BOARD OF EDUCATION
BOROUGH OF CHESILHURST SCHOOL DISTRICT
COUNTY OF CAMDEN
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS-
FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED
JUNE 30, 2018
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REPORT OF INDEPENDENT AUDITORS

Honorable President and Members of the Board of Education
Borough of Chesilhurst School District
County of Camden
Chesilhurst, New Jersey 08089

We 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 Borough of Chesilhurst School District in the County of Camden for the year ended June 30, 2018, and have issued our report thereon dated January 24, 2019.

As part of our audit, we performed procedures required by the Division of Administration and Finance, 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 issued in conjunction with the Comprehensive Annual Financial Report of the Board of Education of the Borough of Chesilhurst School District, for the fiscal year ended June 30, 2018 and is intended for the information of the 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.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.

Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915
January 24, 2019
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and District personnel entrusted with duties formally under the auspices of the Treasurer of School Monies, the activities of the Board of Education, the records of the Student Activity Fund, Food Service Fund and Special Revenue Fund 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.


<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. Frank Badessa</td>
<td>School Board Secretary</td>
<td>$ 200,000</td>
</tr>
</tbody>
</table>

Tuition Charges

As a Non-Operating District, there were no tuition charges to be billed by the district during the 2017-2018 school year.

District Internal Control Policies

District boards of education and administration are responsible for developing internal controls policies and procedures and maintaining a strong internal control environment. NJAC 6A:23A-6.4 requires that the district’s internal control policies include specific requirements at NJAC 6A:23A-6.5 through 6.13.

Internal Control Policies were found in accordance with NJAC 6A:23A-6.5 through 6.13.

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.
Financial Planning, Accounting and Reporting (Continued)

Payroll Account

There were no salaries paid by the Board during the 2017-2018 school year. All Employees payroll are paid through a shared service agreement.

A certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (Superintendent and Business Administrator) to the N.J. Department of Treasury appeared to be filed by the March 15 due date was not required.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, 2017 for goods not yet received or services not yet rendered, and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. There were no unpaid purchase orders included in the balance of accounts payable were reviewed for proprietary and to determine that goods were received and services were rendered as of June 30, 2018.

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 0% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

A. General Classification Findings - None

B. Administrative Classification Findings - None

Board Secretary's Records

The financial records, books of accounts maintained by the Secretary were in satisfactory condition.

Acknowledgment of the Board's receipt of the Board Secretary's and Treasurer's monthly financial reports was included in the minutes.

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

Monthly financial certificates of the Board Secretary and Board of Education for positive line item account status certifications (N.J.A.C. 6:2-2.13) were prepared. Although budgetary line item account transfers were approved monthly to cover any anticipated deficits, approval was not received as follows:

The District appeared to submit the necessary transfer requests for approval to the County Executive Superintendent.
Financial Planning, Accounting and Reporting (Continued)

According to N.J.S.A. 54:4-75, the municipality should pay over to the Treasurer of School Monies the balance of the moneys raised in the municipality for school purposes prior to the last day of the school year. While the proper amount of school taxes appeared to be requested from the Borough, the Borough of Chesilhurst had not paid the entire 2017-18 school tax to the Chesilhurst Board of Education.

The Board of Education had conveyed the statutory requirement to the Borough regarding the request for the payment of school taxes in such a manner that payment will be received prior to year end.

Treasurer's Records – Board Secretary’s Office


All cash receipts were promptly deposited.
The Treasury records were in agreement with the records of the Board Secretary.
The Treasury reports were filed in a timely manner.

Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (E.S.S.A.)

As there were no required E.S.E.A. grants during the 2017-2018 school year, financial exhibits and/or a Special Revenue Section was not required in the CAFR.

Other Special Federal and/or State Projects

The District's special project was approved as listed on Schedule B located in the CAFR. As no Federal Projects were awarded during the 2017-2018 school year, Schedule A was not required.

Our audit of the 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.

T.P.A.F. Reimbursement

There were no wages subject to the Teachers Pension and Annuity Fund in the 2017-2018 school year.

TPAF Reimbursement to the State for Federal Salary Expenditures

There were no federal awards for the school district during the 2017-2018 school year and therefore, no amount was required to be reimbursed to the State for the TPAF/FICA.
Financial Planning, Accounting and Reporting (Continued)

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids


The current statute is posted on the New Jersey Legislature website at: http://lis.njleg.state.nj.us/cgi-bin/om_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headingswithhits=on&infobase=statutes.nfo&softpage=TOC_Frame_pg42

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 $19,000 for 2017-18.

