

**TOWNSHIP OF MIDDLE
SCHOOL DISTRICT**

**AUDITOR'S MANAGEMENT REPORT
ON ADMINISTRATIVE FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2017**

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

TABLE OF CONTENTS

	<u>Page Number</u>
Independent Auditor's Report	1
Scope of Audit	2
Administrative Practices and Procedures	
Insurance	2
Official Bonds	2
Tuition Charges	2
Financial Planning, Accounting and Reporting	
Examination of Claims	2
Payroll Account	2-3
Employee Position Control Roster	3
Reserve for Encumbrances and Accounts Payable	3
Classification of Expenditures	3
Business Administrator / Board Secretary's Records	3-4
Elementary and Secondary Education Act of 1965, as amended by the Improving of America's Schools Act of 1994	4
Other Federal and /or State Projects	4
TPAF Reimbursement	4
TPAF Reimbursement to the State for Federal Salary Expenditures	4
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids	4
School Food Service	5
Performing Arts Center (PAC)	6
Student Body Activities	6
Application for State School Aid	6
Pupil Transportation	6
Facilities and Capital Assets	6
Miscellaneous	7
Follow-Up on Prior Year Findings	7
Acknowledgment	7
Schedule of Audited Enrollments	8-10
Excess Surplus Calculation	11-13

Tax ID # 21-6000158



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

November 27, 2017

REPORT OF INDEPENDENT AUDITORS

Honorable President and
Members of the Board of Education
Township of Middle School District
County of Cape May, 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 Middle Township School District in the County of Cape May for the year ended June 30, 2017, and have issued our report thereon dated November 27, 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 for the information of the Middle Township Board of Education's management and the New Jersey Department of Education and is not intended and should not be used by anyone other than these parties.

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello

Leon P. Costello

Certified Public Accountant

Licensed Public School Accountant

No. 767

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator, 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.

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Diane Fox	Board Secretary / Business Administrator	\$ 275,000.00

There is Crime Coverage through the Atlantic and Cape May Counties Association of School Business Officials Joint Insurance Fund of \$250,000.00

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The Board made an adjustment to the billings to sending districts for the change in per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f) 3.

Financial Planning, Accounting and Reporting

Examination of Claims

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

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.

Salary withholdings were promptly remitted to the proper agencies, including health benefit premium amounts withheld due to the general fund.

Payrolls were delivered to the secretary of the board who then deposited with warrants in separate bank accounts for net payroll and withholding.

Finding 2017-1 AMR:

Three employees were not paid in accordance with their contracts resulting in overpayments. One employee's longevity was calculated incorrectly.

Recommendation 2017-1 AMR:

We recommend that the District review their procedures over inputting employee salaries and longevity into their payroll system and establish procedures to review this process.

Employee Position Control Roster

An inquiry and subsequent review of the Position Control Roster found no inconsistencies between the payroll records, employee benefit records, the general ledger accounts to where wages are posted, and the Position Control Roster.

Reserve for Encumbrances, Liability for 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. No discrepancies were noted. The purchase orders noted have been liquidated after June 30.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A:23A-16.2(f)* as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-8.3*. As a result of the procedures performed, a transaction error rate of zero was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

Our review of the financial and accounting records maintained by the Board Secretary disclosed the following items:

- The Board Secretary's records were in satisfactory condition.
- Bids received were summarized in the minutes (*N.J.S.A. 18A:18A-21*).
- Acknowledgement of the Board's receipt of the Board Secretary's and the Treasurer's monthly financial reports were included in the minutes.
- Budget appropriations were not greater than realized revenues and Board authorized use of surplus.
- No budgetary line accounts were over-expended during the fiscal year end at June 30 (*N.J.A.C. 6A:23A-16.10*)
- Payments made to vendors were not made until the receipt of goods.
- Capital asset records were updated for the additions and disposals of capital assets made during the year.
- The district is maximizing its efforts under the Special Education Medicaid Initiative (SEMI) Program for obtaining federal funding for special education services.
- Budget transfers were approved by two-thirds affirmative vote of the authorized membership of the school board (*N.J.A.C. 6A:23A-13.3(f)*)

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

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

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. did not indicate any areas of noncompliance or questionable costs.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on the Schedule A and Schedule B in the CAFR.

Our audit of the federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

The study of compliance for Special Federal and/or State Projects revealed no areas of noncompliance and/or questionable costs.

TPAF Reimbursement

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

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report 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 90-day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

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. Township of Middle Board of Education has a Qualified Purchasing Agent therefore the bid threshold was \$40,000 for fiscal year 2017.

