

BOROUGH OF JAMESBURG BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017

Prepared by

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of the Firm

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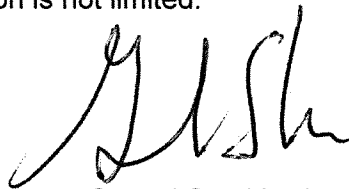
REPORT OF INDEPENDENT AUDITORS

Honorable President and Members
of the Board of Education
Borough of Jamesburg
Board of Education
County of Middlesex, New Jersey

We have audited, in accordance with auditing 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 Borough of Jamesburg School District in the County of Middlesex for the year ended June 30, 2017, and have issued our report thereon dated December 13, 2017.

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 solely for the information of the Borough of Jamesburg Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
December 13, 2017

**ADMINISTRATIVE FINDINGS - FINANCIAL
COMPLIANCE AND PERFORMANCE
JUNE 30, 2017**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the Treasurer of School Monies, the activities of the Board of Education and the records of the various funds under the auspices of the Board of Education. This report is filed in conjunction with the District's Comprehensive Annual Financial Report (CAFR).

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on the Insurance Schedule contained in the Statistical Tables (Section) – Exhibit J-20, of the District's CAFR.

Officials' Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Nick Mackres	Board Secretary	\$ 250,000.00
Scott Frueh	Treasurer of School Monies	200,000.00

The surety bond coverage for the Treasurer of School Monies and Board Secretary exceeded the minimum requirement as promulgated by the Department of Education.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under audit was made as to affidavit or signed declaration, proper itemization and proper authorization by officials. The Board's voucher system is in accordance with R.S. 18:6-34, which requires a signed declaration by the vendor in place of an affidavit. In addition, all vouchers are signed by the Board Secretary. The actual signature for receipt of goods or services rendered is on the receiving copy of the purchase order set, which is attached to the purchase order filed by appropriation number. All claims approved for payment are listed by fund total in the Minutes.

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.

**ADMINISTRATIVE FINDINGS - FINANCIAL
COMPLIANCE AND PERFORMANCE (CONTINUED)**
JUNE 30, 2017

Financial Planning, Accounting and Reporting (Continued)

Payroll Account (Continued)

Compensation records were tested, and for those individuals examined; it was determined that salaries paid were in accordance with the amounts authorized by the Board.

Salary withholdings were promptly remitted to the proper agencies, including required health insurance withholdings.

The Board utilizes a payroll service bureau for all of its payroll transactions, inclusive of the net pay and the payroll agency (withholdings) fund. The payroll service bureau has provided the required report on their internal controls on Internal Control of Service Organizations in accordance with the AICPA Statement on Standards for Attesting Engagements Number 16 (SSAE#16).

The payroll agency account reconciliation as presented for audit required extensive analysis in order to ascertain the correct yearend liabilities. It was determined that the balance in the account needed to be reallocated and redirected to the correct fund and line item within the fund. The reallocation relates to various employee benefit withholdings. This may have been caused by misunderstanding of instructions and turnover of key personnel. Subsequent to yearend the School Business Administrator has developed procedures for a proper tracking of the account.

Unemployment Compensation Insurance Trust Fund

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

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 existed for proper classification of orders as reserved for encumbrances and accounts payable.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2(g) as part of our test of transactions of randomly selected expenditure items. We also examined 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-2.4. As a result of the procedures performed, no transaction error rate was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

**ADMINISTRATIVE FINDINGS - FINANCIAL
COMPLIANCE AND PERFORMANCE (CONTINUED)**
JUNE 30, 2017

Financial Planning, Accounting and Reporting (Continued)

Classification of Expenditures (Continued)

It was brought to our attention during the process of the audit that expenditures for electric and natural gas were charged to the wrong account. The NJDOE Standard Chart of Accounts mandates specific account coding for all expenditures. This was corrected by the School Business Administrator subsequent to yearend.

Travel Expenditures

Travel expenditures were tested and found to be in compliance with *N.J.A.C. 6A:23A-7.1*.

Student Body Activities Funds

High School and Middle School

Cash receipts and cash disbursements records were maintained in satisfactory condition.

All receipts were promptly deposited in the bank.

A test check of bills and invoices was made to the cash disbursements record, no exceptions were noted.

Board Secretary/School Business Administrator's Records

Our review of the financial and accounting records maintained by the Board Secretary revealed that the records were maintained properly.

Acknowledgment of the Board's receipt of the Board Secretary's report was included in the minutes.

Treasurer's Records

The Treasurer's records were found to be maintained properly.

Acknowledgment of the Board's receipt of the Treasurer's report was included in the minutes.