The District 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.

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.

Based on 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 provisions of N.J.S.A. 18A:18A-4, as 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.

Our examination of contracts and agreements did not disclose any areas of statutory noncompliance

Although a particular contract is exempt from the formal requirements of public advertising and competitive bidding, N.J.S.A. 18A:18A-37 requires that quotations be obtained, whenever practical, for any contract less than the bid threshold but 15% or more of that amount, except for contracts for professional services. All contracts and agreements, which are subject to quotations, shall be awarded on the basis of the lowest responsible quotation received, which is most advantageous to the Board of Education, price and other factors considered. No exceptions were noted.
School Food Service

The District is non-operating and therefore, the food service fund was not utilized. Expenditures were limited to depreciation of fixed assets and there is a supply inventory of $600 as of June 30, 2018 that will be reviewed for disposition during the 2018-2019 school year. Exhibits reflecting Child Nutrition Program are included in the section entitled Enterprise Funds, Section G of the CAFR.

Unemployment Compensation Insurance Trust Fund

The Board did not maintain an Unemployment Compensation Insurance Trust Fund.

Student Body Activities

The Board has a policy, which clearly established the regulation of student activity funds. The district was non-operating during the year under audit and therefore, the student activity fund was not utilized. The balance in the account was closed out in prior years as there was no clear determination regarding operating or merging of the district.

Application for State School Aid (A.S.S.A)

Our audit procedures would include a test of information reported on the October 13, 2017 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped and low-income. As the District was non-operating during the 2017-2018 school year, an ASSA Report was filed with all students listed in the sent column. This information is derived from the receiving districts information input.

Pupil Transportation

Our procedures were to include a review of transportation related contracts and purchases. A transportation agreement was available and transportation expenses were charged to the 2017-2018 budget.

The summary of verified transportation data is presented in the Schedule of Audited Enrollments.

Finding 1-2018:

There were a number of students listed as attending the wrong school and/or not listed on an attendance register. It was also necessary to perform a re-calculation of the average mileage.

Recommendation:

Procedures and review of the information presented on the DRTRS Report should be improved to ensure the most accurate information is presented. This should be done not only to assure that students are listed in the appropriate school but also to make sure the students are actually attending the schools where they are listed.
Facilities and Capital Assets

There were no EDA grant agreements for the fiscal year ending June 30, 2018.

An updated Fixed Asset Report was available, as provided by a contracted outside appraisal company and depreciation was recorded based on this report. The building is currently being used for non-operating and storage purposes.

Testing for Lead of all Drinking Water in Educational Facilities

The school district adhered to all the requirements of NJAC 26-I.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

The test results were posted on the district’s website as well as being available at the school facility.

Miscellaneous

As a result of the settlement, regarding prior year tuition disputes with Winslow Board of Education, the District’s financial position has changed. This will require additional analysis as part of the budget process in the next two years.

Follow-up on Prior Year Findings

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

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.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.

Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915
**BOROUGH OF CHESILHURST BOARD OF EDUCATION**

**APPLICATION OR STATE SCHOOL AID SUMMARY**

**ENROLLMENT AS OF OCTOBER 13, 2017**

<table>
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<tr>
<th>2018-2019 APPLICATION FOR STATE SCHOOL AID</th>
<th>SAMPLE FOR VERIFICATION</th>
<th>PRIVATE SCHOOLS FOR DISABLED</th>
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<td>Reported On A.S.S.A.</td>
<td>Reported On Workpapers On Roll</td>
<td>Sample Selected From Workpapers On Roll</td>
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<tr>
<td>Full</td>
<td>Shared</td>
<td>Full</td>
</tr>
<tr>
<td>0</td>
<td>0</td>
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Half Day Preschool 3 Years Old
Half Day Preschool 4 Years Old
Half Day Kindergarten
Full Day Kindergarten
One
Two
Three
Four
Five
Six
Seven
Eight
Nine
Ten
Eleven
Twelve
Post-Graduate
Adult H.S. (15+CR.)
Adult H.S. (1-14 CR.)

