

BOARD OF EDUCATION

TOWNSHIP OF MONROE

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

FISCAL YEAR ENDED JUNE 30, 2017

Prepared by

Gerard Stankiewicz, CPA, PSA

of the Firm

SAMUEL KLEIN AND COMPANY

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Freehold, NJ 07728

TABLE OF CONTENTS

	<u>Page</u>
Report of Independent Auditors	1
Scope of Audit	2
Administrative Practices and Procedures:	
Insurance	2
Officials' Bonds	2
Financial Planning, Accounting and Reporting:	
Examination of Claims	2
Payroll Account	3
Tuition Charges	3
Unemployment Compensation Insurance Trust Fund	3
Reserve for Encumbrances and Accounts Payable	3
Classification of Expenditures.....	3
Travel Reimbursement Policy	4
Student Body Activities Fund.....	4
Board Secretary/School Business Administrator's Records.....	4
Treasurer's Records	4
Elementary and Secondary Education Act of 1965 (E.S.E.A.) as reauthorized by No Child Left Behind Act of 2001.....	4
Other Special Federal and/or State Projects	5
T.P.A.F. Reimbursement	5
Expendable and Nonexpendable Trust Funds	5
School Purchasing Programs:	
Contracts and Agreements Requiring Advertisement for Bids	5-6
School Food Service	7-8
Childcare Initiative and Falcon Care	8
Application for State School Aid	8
Pupil Transportation	8
Recommendations	9
Follow-up on Prior Year's Findings	9
Acknowledgment.....	9
Schedule of Meal Count Activity	10
Schedule of Audited Enrollments	11-14
Excess Surplus Calculation.....	15-17
Net Cash Resource Schedule.....	18

SAMUEL KLEIN AND COMPANY

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REPORT OF INDEPENDENT AUDITORS

Honorable President and Members
of the Board of Education
Monroe Township School District
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 Monroe Township School District in the County of Middlesex for the year ended June 30, 2017, and have issued our report thereon dated November 7, 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 Monroe Township 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
Registered Municipal Accountant #431



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
November 7, 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 Section (J-20) of the District's CAFR.

Officials' Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Michael C. Gorski, CPA, PSA	Board Secretary/ School Business Administrator	\$ 750,000.00 (A)
Lou Ann McGraw-Russell	Treasurer	\$ 1,000,000.00 (A)
Dyana Barnosky	Staff Accountant	\$ 750,000.00 (A)
Laura Allen	Accounting Supervisor	\$ 750,000.00 (A)

(A) Selective Insurance.

There is a Public Employees Faithful Performance Blanket Position Bond.

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 and filed alphabetically. All claims approved for payment are listed by fund total in the Minutes.

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

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 required 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.

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 the required health benefits withholdings.

Tuition Charges

The Board made a proper adjustment to the billings to the sending district for the change in per pupil costs in accordance with N.J.A.C. 6A:23-3.1 (f)3.

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 proper classification of orders as reserved for encumbrances and accounts payable. The reserve for encumbrances and accounts payable have been determined to be proper.

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 classification 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)

Travel Reimbursement Policy

The required travel and related reimbursement policy was in accordance with N.J.A.C. 6A:23B-1.2(a).

Student Body Activities Funds

High School, Middle School and Elementary Schools

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.

Board Secretary/School Business Administrator's Records

Our review of the financial and accounting records of the Board Secretary/School Business Administrator 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.

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 Titles I and II-A of the NCLB as amended.

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

Financial Planning, Accounting and Reporting (Continued)

Other Special Federal and/or State Projects

The study of compliance for the Special Project Fund IDEA Program indicated that there were no areas of non-compliance.

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. No exceptions were noted.

Expendable and Nonexpendable Trust Funds

The accounts within this fund have been properly administered.

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 and \$18,800, respectively.

The board of education has elected to utilize the Qualified Purchasing Agent (QPA) higher bid threshold of \$40,000 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.

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 is not designed to 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:

Fuel Services	Removal and Disposal of Solid Waste
Snow Removal	Asbestos Removal
Financing for Lease/Purchase Agreement	Ground Care Maintenance
Tennis Court Restoration	Roof Replacement
Paving Site Improvement	

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 the following purchases were made through the use of State contracts or through cooperative purchasing agencies.