**ADMINISTRATIVE FINDINGS - FINANCIAL
COMPLIANCE AND PERFORMANCE (CONTINUED)
JUNE 30, 2017**

Financial Planning, Accounting and Reporting (Continued)

Elementary and Secondary Education Act of 1965 (E.S.E.A.) as Reauthorized by No Child Left Behind (NCLB) Act of 2001

The 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 project under Title I, II-A, II-D, and III of the Elementary and Secondary Education Act.

The study of compliance for NCLB indicated no matters of noncompliance and/or questioned costs.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on the Schedules of Federal and State Financial Assistance 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.

T.P.A.F. Reimbursement

Our Audit procedures included a test of the semi-monthly reimbursement forms filed with the Department of Education for District employees who are members of the Teachers Pension and Annuity Fund. Exceptions were noted that it appears as though the payments received for the pay period of February 14, 2017 and March 14, 2017 were less than the amounts claimed by a total of \$2,000.00. We are not certain as to why this occurred and no receivable has been established. This matter is under review by the School Business Administrator for collection.

Expendable and Nonexpendable Trust Fund

The accounts within this fund appear to have been properly administered.

**ADMINISTRATIVE FINDINGS - FINANCIAL
COMPLIANCE AND PERFORMANCE (CONTINUED)
JUNE 30, 2017**

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2015 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-3 and 18A:39-3 are \$29,000.00 and \$18,800.00, respectively.

The board of education has elected to utilize the Qualified Purchasing Agent (QPA) higher bid threshold of \$40,000.00 since the School Business Administrator/Board Secretary is a qualified as such.

The 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 Attorney's opinion should be sought before a commitment is made.

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

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.

The results of our examination indicated that no individual payments, contracts or agreements were made "for the performance of any work or the furnishing or hiring of any materials of supplies," 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.

The minutes indicate that bids were advertised for the following:

Foundation Wall Drainage Repair	Boiler Replacement
---------------------------------	--------------------

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 the following purchases were made through the use of State contracts.

Computer Hardware and Software

**ADMINISTRATIVE FINDINGS - FINANCIAL
COMPLIANCE AND PERFORMANCE (CONTINUED)**
JUNE 30, 2017

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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.

The results of our examination indicated that no individual payments, contracts or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", 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, as amended.

Purchasing was also under various cooperative purchasing arrangements in conjunction with other school districts as well as under state contract.

School Food Service

The financial transactions and statistical records of the school food services were maintained in satisfactory condition. The financial accounts, meal count record and eligibility applications were reviewed on a test-check basis. No exceptions were noted.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served did not exceed the number of valid applications on file, times the number of operating days, on a school by school basis. The free and reduced price meals and free milk policy is uniformly administered throughout the School System. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions were noted.

The claim for reimbursement for October 2016 breakfast was overclaimed by 2,000 meals resulting in an overpayment in the amount of \$649.53. This amount has been setup as a refund to the state. We are not certain why this happened; however, the food service vendor has investigated and advised that it may be a key punching error. It should have been recognized sooner by the then School Business Administrator. Procedures are in process by the District to return the funds.

The Board employs Pomptonian, a management company ("the Management Company"), to handle their food service program. We examined, on a test basis, their expenditures for separate recording of food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used. Provisions of the management company contract were reviewed and audited.

**ADMINISTRATIVE FINDINGS - FINANCIAL
COMPLIANCE AND PERFORMANCE (CONTINUED)
JUNE 30, 2017**

School Food Service (Continued)

All employees of the Cafeteria are hired by the Management Company and paid by them.

Exhibits reflecting child nutrition program operations are included in Section G of the CAFR.

The food service company has provided the required study of their internal controls in accordance with the Report on Internal Control of Service Organizations in accordance with the AICPA Statement on Standards for Attesting Engagements Number 16 (SSAE#16).

The District is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34 and 19-1 through 19-4.1. 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. Cash receipts for special functions and "pay for it" were deposited into the bank account but not properly entered into the record of the District. This matter was resolved by audit journal entry.

Food Distribution Program commodities were received during the period of audit. Inventory records on commodities are being maintained. The value of U.S.D.A. Commodities received during 2016-2017 was \$19,073.33.

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 school district project remains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

Childcare High Five – There were cash receipts in the bank that were in excess of the amount recorded in the District's records books. The cash receipts should be monitored for properly enter in the book. The School Business Administrator has implemented procedures subsequent to yearend to ensure proper implementation and review.