Special Ed - Elementary
Special Ed - Middle
Special Ed - High

Subtotal

| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Total

| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Percentage Error

| 0.00% | 0.00% |

| 0.00% | 0.00% |

| 0.00% | 0.00% |
### SCHEDULE OF AUDITED ENROLLMENTS

#### Half Day Preschool 3 Years Old
- Resident Low Income: 0
- Sample for Verification: 0
- Resident LEP Low Income: 0
- Sample for Verification: 0

#### Half Day Preschool 4 Years Old
- Resident Low Income: 0
- Sample for Verification: 0
- Resident LEP Low Income: 0
- Sample for Verification: 0

#### Full Day Preschool
- Resident Low Income: 0
- Sample for Verification: 0
- Resident LEP Low Income: 0
- Sample for Verification: 0

#### Half Day Kindergarten
- Resident Low Income: 0
- Sample for Verification: 0
- Resident LEP Low Income: 0
- Sample for Verification: 0

#### Full Day Kindergarten
- Resident Low Income: 0
- Sample for Verification: 0
- Resident LEP Low Income: 0
- Sample for Verification: 0

#### One
- Resident Low Income: 0
- Sample for Verification: 0
- Resident LEP Low Income: 0
- Sample for Verification: 0

#### Two
- Resident Low Income: 0
- Sample for Verification: 0
- Resident LEP Low Income: 0
- Sample for Verification: 0

#### Three
- Resident Low Income: 0
- Sample for Verification: 0
- Resident LEP Low Income: 0
- Sample for Verification: 0

#### Four
- Resident Low Income: 0
- Sample for Verification: 0
- Resident LEP Low Income: 0
- Sample for Verification: 0

#### Five
- Resident Low Income: 0
- Sample for Verification: 0
- Resident LEP Low Income: 0
- Sample for Verification: 0

#### Six
- Resident Low Income: 0
- Sample for Verification: 0
- Resident LEP Low Income: 0
- Sample for Verification: 0

#### Seven
- Resident Low Income: 0
- Sample for Verification: 0
- Resident LEP Low Income: 0
- Sample for Verification: 0

#### Eight
- Resident Low Income: 0
- Sample for Verification: 0
- Resident LEP Low Income: 0
- Sample for Verification: 0

#### Nine
- Resident Low Income: 0
- Sample for Verification: 0
- Resident LEP Low Income: 0
- Sample for Verification: 0

#### Ten
- Resident Low Income: 0
- Sample for Verification: 0
- Resident LEP Low Income: 0
- Sample for Verification: 0

#### Eleven
- Resident Low Income: 0
- Sample for Verification: 0
- Resident LEP Low Income: 0
- Sample for Verification: 0

#### Twelve
- Resident Low Income: 0
- Sample for Verification: 0
- Resident LEP Low Income: 0
- Sample for Verification: 0

#### Post Graduate
- Resident Low Income: 0
- Sample for Verification: 0
- Resident LEP Low Income: 0
- Sample for Verification: 0

#### Adult H.S. (15-CR.)
- Resident Low Income: 0
- Sample for Verification: 0
- Resident LEP Low Income: 0
- Sample for Verification: 0

#### Adult H.S. (1-14 CR.)
- Resident Low Income: 0
- Sample for Verification: 0
- Resident LEP Low Income: 0
- Sample for Verification: 0

#### Special Ed - Elementary
- Resident Low Income: 0
- Sample for Verification: 0
- Resident LEP Low Income: 0
- Sample for Verification: 0

#### Special Ed - Middle
- Resident Low Income: 0
- Sample for Verification: 0
- Resident LEP Low Income: 0
- Sample for Verification: 0

#### Special Ed - High
- Resident Low Income: 0
- Sample for Verification: 0
- Resident LEP Low Income: 0
- Sample for Verification: 0

#### Co. Voc. - Regular
- Resident Low Income: 0
- Sample for Verification: 0
- Resident LEP Low Income: 0
- Sample for Verification: 0

- Resident Low Income: 0
- Sample for Verification: 0
- Resident LEP Low Income: 0
- Sample for Verification: 0