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

The results of my examination found no instances where individual payments, contracts, or agreements were made for the performance of work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provisions of *N.J.S.A. 18A:18A-4*.

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 Food Service Fund had an operating deficit in net position at June 30, 2017 of \$33,086.63.

The school food service program was not selected as a major federal or State program. However, the program expenditures exceeded \$100,000 in federal and State support. Accordingly, we inquired of the School Business Administrator, as to whether the SFA had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

We also inquired of the School Business Administrator, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. 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.

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

Cash receipts and bank records were reviewed for timely deposits. Deposits are being made timely however we noted several immaterial instances where supporting documentation did not reconcile with the amounts deposited. To ensure amounts deposited agree to supporting documentation, we recommend that the district review their procedures over depositing food service cash receipts. No formal finding deemed necessary

The District utilizes a food service management company and is depositing and expending program funds in accordance with *N.J.S.A.* 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC contract were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program bottom line on the operational report for the school year will be a return no less than \$15,000.00. The operating 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 supply items were currently maintained and properly applied in determining the cost of food and supplies used. No exceptions were noted.

The cash disbursement records reflected expenditures for program related goods and services. Deposits and expenditures of program moneys are 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. No exceptions noted.

Net cash resources did not exceed three months' average expenditures.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Service employees authorized by the board of education. No exceptions 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 and certified in a timely manner. No exceptions 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 meal 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 noted.

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

Performing Arts Center (PAC)

The Performing Arts Center had an operating deficit in net position at June 30, 2017 of \$141,818.56.

All cash receipts were promptly deposited into the Ticket Account. No exceptions noted.

Student Body Activities

Finding 2017-2 AMR:

The records of the Student Activity Fund were not in satisfactory condition. We noted the following items:

- Not all cash receipts were properly supported.
- High School Ticket Accountability Sheets are not being properly signed off on.
- Disbursements were made to an individual rather than the company in which the district was purchasing merchandise from.

Recommendation 2017-2 AMR:

We recommend that the board review the procedures over the district's student activity funds and approve a policy establishing the regulation of student activity funds.

Application for State School Aid

Our 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. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers. The information that was included on the workpapers was verified. The results of our procedures are presented below and 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 without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also include a review of transportation-related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation-related purchases of goods and services.

Facilities and Capital Assets

Our procedures included a review of the SDA grant agreements for consistency with recording SDA revenue, transfer of local funds from the general fund or from the capital reserve account, and awarding of contracts for eligible facilities construction. No exceptions were noted as a result of our review.

Miscellaneous

- The school district has complied with continuing disclosure agreements made in relation to prior year bond issuances. No exceptions noted.
- 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 Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Corrective action has been taken on all prior year recommendations.

Acknowledgment

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to the members of the audit team.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello

Leon P. Costello
Certified Public Accountant
Licensed Public School Accountant
No. 853

November 27, 2017

**MIDDLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY**

	2017-2018 Application for State School Aid						Sample for Verification						Private Schools for Disabled						
	Reported on A.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.A. as Private Schools		Sample Verification		Sample Errors		
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	
Half Day Preschool 4 Yrs	125		125		-		15		15		-		-		-		-		-
Full Day Preschool 4 Yrs																			
Half Day Kindergarten	163		163		-		19		19		-		-		-		-		-
Full Day Kindergarten	153		153		-		17		17		-		-		-		-		-
One	189		189		-		21		21		-		-		-		-		-
Two	143		143		-		16		16		-		-		-		-		-
Three	137		137		-		15		15		-		-		-		-		-
Four	152		152		-		17		17		-		-		-		-		-
Five	132		132		-		15		15		-		-		-		-		-
Six	151		151		-		17		17		-		-		-		-		-
Seven	137		137		-		15		15		-		-		-		-		-
Eight	186	7	186	7	-		21	1	21	1	-		-		-		-		-
Nine	149	12	149	12	-		17	1	17	1	-		-		-		-		-
Ten	118	9	118	9	-		13	1	13	1	-		-		-		-		-
Eleven	133	6	133	6	-		15	1	15	1	-		-		-		-		-
Twelve					-						-		-		-		-		-
Post-Graduate					-						-		-		-		-		-
Adult H.S. (15+CR.)					-						-		-		-		-		-
Adult H.S. (1-14+CR.)					-						-		-		-		-		-
Subtotal	2,068	34	2,068	34	-		233	4	233	4	-		-		-		-		-
Special Ed - Elementary	182		182		-		19		19		-		-		1		1		1
Special Ed - Middle School	125		125		-		14		14		-		-		-		-		-
Special Ed - High School	132	50	132	50	-		15	6	15	6	-		-		4		3		3
Subtotal	439	50	439	50	-		48	6	48	6	-		-		5		4		4
Co. Voc. - Regular					-						-		-		-		-		-
Co. Voc. - FT Post Sec.					-						-		-		-		-		-
Totals	2,507	84	2,507	84	-		281	10	281	10	-		-		5		4		4
Percentage Error					0.00%			(a)		(a)	0.00%				0.00%				0.00%

**MIDDLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2016**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A as LEP Low Income	Reported on Workpapers LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool 4 Yrs	69.0	69.0	-	18.0	18.0	-	7	7	-	6	6	0
Full Day Preschool 4 Yrs	84.0	84.0	-	20.0	20.0	-	5	5	-	4	4	0
Half Day Kindergarten	96.0	96.0	-	23.0	23.0	-	9	9	-	8	8	(0)
Full Day Kindergarten	75.0	75.0	-	18.0	18.0	-	3	3	-	3	3	(0)
One	62.0	62.0	-	15.0	15.0	-	7	7	-	6	6	0
Two	60.0	60.0	-	16.0	16.0	-	4	4	-	3	3	0
Three	56.0	56.0	-	14.0	14.0	-	1	1	-	1	1	(0)
Four	46.0	46.0	-	11.0	11.0	-	1	1	-	-	-	(0)
Five	45.0	45.0	-	11.0	11.0	-	-	-	-	-	-	-
Six	51.0	51.0	-	12.0	12.0	-	-	-	-	-	-	-
Seven	45.5	45.5	-	11.0	11.0	-	1	1	-	1	1	(0)
Eight	29.0	29.0	-	7.0	7.0	-	-	-	-	-	-	-
Nine	35.0	35.0	-	8.0	8.0	-	-	-	-	-	-	-
Ten												
Eleven												
Twelve												
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14+CR.)												
Subtotal	753.5	753.5	-	184.0	184.0	-	38	38	-	33	33	(0)
Special Ed - Elementary	111.0	111.0	-	27.0	27.0	-	8	8	-	7	7	(0)
Special Ed - Middle School	77.0	77.0	-	19.0	19.0	-	4	4	-	3	3	0
Special Ed - High School	98.0	98.0	-	24.0	24.0	-	-	-	-	-	-	-
Subtotal	286.0	286.0	-	70.0	70.0	-	12	12	-	10	10	0
Train Sch/Secure Care	2.0	2.0	-	-	-	-	-	-	-	-	-	-
Res. Mental Health Ctr	3.0	3.0	-	-	-	-	-	-	-	-	-	-
Juvenile Detention Ctr	3.0	3.0	-	-	-	-	-	-	-	-	-	-
Totals	1,047.5	1,047.5	-	254.0	254.0	-	50	50	-	43	43	(0)
Percentage Error			0.00%									0.00%

Transportation

	Reported on DRTS by DOE/County			Reported on DRTRS by District			Sample for Verification			Sample for Verification		
	Reported on DRTS by DOE/County	Reported on DRTRS by District	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 LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Reg. - Public Schools, col. 1	1,819	1,819	-	216	216	-	-	-	-	-	-	-
Reg. - Sp Ed, col. 4	251	251	-	30	30	-	-	-	-	-	-	-
Transported - Non-Public, col. 3	173	173	-	21	21	-	-	-	-	-	-	-
AIL - Non Public	4	4	-	-	-	-	-	-	-	-	-	-
Special Ed Spec, col. 6	142	142	-	17	17	-	-	-	-	-	-	-
Totals	2,389	2,389	-	284	284	-	-	-	-	-	-	-
Percentage Error			0.00%									0.00%

MIDDLE TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF AUDITED ENROLLMENTS
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2016

	Resident LEP NOT Low Income		Sample for Verification	
	Reported on A.S.A as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Sample Selected from Workpapers	Verified to Test Score and Register Errors
Half Day Preschool 4 Yrs				
Full Day Preschool 4 Yrs				
Half Day Kindergarten				
Full Day Kindergarten				
One				
Two				
Three				
Four				
Five	2	2	2	2
Six				
Seven				
Eight				
Nine	1	1	1	1
Ten				
Eleven				
Twelve				
Post-Graduate				
Adult H.S. (15+CR.)				
Adult H.S. (1-14+CR.)				
Subtotal	3	3	3	3
Special Ed - Elementary				
Special Ed - Middle School	1	1	1	1
Special Ed - High School	1	1	1	1
Subtotal				
Co. Voc. - Regular				
Co. Voc. - FT Post Sec.				
Totals	4	4	4	4
Percentage Error		0.00%		0.00%