School Furniture	Classroom Furniture
Computers and Related Items	Fuel Supplies
Computer Hardware	Communications Equipment
Computer Software	Telecommunications System
General School Supplies	Custodial Supplies
Tires	Classroom Supplies
Photographic Equipment	Athletic Supplies

Purchase of supplies were also made through Educational Data Services Inc. and the New Jersey Educational Services Commission, formerly the Middlesex Regional Educational Service Commission, authorized purchasing and bidding cooperative.

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

School Food Service

The financial transactions and statistical records of the school food services were maintained properly. 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 Board employs a management company, Metz Culinary Management, to handle their food service program. Provisions of the contract were reviewed and audited. 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.

All employees of the Cafeteria are hired and paid by Metz except for the Food Service Director.

Exhibits reflecting child nutrition program operations are included in the Enterprise Fund (Exhibit B-4 through B-6) in Section B of the CAFR.

It should be noted that the food service company has provided the required Report on Internal Controls 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 and bank records were reviewed for timely deposit.

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 \$160,638.97.

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

School Food Service (Continued)

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 Initiative and Falcon Care

The Childcare Initiative generated an excess of revenue over expenditures of \$128,475.97. The Interfund payable to the General Fund was liquidated during the year.

The Falcon Care generated an excess of revenue over expenditures of \$473,470.19.

Application for State School Aid (ASSA)

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 information that was included on the workpapers was verified. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed state forms or their equivalent.

The District has adequate written procedures for the recording of student enrollment data.

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 Report with no exceptions. 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. The bid specifications for the lease/purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

RECOMMENDATIONS
JUNE 30, 2017

None.

FOLLOW-UP ON PRIOR YEAR'S FINDINGS

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 us.

Respectfully submitted,



Gerard Stankiewicz
Certified Public Accountant
Public School Accountant #912

For The Firm
SAMUEL KLEIN AND COMPANY

BOARD OF EDUCATION
TOWNSHIP OF MONROE, COUNTY OF MIDDLESEX
SCHEDULE OF MEAL COUNT ACTIVITY
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<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	459,200	459,200	459,200	-	0.340	-
	Reduced	13,776	13,776	13,776	-	2.815	-
	Free	<u>50,948</u>	<u>50,948</u>	<u>50,948</u>	<u>-</u>	3.215	-
	Total	<u>523,924</u>	<u>523,924</u>	<u>523,924</u>	<u>-</u>		<u>-</u>
Special Milk	Paid	5,607	5,607	5,607	-	0.1975	-
	Free	<u>1,452</u>	<u>1,452</u>	<u>1,452</u>	<u>-</u>	Various	-
	Total	<u>7,059</u>	<u>7,059</u>	<u>7,059</u>	<u>-</u>		<u>-</u>

Board of Education
Monroe Township School District
County of Middlesex
Schedule of Audited Enrollment
Application for 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 Private Schools	Sample for Veri- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool	9		9					9		9						
Full Day Preschool																
Half Day Kindergarten	304		304					304		304						
Full Day Kindergarten																
One	380		380					380		380						
Two	424		424					424		424						
Three	443		443					443		443						
Four	465		465					465		465						
Five	476		476					476		476						
Six	429		429					429		429						
Seven	472		472					472		472						
Eight	509		509					509		509						
Nine	474		474					474		474						
Ten	428		428					428		428						
Eleven	476		476					476		476						
Twelve	439	1	439	1				439	1	439	1					
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	5,728	1	5,728	1	0	0	5,728	1	5,728	1	0	0	0	0	0	0
Special Ed - Elementary	334		334				334		334				8	8	8	
Special Ed - Middle School	239	3	239	3			239	3	239	3			9	9	9	
Special Ed - High School	348	3	348	3			348	3	348	3			13	13	13	
Subtotal	921	6 #	921	6	0	0	921	6	921	6	0	0	30	30	30	0
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	6,649	7	6,649	7	0	0	6,649	7	6,649	7	0	0	30	30	30	0
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%