#### Totals
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- Resident LEP Low Income: 0
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<th>Errors</th>
<th>Reported</th>
<th>Re-Calculated</th>
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<td>138</td>
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<td>Avg. Mileage - Regular Including Grade PK students</td>
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<td>Reg. - Special Ed.</td>
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<td>13</td>
<td>8</td>
<td>6</td>
<td>2</td>
<td>Avg. Mileage - Regular Excluding Grade PK students</td>
<td>7.1</td>
<td>6.0</td>
</tr>
<tr>
<td>Ad in Lieu</td>
<td>28</td>
<td>28</td>
<td>17</td>
<td>16</td>
<td>1</td>
<td>Avg. Mileage - Special Ed with Special Needs</td>
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<td>6.2</td>
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<td>Transferred - Non-Public</td>
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<td>17</td>
<td>16</td>
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<tr>
<td>Special Needs - Public</td>
<td>28</td>
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<td>17</td>
<td>16</td>
<td>1</td>
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<tr>
<td>Totals</td>
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<td>181</td>
<td>112</td>
<td>104</td>
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#### Re-Percentage Error
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**SCHEDULE OF AUDITED ENROLLMENTS**

**BOROUGH OF CHESILHURST BOARD OF EDUCATION**  
**ENROLLMENT AS OF OCTOBER 13, 2017**

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<tr>
<th></th>
<th>Resident LEP NOT Low Income</th>
<th>Sample for Verification</th>
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<tbody>
<tr>
<td></td>
<td>Report On NOT Low Income</td>
<td>Report On NOT Low Income</td>
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<tr>
<td></td>
<td>A.S.S.A. as Workpapers</td>
<td>Workpapers</td>
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<tr>
<td></td>
<td>Low Income</td>
<td>Low Income</td>
</tr>
<tr>
<td>Half Day Preschool</td>
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<tr>
<td>Full Day Preschool</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Half Day Kindergarten</td>
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<td>0</td>
</tr>
<tr>
<td>Full Day Kindergarten</td>
<td>0</td>
<td>0</td>
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<td>One</td>
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<td>Two</td>
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<td>Ten</td>
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<td>Eleven</td>
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<td>Adult H.S. (15+CR.)</td>
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<td>Adult H.S. (1-14 CR.)</td>
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</tr>
<tr>
<td><strong>Totals</strong></td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Percentage Error  

|                      | 0.00% | 0.00% |


BOROUGH OF CHELSEHURST SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION

SECTION 1

A. 2% Calculation of Excess Surplus

2017-18 Total General Fund Expenditures per the CAFR

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased:</td>
<td></td>
</tr>
<tr>
<td>Transfer from Capital Outlay to Capital Projects Fund</td>
<td></td>
</tr>
<tr>
<td>Transfer from Capital Reserve to Capital Projects Fund</td>
<td></td>
</tr>
<tr>
<td>Transfer from General Fund to SRF for PreK-Regular</td>
<td></td>
</tr>
<tr>
<td>Decreased:</td>
<td></td>
</tr>
<tr>
<td>On-Behalf TPAF Pension &amp; Social Security</td>
<td></td>
</tr>
<tr>
<td>Assets Acquired Under Capital Leases</td>
<td></td>
</tr>
</tbody>
</table>

Adjusted 17-18 General Fund Expenditures $[B]+[B1a]+[B2a]] = $3,230,768 (B3)

2% of Adjusted 2017-18 General Fund Expenditures

 $(B3) times .02 = 64,615 (B4)

Enter Greater of (B4) or $250,000 = 250,000 (B5)

Increased by: Allowable Adjustment* = 26,275 (K)

Maximum Unassigned/Undesignated-Unreserved Fund Balance $[B5]+(K) = $276,275 (M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-18
(Per CAFR Budgetary Comparison Schedule C-1)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decreased:</td>
<td></td>
</tr>
<tr>
<td>Year-end Encumbrances</td>
<td></td>
</tr>
<tr>
<td>Legally Restricted - Designated for Subsequent Year's Expenditures</td>
<td>271,000 (C2)</td>
</tr>
<tr>
<td>Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**</td>
<td>114,836 (C3)</td>
</tr>
<tr>
<td>Other Restricted Fund Balances****</td>
<td>1,275,792 (C4)</td>
</tr>
<tr>
<td>Assigned Fund balance Unreserved - Designated for Subsequent Year's Expenditures</td>
<td>317,001 (C5)</td>
</tr>
<tr>
<td>Additional Assigned Fund Balance - Unreserved - Designated for Subsequent Year's July 1, 2018 - August 1, 2018</td>
<td>(C6)</td>
</tr>
</tbody>
</table>

Total Unassigned Fund Balance $[(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)] = $986,723 (U1)
**BOROUGH OF CHESILHURST SCHOOL DISTRICT**

