

BRIDGEWATER-RARITAN  
REGIONAL SCHOOL DISTRICT  
COUNTY OF SOMERSET  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2017

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT  
COUNTY OF SOMERSET  
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2017  
TABLE OF CONTENTS

	<u>Page</u>
Cover Letter	1
Scope of Audit	2
Administrative Practices and Procedures:	2
Insurance	2
Officials in Office and Surety Bonds	2
Tuition Charges	2
Financial Planning, Accounting and Reporting:	2
Examination of Claims	2
Payroll Account and Position Control Roster	2-3
Reserve for Encumbrances and Accounts Payable	3
Classification of Expenditures - General and Administrative	3
Board Secretary's Records	3
Treasurer's Records	3
No Child Left Behind (N.C.L.B.)	3
Other Special Federal and/or State Projects	4
T.P.A.F. Reimbursement	4
School Purchasing Programs:	4
Contracts and Agreements Requiring Advertisement for Bids	4-5
School Food Service Fund	6
Student Body Activities	6
Application for State School Aid	7
Pupil Transportation	7
Facilities and Capital Assets	7
Travel Expense and Reimbursement Policy	7
Management Suggestions	8
Follow-up on Prior Year Findings	8
Schedule of Meal Count Activity (Not Applicable)	
Schedule of Net Cash Resources (Not Applicable)	
Schedules of Audited Enrollments	9-12
Excess Surplus Calculation	13-14
Summary of Recommendations	15

September 15, 2017

The Honorable President and Members  
of the Board of Education  
Bridgewater-Raritan Regional School District  
County of Somerset, NJ

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 financial statements of the Board of Education of the Bridgewater-Raritan Regional School District in the County of Somerset for the year ended June 30, 2017, and have issued our report thereon dated September 15, 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.

We will review the status of the comments during our next audit engagement. We have already discussed these comments and suggestions with various management personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended for the information of the Bridgewater-Raritan Regional School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

*Nisivoccia, LLP*

NISIVOCIA LLP

*Kathryn L. Mantell*

Kathryn L. Mantell  
Licensed Public School Accountant #884  
Certified Public Accountant

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2017

Scope of Audit

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

Administrative Practices and Procedures

Insurance

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

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Nicole Petrone	Treasurer of School Monies	\$ 575,000
Peter F. Starrs	Business Administrator/Board Secretary	575,000

The District has Employee Dishonesty and Faithful Performance coverage through New Jersey School Insurance Group as detailed on Exhibit J-20 of the CAFR.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were different than estimated costs. The Board made a proper adjustment to the billings to sending districts for the change in per pupil costs in accordance with N.J.A.C. 6A:23A-3.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid on a test basis, during the period under review indicated overall compliance with respect to certification or supporting documentation.

Payroll Account and Position Control Roster

The net salaries of 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. Salary withholdings were promptly remitted to the proper agencies, including employee health benefits contributions due to the general fund.

All payrolls were approved by the Superintendent and were certified by the President of the Board, the Board Secretary/Business Administrator and the Chief School Administrator.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendent, and business administrator) to the NJ Department of Treasury was filed in a timely manner.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Payroll Account and Position Control Roster (Cont'd)

Employee contributions for unemployment compensation and unemployment benefit claims and quarterly unemployment contributions paid to the State of New Jersey are deposited into and paid from the Payroll Agency Fund rather than the Unemployment Compensation Insurance ("UCI") Trust Fund. This occurs due to the fact that the UCI Trust Fund is held in a savings account, and the Payroll Agency Fund is held in a checking account whereby unemployment benefit claims and quarterly contributions can be paid. Under the direction of the Business Administrator, all Unemployment Compensation Insurance transactions have been properly reflected in the financial statements. Therefore, no formal recommendation is warranted.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made on a test basis as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable.

Classification of Expenditures – General and Administrative

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-8.2 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 included a review of administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-16.2(f). Overall compliance was noted.

Board Secretary's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Board Secretary's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

Treasurer's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Treasurer's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

No Child Left Behind (N.C.L.B.)

The N.C.L.B. financial exhibits are contained herein within the Special Revenue Section of the District's CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I, Title II and Title III of the No Child Left Behind Act.

The study of compliance for the N.C.L.B. did not indicate any area of noncompliance.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Other Special Federal and/or State Projects

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

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

Finding:

During our review of the District's Extraordinary Aid Application, we noted instances where the additional qualified costs reported on the application for certain eligible students were not consistent; therefore, the additional qualified costs were underreported on the Extraordinary Aid Application. Changes were made to the electronic records after final review by the Business Office which caused changes to the formulas used for reporting costs. As a result, the District has developed new policies and procedures to ensure that the Business Office will have final review before the application is submitted; therefore, a formal recommendation is not warranted.

