

**BOARD OF EDUCATION  
TOWNSHIP OF DELRAN  
COUNTY OF BURLINGTON**

**AUDITORS MANAGEMENT REPORT  
ON ADMINISTRATIVE FINDINGS  
- FINANCIAL, COMPLIANCE AND PERFORMANCE  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2017**

***INVERSO & STEWART***  
Marlton, New Jersey

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

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

The Honorable President and  
Members of the Board of Education  
Delran Township School District  
Delran, New Jersey

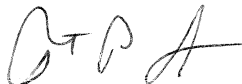
I have audited, in accordance with generally accepted audit standards and *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Delran Township School District, in the County of Burlington for the year ended June 30, 2017, and have issued my report thereon dated October 20, 2017.

As part of my audit, I performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the Delran Township Board of Education and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

***INVERSO & STEWART, LLC***  
Certified Public Accountants



Robert P. Inverso  
Public School Accountant No. CS001095

Marlton, New Jersey  
October 20, 2017

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

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the Treasurer of School Moneys, the activities of the Board of Education, and the records of the various funds under the auspices of the Board of Education.

**Administrative Practices and Procedures**

**Insurance**

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the district's CAFR.

**Officials Bonds**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Christopher Russo	Board Secretary/School Business Administrator	\$ 300,000
Dorothea Jones	Treasurer	275,000

There is a Public Employees' Faithful Performance Blanket Position Bond with Republic Franklin Insurance Company covering all other employees with multiple coverage of \$400,000.

**Tuition Charges**

The district was not required to make any tuition adjustments.

**Unemployment Compensation Insurance Fund**

The Board of Education has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Fund (Exhibit H-2) in the fiduciary trust fund.

The Unemployment Compensation Insurance Fund was maintained in satisfactory condition.

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

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

**Payroll Account**

The net salaries of all employees of the District were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

**Financial Planning, Accounting and Reporting (Continued)**

**Payroll Account (Continued)**

All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/Business Administrator 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 his order for the full amount of each payroll.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators to the NJ Department of Treasury was filed by the March 15 due date.

The following was noted in the review of the Payroll Agency Account:

**Finding No. 2017-001:**

The district did not consistently remit federal and state payroll taxes in an accurate and timely manner resulting in penalties and interest charges from taxing authorities.

**Recommendation:**

That all payroll taxes be remitted in an accurate and timely manner.

**Employee Position Control Roster**

No exceptions were noted during my examination of the Employee Position Control Roster.

**Reserve for Encumbrances and Accounts Payable**

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable. My review did not indicate any material discrepancies to the classification of orders.

**Obligations of Federal Grant Awards and Requests for Reimbursement of Expenditures against those Federal Grant Awards**

No exceptions were noted during my examination of obligations of federal grant awards and requests for reimbursement of expenditures against those federal grant awards made during the period under audit.

**Travel**

No exceptions were noted in my study of compliance for travel expenses.

## **Financial Planning, Accounting and Reporting (Continued)**

### **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 my test of transactions of randomly selected expenditure items. I also reviewed the coding of all expenditures included in my compliance and single audit testing procedures. In addition to randomly selecting a test sample, my sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-8.2*. My review did not indicate any material discrepancies with respect to classification of expenditures.

### **Board Secretary/Business Administrator's Record**

The financial and accounting records of the Board Secretary/Business Administrator's office were maintained in good condition.

### **Treasurer's Records**

The financial and accounting records of the Treasurer were maintained in good condition.

### **Elementary and Secondary Education Act of 1965 (E.S.E.A.)/ Improving America's Schools Act (I.A.S.A.) as reauthorized by the No Child Left Behind Act of 2001 (N.C.L.B.)**

The E.S.E.A./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 projects under Title I, Title II, and Title III of the Elementary and Secondary Education Act, as amended by the No Child Left Behind Act.

No exceptions were noted in my study of compliance for the E.S.E.A. projects.

### **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.

My 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 and/or questionable costs.