Application for State School Aid

Our audit procedures included a test of information reported in the October 14, 2016 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 district procedures related to its completion. The information on the ASSA was compared to the district workpapers. 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 written procedures for the recording of student enrollment data.

ADMINISTRATIVE FINDINGS - FINANCIAL
COMPLIANCE AND PERFORMANCE (CONTINUED)
JUNE 30, 2017

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2016-2017 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

Capital Projects Fund

The Capital Projects Fund reflects an overdraft of Cash and Cash Equivalents and offsetting deficit in fund balance in the amount of \$275,814.00. This is the result of Capital Expenditures incurred in prior year that had grant funding for which we have been advised by the current School Business Administrator that the documents were never submitted for reimbursement by the District. The current School Business Administrator is in the process of obtaining the documents for submission.

Capital Assets

For the school year ended June 30, 2015 the District had engaged an outside firm to prepare an inventory listing of Capital Assets and beginning asset values and accumulated depreciation for that year. During 2015-2016 and 2016-2017, the District made various improvements and acquired equipment that should have been added to the asset detail. These items useful lives must be recorded and depreciation scheduled. Absent a currently maintained fixed asset register, the District will be required to contract annually for a fixed asset inventory and valuation update. We have been advised that as of the date of this report, the annual inventory has been authorized for the fiscal year ended June 30, 2018.

Internal Control Procedures

The School District is continuing the process of documenting its internal controls. This course of action is commendable and will also serve the purpose of meeting certain requirements as set forth by the Statement on Auditing Standards 112. We suggest the School District continue its process and also consider utilizing the framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) for its documentation, which includes the five components of internal controls as follows: Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring. In addition, we suggest the documentation should also include the internal controls that exist over grant compliance. While the process of internal control documentation can be arduous, it can serve to mitigate the loss of institutional knowledge that often accompanies changes in managerial personnel, as existing policies, procedures and responsibilities are clearly defined for replacement staff.

RECOMMENDATIONS
JUNE 30, 2017

Financial Procedures

That all matters referred to in this report that have commenced implementation subsequent to yearend by the current School Business Administrator be monitored for full implementation as soon as possible but prior to June 30, 2018.

FOLLOW-UP ON PRIOR YEAR'S FINDINGS

Recommendations

2016-1 Administrative Practices and Procedures – Examination of Claims
 That the requisitions be prepared, reviewed and approved for contemplated procurements in every instance.

Status: Progress was made.

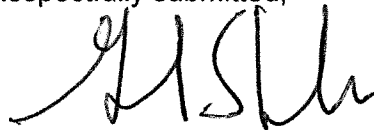
2016-2 Student Activity Funds
 That for the JFK School Account, evidence of disbursement approvals be obtained before disbursements are made.

Status: Progress was made.

ACKNOWLEDGMENT

We received the complete cooperation of all the officials of the School District and we greatly appreciate the courtesies extended to us.

Respectfully submitted,



Gerard Stankiewicz
Certified Public Accountant
Public School Accountant #912

For The Firm
SAMUEL KLEIN AND COMPANY

BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MONMOUTH
SCHEDULE OF MEAL COUNT ACTIVITY
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS - FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(MEMORANDUM ONLY)

<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 (High Rate)	Paid	23,502	23,502	23,502	None	0.360	None
	Reduced	6,621	6,621	6,621	None	2.835	None
	Free	<u>43,443</u>	<u>43,443</u>	<u>43,443</u>	<u>None</u>	3.235	<u>None</u>
	Total	<u>73,566</u>	<u>73,566</u>	<u>73,566</u>	<u>None</u>		<u>None</u>
School Breakfast (Severe Needs Rate)	Paid	4,677	2,528	2,528	2,149	0.290	623.21
	Reduced	2,416	2,416	2,416	None	1.740	None
	Free	<u>22,215</u>	<u>22,215</u>	<u>22,215</u>	<u>None</u>	2.040	<u>None</u>
	Total	<u>29,308</u>	<u>27,159</u>	<u>27,159</u>	<u>2,149</u>		<u>623.21</u>
Total Net (Over)/Under Claim							<u><u>623</u></u>

**JAMESBURG SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2016**

	2016-2017 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 Veri- fication	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool	46		46					15		15						
Full Day Preschool																
Half Day Kindergarten																
Full Day Kindergarten	67		67					22		22						
One	80		80					27		27						
Two	66		66					22		22						
Three	59		59					20		20						
Four	62		62					21		21						
Five	82		82					28		28						
Six	40		40					13		13						
Seven	56		56					19		19						
Eight	53		53					18		18						
Nine																
Ten																
Eleven																
Twelve																
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	611		611					205		205						
Special Ed - Elementary	55		55					18		18			1	1	1	
Special Ed - Middle School	25		25					9		9			1	1	1	
Special Ed - High School													2	2	2	
Subtotal	80		80					27		27			4	4	4	
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals																
Percentage Error					0.00%	0.00%							0.00%	0.00%		0.00%

