized | _____ | (J3) |
| Family Crisis Transportation Aid | _____ | (J4) |
| Total Adjustments [(H) + (I) + (J1) + (J2) + (J3) + (J4)] | \$ _____ 522 | (K) |

** This amount represents the June 30, 2017 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line **90031**. This amount was to be appropriated in the 2016-17 general fund budget.

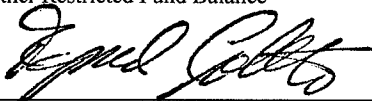
*** Amounts must agree to the June 30, 2017 CAFR and must agree to Audit Summary Worksheet Line **90030**.

**** 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 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 and Regulatory Compliance prior to September 30.

**** Increase in Assigned Fund Balance - Unreserved - Designated for Subsequent Year's expenditures July 1, 2017 to August 1, 2017 resulting from decrease in state aid after adoption of 2017-18 district budget. Refer to Commissioner's Broadcast 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 | _____ 392,096 |
| Maintenance reserve | _____ 49,165 |
| 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 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 | \$ _____ 441,261 (C4) |



AUDIT RECOMMENDATIONS SUMMARY

For the Fiscal Year Ended June 30, 2017

Township of Elisnboro 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

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