T.P.A.F. Reimbursement

Our 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 T.P.A.F. Reimbursement to the State for Federal Salary Expenditures was remitted to the State of New Jersey prior to the required deadline of October 1, 2017. The reimbursement form was reviewed and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 states:

a. "When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefore, except that the Board of Education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c. 198 the Board of Education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

b. Commencing in the fifth year after the year in which P.L.1999, c. 440 takes effect and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made . . . ."

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the Board of Education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law . . . ."

Effective July 1, 2015 and thereafter the bid thresholds in accordance with *N.J.S.A.* 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under *N.J.S.A.* 18A:39-3 is currently \$18,800.

As per N.J.S.A. 18A:18A-3, the Board passed a resolution at its August 5, 2015 meeting, authorizing the Business Administrator as a qualified purchasing agent and increasing the bid threshold to \$40,000.

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

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. No exceptions were noted.

Based upon the results of our examination, we did not note any individual payments, contracts, or agreements 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, amended.

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

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

School Food Service

The school food service program was not selected as a major federal and/or state program. We inquired of school management, or the appropriate school food service personnel, as to whether the SFA had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

Non-program foods were purchased, prepared or offered for sale. The Statement of Revenue, Expenses and Changes in Net Position in the CAFR Schedule B-5 does separate program and non-program revenue and program and non-program cost of goods sold.

Findings:

- 1.) We noted that the District's students' negative (receivable) balances have increased from the previous year. This has resulted from the state regulations that require public schools to serve meals to all students regardless of their ability to pay. The District has implemented procedures to and a new policy to reduce or eliminate these balances. Therefore, a formal recommendation is not deemed necessary.
- 2.) Net cash resources of the Food Service Fund exceeded three months' average expenditures (by approximately \$197,000) as of June 30, 2017. The District has attempted to bring net cash resources to the required level over the past few years, despite increasing prices in accordance with State regulations. Capital improvements have been made in the cafeterias and equity transfers will be utilized in the future to achieve the required level of resources. Therefore, a formal recommendation is not warranted.
- 3.) During our testing, we noted that the Food Service Management Company's (FSMC) June 2017 operating statement overstated income from operations by approximately \$100,000. After several inquiries were made by the District, the FSMC found they had made an error and revised the May and June 2017 operating statements. Because the District was not responsible for the error, a formal recommendation is not deemed necessary; however, we feel it is advisable for the District to review the FSMC operating statement with internal records on a monthly basis.

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the records of the Student Activities Fund for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments, with the exception of the following.

Finding:

During our audit, we noted that the Athletics account was not being properly reconciled on a monthly basis. The Assistant Business Administrator temporarily took over the account and reconciled the balance as of June 30, 2017. Additionally, the Business Administrator has already taken steps to ensure that the Athletics secretary will be re-trained and that all Athletics bank reconciliations will be reviewed on a monthly basis to ensure that accurate records are maintained. Therefore, no formal recommendation is deemed warranted.



BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

Application for State School Aid

Our audit procedures included a test of information reported in the October 14, 2016 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low income and bilingual education students. 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 with two minor exceptions. The information that was included on the workpapers was verified on a test basis with two minor exceptions. 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's written procedures for the recording of student enrollment data appear to be adequate.

Pupil Transportation

Our audit procedures included a test of on-roll status reported on 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 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.

Facilities and Capital Assets

There are no active SDA projects.

Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal policy and procedure pertaining to travel and expense reimbursement for its employees and board members. The regulations require the District to establish a maximum travel amount for the fiscal year and to ensure that the maximum amount is not exceeded. The regulations also require that all travel be preapproved by the Board of Education and Superintendent and that a brief report detailing the key issues addressed at the travel event must be submitted after the travel event has occurred.

Our review of the travel policies and records revealed that the District is in general compliance with the travel regulations.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

Management Suggestions:

Governmental Accounting Standards Board Statements

The next Governmental Accounting Standards Board ("GASB") statement which will have a significant impact on the District will be GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which will be effective for the fiscal year ending June 30, 2018. This standard replaces GASB No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. It is similar to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* in that successful implementation of this standard will require the provision of certain key financial and non-financial information from the New Jersey Division of Pensions.

Student Activities

Any pupil organization which is part of the District's student activities funds places indirect responsibility for this supervision and control with the Board of Education. We suggest that the Board formally approve each school club or activity on an annual basis. As directed by the New Jersey Department of Education, collections related to fund raising for outside organizations should not be maintained in the District's Student Activity Funds.