### **T.P.A.F. Reimbursement**

My audit procedures included a test of the biweekly reimbursements filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

### **T.P.A.F. Reimbursement to the State for Federal Salary Expenditures**

The amount of the expenditure charged to the current year's Final Reports for all federal awards for the school district to reimburse the state for the TPAF/FICA payments made by the State on behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 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.

### **Nonpublic State Aid**

The study of compliance for nonpublic state aid indicated no areas of noncompliance and/or questionable costs.

### **School Purchasing Programs**

#### **Contracts and Agreements Requiring Advertisement for Bids**

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is \$18,800.

The School District has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

Based on the results of my examination, I did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

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

### **School Food Service**

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. No exceptions were noted.

Cash receipts and bank records were reviewed for timely deposit. No exceptions were noted.

The District utilizes a food service management company and is depositing and expending program monies in accordance with NJSA 18A:17-34 and 19-1 through 19-4.1

The FSMC contract includes an operating provision which guarantees that the food service program will break even. The operating results provision has been met.

Expenditures were separately recorded as 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.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. Net cash resources exceeded three months average expenditures. The District is planning to purchase food service equipment with the excess cash resources.

**School Food Service (Continued)**

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all District food service employees authorized by the Board of Education. No exceptions were noted.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner. 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 was compared to the number of valid applications and/or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review.

USDA Food Distribution Program commodities were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

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

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

**Student Body Activities**

The financial records for the Student Activity Funds were reviewed and the following was noted:

**Finding No. 2017-002:**

Receipts for the Intermediate Activities Fund and the Middle School Athletics Fund were not deposited in a timely manner.

**Recommendation:**

All cash receipts should be promptly deposited.

**Application for State School Aid**

My audit procedures included a test of information reported in the October 15, 2016 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. I also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers without exception. The information that was included on the workpapers was verified without exception. The results of my 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**

My 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 without exception. The results of my procedures are presented in the Schedule of Audited Enrollments.

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

**Facilities and Capital Assets**

My procedures included a review of the SDA grant agreement for consistency with recording SDA revenue and awarding of contracts for eligible facilities construction.

**Testing for Lead of all Drinking Water in Educational Facilities**

The School District adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

**Follow-up on Prior Years' Findings**

In accordance with government auditing standards, my procedures included a review of all prior year findings. Corrective action was taken on the prior year findings.

**Acknowledgment**

I received the complete cooperation of all the officials of the Delran Township School District and I greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

***INVERSO & STEWART, LLC***  
Certified Public Accountants



Robert P. Inverso  
Certified Public Accountant  
Public School Accountant

October 20, 2017

SCHEDULE OF MEAL COUNT ACTIVITY

**DELTRAN TOWNSHIP SCHOOL DISTRICT**  
**FOOD SERVICE FUND**  
**NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - FEDERAL**  
**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 (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
National School Lunch (Regular Rate)	Paid	156,283	156,283	156,283	0	0.30	0.00
National School Lunch (Regular Rate)	Reduced	17,400	17,400	17,400	0	2.76	0.00
National School Lunch (Regular Rate)	Free	146,575	146,575	146,575	0	3.16	0.00
	TOTAL	<u>320,258</u>	<u>320,258</u>	<u>320,258</u>			<u>0.00</u>
National School Lunch	HHFKA - PB Lunch Only	<u>320,258</u>	<u>320,258</u>	<u>320,258</u>	0	0.06	<u>0.00</u>
<b>Total Net Overclaim</b>							<u><u>0.00</u></u>

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
National School Breakfast (Regular Rate)	Paid	15,967	15,967	15,967	0	0.29	0.00
National School Breakfast (Regular Rate)	Reduced	3,132	3,132	3,132	0	1.41	0.00
National School Breakfast (Regular Rate)	Free	25,618	25,618	25,618	0	1.71	0.00
	TOTAL	<u>44,717</u>	<u>44,717</u>	<u>44,717</u>			<u>0.00</u>