Board of Education
Monroe Township School District
County of Middlesex
Schedule of Audited Enrollment
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>		
	<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>
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten	17	17		17	17		2	2		2	2	
Full Day Kindergarten												
One	19	19		19	19		2	2		2	2	
Two	18	18		18	18		1	1		1	1	
Three	31	31		31	31		3	3		3	3	
Four	26	26		26	26							
Five	25	25		25	25							
Six	30	30		30	30		1	1		1	1	
Seven	25	25		25	25							
Eight	31	31		31	31							
Nine	35	35		35	35		1	1		1	1	
Ten	41	41		41	41		2	2		2	2	
Eleven	55	55		55	55		4	4		4	4	
Twelve	47	47		47	47		1	1		1	1	
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	<u>400</u>	<u>400</u>	<u>0</u>	<u>400</u>	<u>400</u>	<u>0</u>	<u>17</u>	<u>17</u>	<u>0</u>	<u>17</u>	<u>17</u>	<u>0</u>
Special Ed - Elementary	54	54.0		54.0	54.0		1	1		1	1	
Special Ed - Middle	49.5	49.5		49.5	49.5		1	1		1	1	
Special Ed - High	62.5	62.5		62.5	62.5							
Subtotal	<u>166</u>	<u>166</u>	<u>0</u>	<u>166</u>	<u>166</u>	<u>0</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>2</u>	<u>2</u>	<u>0</u>
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	<u>566</u>	<u>566</u>	<u>0</u>	<u>566</u>	<u>566</u>	<u>0</u>	<u>19</u>	<u>19</u>	<u>0</u>	<u>19</u>	<u>19</u>	<u>0</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

Board of Education
Monroe Township School District
County of Middlesex
Schedule of Audited Enrollment
Application for State School Aid Summary
Enrollment as of October 14, 2016

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as NOT Low Income</u>	<u>Reported 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						
Full Day Preschool						
Half Day Kindergarten	5	5		5	5	
Full Day Kindergarten						
One	2	2		2	2	
Two	3	3		3	3	
Three						
Four						
Five	2	2		2	2	
Six	2	2		2	2	
Seven						
Eight	1	1		1	1	
Nine	4	4		4	4	
Ten	3	3		3	3	
Eleven	2	2		2	2	
Twelve	1	1		1	1	
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	<u>25</u>	<u>25</u>	<u>0</u>	<u>25</u>	<u>25</u>	<u>0</u>
Special Ed - Elementary						
Special Ed - Middle						
Special Ed - High						
Subtotal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>25</u>	<u>25</u>	<u>0</u>	<u>25</u>	<u>25</u>	<u>0</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

Board of Education
Monroe Township School District
County of Middlesex
District Report of Transported Resident Students
Enrollment as of October 14, 2016

	<u>Sample for Verification</u>			
	<u>Reported on</u> <u>D.R.T.R.S.</u>	<u>Sample</u> <u>Selected from</u> <u>Workpapers</u>	<u>Verified to</u> <u>Register</u>	<u>Sample</u> <u>Errors</u>
Students - Grade PK*				
Public School Students excl. Voc. Students	3,770	3,770	3,770	0
Vocational School Students	33	33	33	
AIL Charter School Students	9	9	9	
Transported Non-Public and Other School Students	96	96	96	
AIL Non-Public and Other School Students	139	139	139	
Special Education Public School Students	<u>712</u>	<u>712</u>	<u>712</u>	<u>0</u>
Subtotal	4,759	4,759	4,759	0
With Special Transportation Needs:				
Public School Students	41	41	41	
Private School for Students with Disabilities	3	3	3	
Out-of-district Public School Students	5	5	5	
Without Special Transportation Needs:				
OOD Private School for Students with Disabilities	<u>28</u>	<u>28</u>	<u>28</u>	<u>0</u>
Subtotal	77	77	77	0
Totals	<u><u>4,836</u></u>	<u><u>4,836</u></u>	<u><u>4,836</u></u>	<u><u>0</u></u>
Percentage Error				<u><u>0.00%</u></u>