Additionally, the District should ensure that standard policies and procedures are implemented and annually communicated for all Student Activity Funds. We suggest that these policies include guidance regarding timely deposits of funds, safeguarding of funds prior to deposit, as well as the appropriate purchasing guidelines for student activities disbursements.

Follow-up on Prior Year Findings

The prior year recommendation regarding Extraordinary Aid application calculations and food service net cash resources have been resolved.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT  
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					
	Reported on		Reported on		Errors		Sample		Verified per		Errors	
	On Roll	Shared	On Roll	Shared	Full	Shared	Selected from	Shared	On Roll	Shared	Full	Shared
	Full		Full				Workpapers		Full		Full	
Half Day Preschool 3 Years Old	19		19				19		19			
Half Day Preschool 4 Years Old	25		25				25		25			
Half Day Kindergarten	363		363				363		363			
Grade One	498		498				498		498			
Grade Two	590		590				590		590			
Grade Three	552		552				552		552			
Grade Four	564		564				564		564			
Grade Five	573		573				573		573			
Grade Six	568		568				568		568			
Grade Seven	567		567				567		567			
Grade Eight	588		588				588		588			
Grade Nine	571	23	571	23			571	23	571	23		
Grade Ten	582	23	582	23			582	23	582	23		
Grade Eleven	593	10	593	10			593	10	593	10		
Grade Twelve	576	23	576	23			576	23	576	23		
Subtotal	7,229	79	7,229	79			7,229	79	7,229	79		
Special Education:												
Elementary	424		424				8		8			
Middle	299		299				7		7			
High	476	35	476	35			10		10			
Subtotal	1,199	35	1,199	35			25		25			
Totals	8,428	114	8,428	114	-0-	-0-	7,254	79	7,254	79	-0-	-0-
Percentage Error					0.00%	0.00%					0.00%	0.00%

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 14, 2016

	Private Schools for Disabled					Resident Low Income					
	Reported on ASSA as Private Schools	Reported on Workpapers as Private Schools	Sample for Verification	Sample Verified	Sample Errors	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten						19.0	19.0		1		1
Grade One						30.0	30.0		2	2	
Grade Two						66.0	66.0		3	3	
Grade Three						55.0	55.0		2	2	
Grade Four						52.0	52.0		2	2	
Grade Five						60.0	60.0		2	2	
Grade Six						52.0	52.0		1	1	
Grade Seven						53.0	53.0		2	2	
Grade Eight						42.0	42.0		1	1	
Grade Nine						61.0	61.0		2	2	
Grade Ten						53.0	53.0		1	1	
Grade Eleven						31.5	31.5		2	2	
Grade Twelve						48.5	48.5		2	2	
Subtotal						623.0	623.0		22	21	1
Special Education:											
Elementary School	4	4	1	1		71.0	69.0	2	1	1	
Middle School	15	15	2	2		69.0	69.0		1		1
High School	35	35	2	2		87.5	87.5		1	1	
Subtotal	54	54	5	5		227.5	225.5	2	3	2	1
Totals	54	54	5	5	-0-	850.5	848.5	2	25	23	2
Percentage Error					0.00%			0.24%			8.80%

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 14, 2016

	Resident LEP Low Income					Resident LEP Not Low Income				
	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Errors	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Half Day Kindergarten										
Grade One	8	8				46	46			
Grade Two	11	11	1	1		26	26	1	1	
Grade Three	19	19	1	1		22	22	1	1	
Grade Four	12	12	1	1		3	3	1	1	
Grade Five	2	2				4	4	1	1	
Grade Six	2	2				4	4	1	1	
Grade Seven	1	1				3	3	1	1	
Grade Eight	1	1				5	5	1	1	
Grade Nine	3	3	1	1		1	1	1	1	
Grade Ten	6	6	1	1		4	4	1	1	
Grade Eleven	7	7	1	1		2	2	1	1	
Grade Twelve	2	2				1	1	1	1	
Subtotal	76	76	6	6		121	121	11	11	
Special Education:										
Elementary School	1	1				1	1	1	1	
Middle School										
High School	2	2	1	1						
Subtotal	3	3	1	1		1	1	1	1	
Totals	79	79	7	7	-0-	122	122	12	12	-0-
Percentage Error					0.00%					0.00%