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
National School Breakfast (Severe Need)	Paid	2,563	2,563	2,563	0	0.29	0.00
National School Breakfast (Severe Need)	Reduced	754	754	754	0	1.74	0.00
National School Breakfast (Severe Need)	Free	8,976	8,976	8,976	0	2.04	0.00
	TOTAL	<u>12,293</u>	<u>12,293</u>	<u>12,293</u>			<u>0.00</u>
<b>Total Net Overclaim</b>							<u><u>0.00</u></u>

**DELRAN TOWNSHIP SCHOOL DISTRICT**  
**FOOD SERVICE FUND**  
**NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - STATE**  
**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 (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
State Reimbursement - National School	Paid	156,283	156,283	156,283	0	0.040	0.00
State Reimbursement - National School	Reduced	17,400	17,400	17,400	0	0.055	0.00
State Reimbursement - National School	Free	146,575	146,575	146,575	0	0.055	0.00
	<b>TOTAL</b>	<u>320,258</u>	<u>320,258</u>	<u>320,258</u>			
<b>Total Net Overclaim</b>							<u>0.00</u>

**DELRAN TOWNSHIP SCHOOL DISTRICT  
NET CASH RESOURCE SCHEDULE**

Net cash resources did not exceed three months of expenditures  
Proprietary Funds - Food Service  
For the fiscal year ended June 30, 2017

<u>Net Cash Resources:</u>	Food Service B - 4/5	
<b>CAFR * Current Assets</b>		
B-4 Cash & Cash Equivalents	\$ 507,526	
B-4 Intergovernmental Accounts Receivable	21,146	
B-4 Other Accounts Receivable	2,456	
B-4 Interfund Accounts Receivable		
<b>CAFR Current Liabilities</b>		
B-4 Less: Accounts Payable	(8,730)	
B-4 Less: Compensated Absences Payable		
B-4 Less: Interfund Accounts Payable		
B-4 Less: Unearned revenue	<u>(18,209)</u>	
<b>Net Cash Resources</b>	<u>\$ 504,189</u>	<b>( A )</b>
 <b><u>Net Adjustment To Total Operating Expense:</u></b>		
B-5 Total Operating Expense	1,208,353	
B-5 Less: Depreciation	<u>(31,079)</u>	
<b>Adjusted Total Operating Expense</b>	<u>\$ 1,177,274</u>	<b>( B )</b>
 <b><u>Average Monthly Operating Expense:</u></b>		
B / 10	<u>\$ 117,727</u>	<b>( C )</b>
 <b><u>Three times monthly Average:</u></b>		
3 X C	<u>\$ 353,182</u>	<b>( D )</b>

TOTAL IN BOX A	\$ 504,189	
LESS TOTAL IN BOX D	<u>(353,182)</u>	
NET	<u>151,007</u>	
From above:		
<b>A is greater than D, cash exceeds 3 X average monthly operating expenses.</b>		
<b>D is greater than A, cash does not exceed 3 X average monthly operating expenses.</b>		

\*Inventories are not to be included in total current assets.

SOURCE - USDA resource management comprehensive review form.

SCHEDULE OF AUDITED ENROLLMENTS

Delran Township School District  
Application for State School Aid Summary  
Enrollment as of October 15, 2016

	2017-2018 Application for State School Aid						Sample for Verification						Private Schools for Disabled				
	Reported on ASSA On Roll		Reported on Workpapers On Roll		Errors		Sample Selected From Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on ASSA as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Half Day Pre K 4	6		6					6		6							
Full Day K	186		186					186		186							
One	207		207					207		207							
Two	198		198					198		198							
Three	213		213					213		213							
Four	168		168					168		168							
Five	205		205					205		205							
Six	189		189					189		189							
Seven	218		218					218		218							
Eight	193		193					193		193							
Nine	184		184					184		184							
Ten	205		205					205		205							
Eleven	192		192					192		192							
Twelve	205		205					205		205							
Subtotal	2,569	0	2,569	0	0	0	2,569	0	2,569	0	0	0	0	0	0	0	0
SpEd Elementary	190		190					190		190			4	4	4		
SpEd Middle School	118		118					118		118			8	8	8		
SpEd High School	109		109					109		109			8	8	8		
Subtotal	417	0	417	0	0	0	417	0	417	0	0	0	20	20	20	0	0
Totals	2,986	0	2,986	0	0	0	2,986	0	2,986	0	0	0	20	20	20	0	0
Percentage Error					-0-	-0-					-0-	-0-			-0-	-0-	