**TOWNSHIP OF MIDDLE SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE YEAR ENDED JUNE 30, 2017**

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2016-17 Total General Fund Expenditures per the CAFR, Ex. C-1	\$	<u>46,469,750.81</u>	(B)
Increased by:			
Transfer from Capital Outlay to Capital Projects Fund	\$	<u>-</u>	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$	<u>-</u>	(B1b)
Transfer from General Fund to SRF for PreK-Regular	\$	<u>-</u>	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$	<u>-</u>	(B1d)
Decreased By:			
On-Behalf TPAF Pension & Social Security	\$	<u>4,419,595.42</u>	(B2a)
Assets Acquired Under Capital Leases		<u>574,000.00</u>	(B2b)
Adjusted 2016-17 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$	<u>41,476,155.39</u>	(B3)
2% of Adjusted 2016-17 General Fund Expenditures [(B3) times .02]	\$	<u>829,523.11</u>	(B4)
Enter Greater of (B4) or \$250,000	\$	<u>829,523.11</u>	(B5)
Increased by: Allowable Adjustment*	\$	<u>234,407.00</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]		<u>\$ 1,063,930.11</u>	(M)

**TOWNSHIP OF MIDDLE SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE YEAR ENDED JUNE 30, 2017**

SECTION 2

Total General Fund - Fund Balances @ 06/30/17 (Per CAFR Budgetary Comparison schedule/statement C-1)	\$ <u>5,736,182.83</u> (C)
Decreased by:	
Year-end Encumbrances	\$ <u>281,159.00</u> (C1)
Legally Restricted-Designated for Subsequent Year's Expenditures	\$ _____ (C2)
Legally Restricted-Excess Surplus - Designated for Subsequent Year's Expenditures ***	\$ <u>863,252.00</u> (C3)
Other Restricted Fund Balances ***	\$ <u>1,976,667.57</u> (C4)
Assigned Fund Balance-Unreserved Designated for Subsequent Year's Expenditures	\$ <u>152,331.00</u> (C5)
Additional Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures July 1, 2017 - August 1, 2017	\$ <u>135,901.00</u> (C6) *****
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	\$ <u>2,326,872.26</u> (U1)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER - 0 -	\$ <u>1,262,942.15</u> (E)
<u>Recapitulation of Excess Surplus as of June 30, 2017:</u>	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>863,252.00</u> (C3)
Reserved Excess Surplus ***	\$ <u>1,262,942.15</u> (E)
Total [(C3) + (E)]	\$ <u>2,126,194.15</u> (D)

* This adjustment line (as detailed below) is to be utilized for Impact Aid (when applicable), Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10), and Extraordinary Aid, Additional Nonpublic School Transportation Aid and Unbudgeted TPAF Wage Freeze Grant Funding. (Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion Extraordinary Aid and Additional Nonpublic School Transportation Aid.)

Detail of Allowable Adjustment

Impact Aid	\$ <u>-</u> (H)
Sale & Lease-back	\$ <u>-</u> (I)
Extraordinary Aid	\$ <u>206,307.00</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>28,100.00</u> (J2)
Total Adjustments [(H)+(I)+(J1) + (J2)]	\$ <u>234,407.00</u> (K)

- ** This amount represents the June 30, 2017 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.
- *** Amounts must agree to the June 30, 2017 CAFR and the sum of the two lines must agree to Audit Summary Worksheet Line 90030.
- **** Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by an other type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Division of Finance 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.

**TOWNSHIP OF MIDDLE SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE YEAR ENDED JUNE 30, 2017**

Detail of Other Restricted Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	\$ _____
Capital outlay for a district with a capital outlay cap waiver	\$ _____
Sale/lease-back reserve	\$ _____
Capital reserve	\$ 112,615.83
Maintenance reserve	\$ 1,864,051.74
Emergency reserve	\$ _____
Waiver offset reserve	\$ _____
Tuition reserve	\$ _____
Other state/government mandated reserve	\$ _____
[Other Restricted Fund Balance not noted above]****	\$ _____
 Total Other Restricted Fund Balance	 \$ 1,976,667.57 (C4)

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