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 14, 2016

	Transportation					
	<u>Reported on DRTRS by DOE</u>	<u>Reported on DRTRS by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>
Regular - Public Schools	4,796	4,796		18	18	
Regular - Special Education	629	629		2	2	
Transported - Non Public	177	177		1	1	
AIL - Non Public	214	214		3	3	
Special Needs - Public	402	402		1	1	
Special Needs - Private	<u>60</u>	<u>60</u>		<u>1</u>	<u>1</u>	
Totals	<u><u>6,278</u></u>	<u><u>6,278</u></u>	<u><u>-0-</u></u>	<u><u>26</u></u>	<u><u>26</u></u>	<u><u>-0-</u></u>
Percentage Error			<u><u>0.00%</u></u>			<u><u>0.00%</u></u>

	<u>Reported</u>	<u>Recalculated</u>
Average Mileage - Regular Including Grade PK Students	4.3	4.3
Average Mileage - Regular Excluding Grade PK Students	4.3	4.3
Average Mileage - Special Education with Special Needs	5.4	5.4

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FISCAL YEAR ENDED JUNE 30, 2017

**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	\$ 159,391,897 (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	\$ -0- (B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ 2,814,869 (B1b)
Transfer from General Fund to SRF for PreK-Regular	\$ -0- (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$ -0- (B1d)
Decreased by:	
On-Behalf TPAF Pension and Social Security	\$ 18,699,473 (B2a)
Assets Acquired Under Capital Leases	\$ 814,406 (B2b)
Adjusted 16-17 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$ 142,692,887 (B3)
2% of Adjusted 2016-17 General Fund Expenditures [(B3) times .02]	\$ 2,853,858 (B4)
Enter Greater of (B4) or \$250,000	\$ 2,853,858 (B5)
Increased by: Allowable Adjustment	\$ 1,033,451 (K)
Maximum Unassigned Fund Balance [(B5)+(K)]	\$ 3,887,309 (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6/30/17 (Per CAFR Budgetary Comparison Schedule C-1)	\$ 24,346,560 (C )
Decreased by:	
Year End Encumbrances	\$ 810,705 (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ -0- (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 5,750,000 (C3)
Other Restricted/Reserved Fund Balances	\$ 8,148,546 (C4)
Assigned - Designated for Subsequent Year's Expenditures	\$ -0- (C5)
Additional Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures 7/1/17-8/1/17	\$ -0- (C6)
Additional Assigned Fund Balance: Unreserved - Designated for Subsequent Year's Expenditures July 1, 2017 - August 1, 2017	\$ -0- (C6)
Total Unassigned Fund Balance [(C )-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	\$ 9,637,309 (U1)

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

**SECTION 3**

Restricted Fund Balance - Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0-	<u>\$ 5,750,000 (E)</u>
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**Recapitulation of Excess Surplus as of June 30, 2017**

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 5,750,000 (C3)</u>
Restricted Excess Surplus [(E)]	<u>\$ 5,750,000 (E)</u>

Total [(C3)+(E)+(F)]	<u>\$ 11,500,000 (D)</u>
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**Detail of Allowable Adjustments**

Impact Aid	<u>\$ -0- (H)</u>
Sale and Lease Back	<u>\$ -0- (I)</u>
Extraordinary Aid	<u>\$ 972,726 (J1)</u>
Additional Nonpublic School Transportation Aid	<u>\$ 60,725 (J2)</u>
Current Year School Bus Advertising Revenue Recognized	<u>\$ -0- (J3)</u>
Family Crisis Transportation Aid	<u>\$ -0- (J4)</u>
Total Adjustments ((H)+(I)+(J1)+(J2)+(J3)+(J4))	<u>\$ 1,033,451 (K)</u>

**Detail of Other Restricted Fund Balance**

Statutory restrictions:	
Approved unspent separate proposal	<u>\$ -0-</u>
Sale/lease-back reserve	<u>\$ -0-</u>
Capital reserve	<u>\$ 8,148,546</u>
Maintenance reserve	<u>\$ -0-</u>
Emergency reserve	<u>\$ -0-</u>
Tuition reserve	<u>\$ -0-</u>
School Bus Advertising 50% Fuel Offset Reserve - current year	<u>\$ -0-</u>
School Bus Advertising 50% Fuel Offset Reserve - prior year	<u>\$ -0-</u>
Impact Aid General Fund Reserve (Sections 8002 and 8003)	<u>\$ -0-</u>
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	<u>\$ -0-</u>
Other state/governmental mandated reserve	<u>\$ -0-</u>
Other Restricted Fund Balance not noted above	<u>\$ -0-</u>
Total Other Restricted Fund Balance	<u>\$ 8,148,546 (C4)</u>



BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT  
SUMMARY OF RECOMMENDATIONS  
FISCAL YEAR ENDED JUNE 30, 2017

It is recommended that:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Program

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Status of Prior Year's Finding/Recommendation

The prior year recommendations regarding Extraordinary Aid calculations and food service net cash resources were resolved during the current year.