**JAMESBURG BOROUGH SCHOOL DISTRICT
APPLICATION FOR 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>		
	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
Half Day Preschool												
Full Day Preschool												
Half Day Kindegarten												
Full Day Kindergarten	34	34		34	34		12	12		12	12	
One	46	46		46	46		22	22		22	22	
Two	35	35		35	35		16	16		16	16	
Three	38	38		38	38		13	13		13	13	
Four	38	38		38	38		12	12		12	12	
Five	52	52		52	52		10	10		10	10	
Six	23	23		23	23		1	1		1	1	
Seven	23	23		23	23		1	1		1	1	
Eight	29	29		29	29		8	8		8	8	
Nine												
Ten												
Eleven												
Twelve												
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	<u>318</u>	<u>318</u>		<u>318</u>	<u>318</u>		<u>95</u>	<u>95</u>		<u>95</u>	<u>95</u>	
Special Ed - Elementary	33	33		33	33		6	6		6	6	
Special Ed - Middle	13	13		13	13							
Special Ed - High	0	0		0	0							
Subtotal	<u>46</u>	<u>46</u>		<u>46</u>	<u>46</u>		<u>6</u>	<u>6</u>		<u>6</u>	<u>6</u>	
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	<u>364</u>	<u>364</u>	<u>0</u>	<u>364</u>	<u>364</u>	<u>0</u>	<u>101</u>	<u>101</u>	<u>0</u>	<u>101</u>	<u>101</u>	<u>0</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

**JAMESBURG BOROUGH SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2016**

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	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 and Register	Sample Errors
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten						
One						
Two	2	2		2	2	
Three	2	2		2	2	
Four						
Five						
Six						
Seven						
Eight						
Nine						
Ten						
Eleven						
Twelve						
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	<u>4</u>	<u>4</u>		<u>4</u>	<u>4</u>	
Special Ed - Elementary						
Special Ed - Middle						
Special Ed - High						
Subtotal						
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>4</u>	<u>4</u>	<u>0</u>	<u>4</u>	<u>4</u>	<u>0</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**JAMESBURG SCHOOL DISTRICT
DISTRICT REPORT OF TRANSPORTED RESIDENT STUDENTS
ENROLLMENT AS OF OCTOBER 14, 2016**

	<u>Sample for Verification</u>			
	Reported on D.R.T.R.S.	Sample Selected from Workpapers	Verified to Register	Sample Errors
Students - Grade PK*				
Public School Students excl. Voc. Students	21	16	16	
Vocational School Students	12	9	9	
Transported Charter School Students	0	0	0	
ALL Charter School Students	5	4	4	
Transported Non-Public and Other School Students	0	0	0	
ALL Non-Public and Other School Students	43	33	33	
Special Education Public School Students	0	0	0	
Special Education Charter School Students	0	0	0	
Private School for Students with Disabilities and Other School Students				
Subtotal	<u>81</u>	<u>62</u>	<u>62</u>	
With Special Transportation Needs:				
Public School Students	1	1	1	
Charter School Students				
Private School for Students with Disabilities	1	1	1	
Out-of-district Public School Students	7	7	7	
Out-of-district Charter School Students				
With Special Transportation Needs:				
Private School for Students with Disabilities	3	3	3	
Subtotal	<u>12</u>	<u>12</u>	<u>12</u>	
Courtesy Students - Elementary				
Courtesy Students - Secondary	243			
Transported Nonpublic School Students 201-30 Miles	2			
Totals	<u>338</u>	<u>74</u>	<u>74</u>	
Percentage Error				<u>0.00%</u>

*Includes Public, Charter and Early Childhood Community Provider (ECCP)

	<u>Reported</u>	<u>Recalculated</u>
Avg. Home to School (Mileage) = Regular Including Grade PK students	6.5	6.5
Avg. Home to School (Mileage) = Regular Excluding Grade PK students	6.5	6.5
Avg. Home to School (Mileage) = Special Ed with Special Needs	10.5	10.5

BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

EXCESS SURPLUS CALCULATION
REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2016-17 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>13,526,310.29</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 PerK-Regular	\$ _____ (B1c)	
Transfer from General Fund to SRF for PerK-Inclusion	\$ _____ (B1d)	
Decreased by:		
On-Behalf TPAF Pension & Social Security	\$ <u>989,447.50</u> (B2a)	
Assets Acquired Under Capital Leases	\$ _____ (B2b)	
Adjusted 2016-17 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ <u>12,536,862.79</u> (B3)	
2% of Adjusted 2016-17 General Fund Expenditures [(B3) times .02]	\$ <u>250,737.26</u> (B4)	
Enter Greater of (B4) or \$250,000	\$ <u>250,737.26</u> (B5)	
Increased by: Allowable Adjustment*	\$ <u>76,535.00</u> (K)	
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]	\$ <u>327,272.26</u> (M)	

SECTION 2

Total General Fund - Fund Balances @ 6-30-2017 (Per CAFR Budgetary Comparison Schedule-C1)	\$ <u>2,539,985.05</u> (C)	
Decreased by:		
Year-end Encumbrances	\$ <u>74,084.23</u> (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 ****	\$ <u>1,375,312.44</u> (C4)	
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ <u>26,850.00</u> (C5)	
Additional Assigned Fund Balance - Unreserved - Designated for subsequent Year's Expenditures July 1, 2017 - August 1, 2017	\$ _____ (C6) *****	
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	\$ <u>1,063,738.38</u> (U1)	

BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
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(UNAUDITED)

SECTION 3

Restricted Fund Balance - Excess Surplus**{(U1)-(M)} IF NEGATIVE ENTER -0- \$ 736,466.12 (E)

Recapitulation of Excess Surplus as of June 30, 2017

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures ** \$ _____ (C3)
 Reserved Excess Surplus***{(E)} \$ 736,466.12 (E)
 Total Excess Surplus [(C3) + (E)] \$ 736,466.12 (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, 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 and 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	\$ <u>67,478.00</u>	(J1)
Additional Nonpublic School Transportation Aid	\$ <u>9,057.00</u>	(J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____	(J3)
Family Crisis Transportation Aid	\$ _____	(J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	\$ <u>76,535.00</u>	(K)

** This amount represents the June 30, 2017 Excess Surplus (C3 above) and must be included in the Audit Summary Line 90031.

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

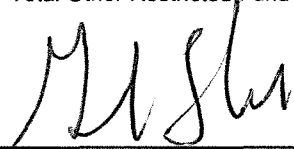
**** Amount for Other Restricted Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by an other type of government, such as the judicial branch of government, must have departmental approval. District requests should be submitted to the Division of Administration and Finance 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 I-4.2 of this Audit Program.

BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
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Detail of Other Restricted Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	\$ _____
Sale/lease-back reserve	\$ _____
Capital reserve	\$ 944,456.92
Maintenance reserve	\$ 255,815.00
Emergency reserve	\$ 75,040.52
Tuition reserve	\$ 100,000.00
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)	\$ _____
Impact Aid General Fund Reserve (Sections 8007 and 8008)	\$ _____
Other state/government mandated reserve	\$ _____
[Other Reserved Fund Balance not noted above]****	\$ _____
 Total Other Restricted Fund Balance	 \$ 1,375,312.44 (C4)



GERARD STANKIEWICZ, CPA, PSA #912

Date: December 13, 2017

**JAMESBURG BOROUGH SCHOOL DISTRICT
COUNTY OF MONMOUTH, NEW JERSEY**

NET CASH RESOURCE SCHEDULE

Net Cash Resources Did Not Exceed Three Months of Expenditures
Proprietary Funds - Food Service
FYE 2017

<u>Net Cash Resources:</u>		Food Service B - 4/5	
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 86,036
B-4		Due from Other Gov'ts	15,589
B-4		Accounts Receivable	44
B-4		Security Deposit	
CAFR		Current Liabilities	
B-4		Less Accounts Payable	7,414
B-4		Less Accruals	
B-4		Less Due to Other Funds	
B-4		Less Deferred Revenue	<u>2,135</u>
		Net Cash Resources	<u><u>\$ 92,120</u></u> (A)
 <u>Net Adj. Total Operating Expense:</u>			
B-5		Total Operating Expense	327,932
B-5		Add Depreciation	<u>7,246</u>
		Adj. Total Operating Expense	<u><u>\$ 335,178</u></u> (B)
 <u>Average Monthly Operating Expense:</u>			
		B / 10	<u><u>\$ 33,517.80</u></u> (C)
 <u>Three Times Monthly Average:</u>			
		3 X C	<u><u>\$ 100,553.40</u></u> (D)

TOTAL IN BOX A	\$ 92,120
LESS TOTAL IN BOX D	<u>\$ 100,553</u>
NET	<u><u>\$ (8,433)</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