Schedule of Audited Enrollments

**Delran Township School District**

Application for State School Aid Summary

Enrollment as of October 15, 2016

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	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on ASSA 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 Pre K 3						
Half Day Pre K 4						
Full Day K	13	13		13	13	
One	13	13		13	13	
Two	8	8		8	8	
Three	3	3		3	3	
Four	5	5		5	5	
Five	5	5		5	5	
Six	3	3		3	3	
Seven	3	3		3	3	
Eight	3	3		3	3	
Nine	4	4		4	4	
Ten	3	3		3	3	
Eleven	3	3		3	3	
Twelve	1	1		1	1	
Subtotal	<u>67</u>	<u>67</u>	<u>0</u>	<u>67</u>	<u>67</u>	<u>0</u>
SpEd Elementary	7	7		7	7	
SpEd Middle School	1	1		1	1	
SpEd High School	0	0		0	0	
Subtotal	<u>8</u>	<u>8</u>	<u>0</u>	<u>8</u>	<u>8</u>	<u>0</u>
Totals	<u><u>75</u></u>	<u><u>75</u></u>	<u><u>0</u></u>	<u><u>75</u></u>	<u><u>75</u></u>	<u><u>0</u></u>
Percentage Error			<u><u>-0-</u></u>			<u><u>-0-</u></u>

Schedule of Audited Enrollments

**Delran Township School District**

Application for State School Aid Summary

Enrollment as of October 15, 2016

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	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on ASSA 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 Pre K 3												
Half Day Pre K 4												
Full Day K		52		9	9		28	28		28	28	
One		54		9	9		25	25		25	25	
Two		58		10	10		8	8		8	8	
Three		62		10	10		6	6		6	6	
Four		40		7	7		3	3		3	3	
Five		58		10	10		3	3		3	3	
Six		53		9	9		5	5		5	5	
Seven		40		7	7		5	5		5	5	
Eight		47		8	8		6	6		6	6	
Nine		42		7	7		2	2		2	2	
Ten		34		6	6		7	7		7	7	
Eleven		34		6	6		3	3		3	3	
Twelve		37		6	6		2	2		2	2	
	<u>611</u>	<u>611</u>	<u>0</u>	<u>102</u>	<u>102</u>	<u>0</u>	<u>103</u>	<u>103</u>	<u>0</u>	<u>103</u>	<u>103</u>	<u>0</u>
SpEd Elementary	68	68		11	11		9	9		9	9	
SpEd Middle School	46	46		8	8		0	0		0	0	
SpEd High School	38	38		6	6		0	0		0	0	
Subtotal	<u>152</u>	<u>152</u>	<u>0</u>	<u>25</u>	<u>25</u>	<u>0</u>	<u>9</u>	<u>9</u>	<u>0</u>	<u>9</u>	<u>9</u>	<u>0</u>
Totals	<u>763</u>	<u>763</u>	<u>0</u>	<u>127</u>	<u>127</u>	<u>0</u>	<u>112</u>	<u>112</u>	<u>0</u>	<u>112</u>	<u>112</u>	<u>0</u>
Percentage Error			<u>-0-</u>			<u>-0-</u>			<u>-0-</u>			<u>-0-</u>