**EXCESS SURPLUS CALCULATION**

### SECTION 3

Section 1

**Restricted Fund Balance - Excess Surplus**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$710,448 (E)</td>
</tr>
</tbody>
</table>

**Recapitulation of Excess Surplus as of June 30, 2018**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserved Excess Surplus Designated for Subsequent Year's Expenditures**</td>
<td>$114,836 (C3)</td>
</tr>
<tr>
<td>Reserved Excess Surplus ((E))</td>
<td>$710,448 (E)</td>
</tr>
<tr>
<td>Total Excess Surplus ((C3) + (F1))</td>
<td>$825,284 (D)</td>
</tr>
</tbody>
</table>

**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 & 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**

<table>
<thead>
<tr>
<th>Allowable Adjustment</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Aid</td>
<td>$</td>
</tr>
<tr>
<td>Sale &amp; Lease-Back</td>
<td>(I)</td>
</tr>
<tr>
<td>Extraordinary Aid</td>
<td>$22,505 (J1)</td>
</tr>
<tr>
<td>Additional Nonpublic School Transportation Aid</td>
<td>$3,770 (J2)</td>
</tr>
<tr>
<td>Current Year School Bus Advertising Revenue Recognized</td>
<td>(J3)</td>
</tr>
<tr>
<td>Family Crisis Transportation Aid</td>
<td>(J4)</td>
</tr>
<tr>
<td>Total Adjustments ((H) + (I) + (J1) + (J2) + (J3) + (J4))</td>
<td>$26,275 (K)</td>
</tr>
</tbody>
</table>

**This amount represents the June 30, 2018 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.**

*** Amounts must agree to the June 30, 2018 CAFR and 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 another 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, 2018 to August 1, 2018 resulting from decrease in state aid after adoption of 2018-19 district budget. Refer to Commissioner's Broadcast of July 13, 2018 at the NJDOE Broadcast webpage http://homeroom5.doe.state.nj.us/broadcast/ and to page 1-4.2 of this Audit Program.

**Detail of Other Restricted Fund Balance**

<table>
<thead>
<tr>
<th>Statutory restrictions:</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved unspent separate proposal</td>
<td>$</td>
</tr>
<tr>
<td>Sale/lease-back reserve</td>
<td></td>
</tr>
<tr>
<td>Capital reserve</td>
<td>$477,550</td>
</tr>
<tr>
<td>Maintenance reserve</td>
<td>$533,072</td>
</tr>
<tr>
<td>Emergency Reserve</td>
<td></td>
</tr>
<tr>
<td>Tuition reserve</td>
<td>$265,170</td>
</tr>
<tr>
<td>School Bus Advertising 50% Fuel Offset Reserve - Current Year</td>
<td></td>
</tr>
<tr>
<td>School Bus Advertising 50% Fuel Offset Reserve - Prior Year</td>
<td></td>
</tr>
<tr>
<td>Impact Aid General Fund Reserve (Sections 8007 and 8008)</td>
<td></td>
</tr>
<tr>
<td>Impact Aid General Fund Reserve (Sections 8002 and 8003)</td>
<td></td>
</tr>
<tr>
<td>Other state/government mandated reserve</td>
<td></td>
</tr>
<tr>
<td>[Other Restricted Fund Balance not noted above]****</td>
<td>$1,275,792 (C4)</td>
</tr>
</tbody>
</table>

**Total Other Restricted Fund Balance**

**SIGNATURE: PUBLIC SCHOOL ACCOUNTANT - No. 915**
AUDIT RECOMMENDATIONS SUMMARY
For the Fiscal Year Ended June 30, 2018
Borough of Chesilhurst School District

Recommendations:

1. Administrative Practices and Procedures - None

2. Financial Planning, Accounting and Reporting - None

3. School Purchasing Programs - None

4. School Food Service - None

5. Student Body Activities - None

6. Application for State School Aid - None

7. Charter School Enrollment System (CHE) (Applicable to audits of charter schools) - None

8. Pupil Transportation

   Procedures and review of the information presented on the DRTRS Report should be improved to ensure the most accurate information is presented. This should be done not only to assure that students are listed in the appropriate school but also to make sure the students are actually attending the schools where they are listed.

9. Facilities and Capital Assets - None

10. Miscellaneous - None

11. Status of Prior Year Audit Findings/Recommendations

   A review was performed on the prior year recommendations and corrective action was taken on all prior year findings.