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

	<u>Reported</u>	<u>Recalculated</u> <u>by DOE</u>
Average Home to School Mileage	4.50	4.50
Average Home to School Mileage Excluding Grade PK	4.50	4.50
Average Home to School Mileage	12.10	12.10

BOARD OF EDUCATION
MONROE TOWNSHIP 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>114,560,924.83</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>11,250,724.61</u> (B2a)	
Assets Acquired Under Capital Leases	\$ <u>489,468.91</u> (B2b)	
Adjusted 2016-17 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ <u>102,820,731.31</u> (B3)	
2% of Adjusted 2016-17 General Fund Expenditures [(B3) times .02]	\$ <u>2,056,414.63</u> (B4)	
Enter Greater of (B4) or \$250,000	\$ <u>2,056,414.63</u> (B5)	
Increased by: Allowable Adjustment*	\$ _____ (K)	
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]	\$ <u>2,056,414.63</u> (M)	

SECTION 2

Total General Fund - Fund Balances @ 6-30-2017 (Per CAFR Budgetary Comparison Schedule-C1)	\$ <u>15,307,577.68</u> (C)	
Decreased by:		
Year-end Encumbrances	\$ <u>94,351.73</u> (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ _____ (C2)	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>6,134,722.09</u> (C3)	
Other Restricted Fund Balances ****	\$ <u>977,500.00</u> (C4)	
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ _____ (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>8,101,003.86</u> (U1)	

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

SECTION 3

Restricted Fund Balance - Excess Surplus***[(U1)-(M)] IF NEGATIVE ENTER -0- \$ 6,044,589.23 (E)

Recapitulation of Excess Surplus as of June 30, 2017

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>6,134,722.09</u> (C3)
Reserved Excess Surplus***[(E)]	\$ <u>6,044,589.23</u> (E)
 Total Excess Surplus [(C3) + (E)]	 \$ <u>12,179,311.32</u> (D)

Footnotes:

* Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:

- (H) Federal Impact Aid. The passage of P.L. 2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, effective for the year ending June 30, 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	\$ _____ (J1)
Additional Nonpublic School Transportation Aid	\$ _____ (J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____ (J3)
Family Crisis Transportation Aid	\$ _____ (J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	\$ _____ (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.

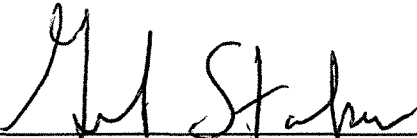
**** Amount for Other Restricted Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by an other type of government, such as the judicial branch of government, must have departmental approval. 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
MONROE TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

Detail of Other Restricted Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	\$ _____
Sale/lease-back reserve	\$ _____
Capital reserve	\$ <u>977,500.00</u>
Maintenance reserve	\$ _____
Emergency reserve	\$ _____
Tuition reserve	\$ _____
School Bus Advertising 50% Fuel Offset Reserve - current year	\$ _____
School Bus Advertising 50% Fuel Offset Reserve - prior year	\$ _____
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ _____
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	 \$ <u>977,500.00</u> (C4)



 GERARD STANKIEWICZ, CPA, PSA #912

Date: November 7, 2017

**MONROE TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX, 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.	\$ 674,875
B-4		Due from Other Gov'ts	23,822
B-4		Accounts Receivable	10,756
B-4		Investments	
CAFR		Current Liabilities	
B-4		Less Accounts Payable	
B-4		Less Accruals	
B-4		Less Due to Other Funds	
B-4		Less Deferred Revenue	-
		Net Cash Resources	<u><u>\$ 709,453</u></u> (A)
 <u>Net Adj. Total Operating Expense:</u>			
B-5		Total Operating Expense	3,164,826
B-5		Less Depreciation	<u>93,115</u>
		Adj. Total Operating Expense	<u><u>\$ 3,071,711</u></u> (B)
 <u>Average Monthly Operating Expense:</u>			
		B / 10	<u><u>\$ 307,171</u></u> (C)
 <u>Three Times Monthly Average:</u>			
		3 X C	<u><u>\$ 921,513</u></u> (D)

TOTAL IN BOX A	\$ 709,453
LESS TOTAL IN BOX D	<u>\$ 921,513</u>
NET	<u><u>\$ (212,060)</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