Transportation						Reported	Recalculated
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors	
Reg. Public School , col. 1	671	671		96	96		
Reg. Special Education, col. 4	11	11		11	11		
Transported-Non-Public, col. 3	61	61		61	61		
Special Needs, Col. 6	91	91		91	91		
	<u>834</u>	<u>834</u>	<u>0</u>	<u>259</u>	<u>259</u>	<u>0</u>	
Percentage Error			<u>-0-</u>			<u>-0-</u>	
							Avg. Mileage - Regular Including Grade PK students 3.2
							Avg. Mileage - Regular Excluding Grade PK students 3.2
							Avg. Mileage - Special Ed. with Special Needs 5.0

**DELRAN TOWNSHIP SCHOOL DISTRICT**

**EXCESS SURPLUS CALCULATION**

**SECTION 1 - Regular Districts**

**A. 2% Calculation of Excess Surplus**

2016-2017 Total General Fund Expenditures per the CAFR, Ex C-1	\$ <u>51,721,575</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	\$ <u>(4,895,390)</u>	(B2a)
Assets Acquired Under Capital Leases	\$ <u>(4,560,000)</u>	(B2b)
Adjusted 2016-17 General Fund Expenditures [(B)+(B1s)+(B2s)]	\$ <u>42,266,185</u>	(B3)
2% of Adjusted 2016-17 General Fund Expenditures		
[(B3) times .02]	\$ <u>845,324</u>	(B4)
Enter Greater of (B4) or \$250,000	\$ <u>845,324</u>	(B5)
Increased by: Allowable Adjustment	\$ <u>397,594</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]		\$ <u>1,242,918</u> (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-17 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>4,907,896</u>	(C)
Decreased by:		
Year-end Encumbrances	\$ <u>38,254</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ _____	(C2)
Legally Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	\$ <u>747,768</u>	(C3)
Other Restricted Fund Balances	\$ <u>1,474,919</u>	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ <u>675,000</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>1,971,955</u> (U1)



**DELRAN TOWNSHIP SCHOOL DISTRICT**

**EXCESS SURPLUS CALCULATION**

**SECTION 3 - All Districts**

Restricted Fund Balance - Excess Surplus [(U2)-(M)] IF NEGATIVE ENTER -0- \$ 729,037 (E)

**Recapitulation of Excess Surplus as of June 30, 2017**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures \$ 747,768 (C3)

Reserved Excess Surplus [(E)] \$ 729,037 (E)

Total [(C3) + (E)] \$ 1,476,805 (D)

**Detail of Allowable Adjustments**

Impact Aid \$ \_\_\_\_\_ (H)

Sale & Lease-back \$ \_\_\_\_\_ (I)

Extraordinary Aid \$ 379,498 (J1)

Additional Nonpublic School Transportation Aid \$ 18,096 (J2)

Current Year School Bus Advertising Revenue \$ \_\_\_\_\_ (J3)

Family Crisis Transportation Aid \$ \_\_\_\_\_ (J4)

Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)] \$ 397,594 (K)

**Detail of Other Restricted Fund Balance**

Statutory restrictions:

Approved unspent separate proposal \$ \_\_\_\_\_

Sale/lease-back reserve \$ \_\_\_\_\_

Capital reserve \$ 1,318,594

Maintenance reserve \$ 156,325

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 Capital Fund Reserve (Sections 8007 and 8008) \$ \_\_\_\_\_

Other state/government mandated reserves \$ \_\_\_\_\_

Other Restricted Fund Balance not noted above \$ \_\_\_\_\_

Total Other Restricted Fund Balance \$ 1,474,919 (C4)

AUDIT RECOMMENDATIONS SUMMARY  
For the Fiscal Year Ended June 30, 2017

Recommendations:

1. Administrative Practices and Procedures  
None
2. Financial Planning, Accounting and Reporting  
That all payroll taxes be remitted in an accurate and timely manner.
3. School Purchasing Programs  
None
4. School Food Service  
None
5. Student Body Activities  
All cash receipts should be deposited promptly.
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  
Corrective action was taken on the prior year recommendations.