

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
COUNTY OF ESSEX  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2015

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
COUNTY OF ESSEX  
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2015  
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August 27, 2015

The Honorable President and Members  
of the Board of Education  
Caldwell-West Caldwell School District  
County of Essex, 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 Caldwell-West Caldwell School District in the County of Essex for the fiscal year ended June 30, 2015, and have issued our report thereon dated August 27, 2015.

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 letter does not affect our report dated August 27, 2015, on the financial statement of the Board.

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 Caldwell-West Caldwell 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*

NISIVOCCIA, LLP

*Kathryn L. Mantell*

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2015

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer, 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>
Thomas Lambe	Business Administrator/Board Secretary	\$ 100,000
Michael Falkowski	Treasurer of School Monies	300,000

The District has a \$50,000 Crime (Employee Dishonesty) policy through School Alliance Insurance Fund that covers employees not separately bonded 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 did not indicate any discrepancies with respect to signatures, 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 health benefits withholdings 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 Administrators and the Superintendent.

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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
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(Continued)

Payroll Account and Position Control Roster (Cont'd)

Finding:

The District did not prepare an analysis of balance for the Payroll Agency and Flexible Spending accounts.

Recommendation:

It is recommended that an analysis of balance be prepared for the Payroll Agency and Flexible Spending accounts.

Management's Response:

The Business Office will begin to prepare analyses of balances for the Payroll Agency and Flexible Spending accounts.

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-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, we also reviewed administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. 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.

Finding:

We noted that certain local grant receipts and enterprise fund program fees collected were recorded as appropriation refunds instead of as revenue. Under the direction of the Business Administrator, these items were properly reclassified as revenue.

Recommendation:

It is recommended that program fees and local grants receipts be properly recorded as revenue and not as appropriation refunds.

Management's Response:

Extra care will be taken to ensure that all receipts are properly classified. The Business office has properly classified receipts beginning for the 2015/16 school year.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
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FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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. No exceptions were noted.

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.

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.

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, 2015. The reimbursement form was reviewed and no exceptions were noted.

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.

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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2015  
 (Continued)

School Purchasing Programs

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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, 2010 and thereafter the bid thresholds in accordance with *N.J.S.A.* 18A:18A-2 and 18A:18A-3(a) are \$36,000 (with a Qualified Purchasing Agent) and \$26,000 (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 \$18,300.

As per N.J.S.A. 18A:18A-3, the Board passed a resolution at its January 24, 2011 meeting, authorizing the Business Administrator as a qualified purchasing agent and increasing the bid threshold to \$36,000.

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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
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FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

School Purchasing Programs (Cont'd)

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.

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 without exception.

The number of meals claimed for reimbursement was compared to sales records. Reimbursement claims were submitted/certified in a timely manner.

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 on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal policy was reviewed for uniform administration throughout the school district. The required verification procedures for free and reduced price applications were completed and available for review.

The District utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will break even. The operating results provision has been met. Food Service accounting records maintained by the District's central administration were reconciled with the records maintained by the food service contractor.

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

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified on a test basis. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

Time sheets and payroll records provided to the District by the Food Service Contractor were reviewed on a test-check basis.

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 nonprofit status of the School Food Service Fund. Net cash resources did not exceed three months' average expenditures.

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

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
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FISCAL YEAR ENDED JUNE 30, 2015  
 (Continued)

School Food Service (Cont'd)

The District has a Type 2 SOC1 report (Service Organization Controls Report) of the food service management company on file as required by state requirements.

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 except as noted below.

Findings:

- 1.) During our review of the student activities records, it was noted that Athletic account vouchers do not have an administrator's and receipts of goods signatures in certain instances.
- 2.) We noted that an analysis of balance by clubs or activities was not prepared for the student activities accounts.

Recommendations:

- 1.) It is recommended that all Athletic account vouchers be approved by an administrator and contain a receipt of goods signature be obtained before checks are released for payment.
- 2.) It is recommended that an analysis of balance by clubs or activities be prepared for all student activities accounts.

Management's Responses:

- 1.) The District's policy to ensure that all Athletic account vouchers have an administrator's and receipt of goods signatures prior to payment will be enforced.
- 2.) An analysis of balance will be prepared in the future for all student activities accounts.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2014 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low income students and bilingual education. 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 a few minor exceptions. The information that was included on the workpapers was verified on a test basis without exception. 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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
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FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

Pupil Transportation

Our audit procedures included a test of on-roll status reported on the 2014-2015 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

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

Findings:

During our review of the District's capital assets inventory records, it was noted that there were certain additions and disposals recorded by the American Appraisal that were not valid. We also noted that capital assets locations listed by American Appraisal were not accurate for certain items we tested.

Recommendation:

It is recommended that the District work with American Appraisal to accurately reflect additions and deletions and the accurate location of capital assets.

Management's Response:

The District will ensure that American Appraisal adjust the fixed assets listing in fiscal year 2016.

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 maximum travel for the year and to account separately that the maximum is not exceeded. The regulations also require that all travel be approved prior by the Board of Education and that the approval must be itemized by event, event total cost, and individuals attending.

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

Continuing Education

Our procedures included a review of the Continuing Education account records. Based on these procedures, we have no comments except as noted below.

Finding:

During our review of the Continuing Education records, it was noted that the vouchers do not have administrator's and receipts of goods signatures in certain instances.

Recommendation:

It is recommended that all Continuing Education vouchers be approved by an administrator and contain a receipt of goods signature before checks are released for payment.

Management's Response:

The District's policy to ensure Continuing Education vouchers have the administrator's and contain a receipt of goods signatures prior to payment will be enforced.

Management Suggestions

Deferred Compensation Plans

The District has a fiduciary responsibility to its employees related to the deferred compensation plans offered by the District. The District should consider a periodic review of the benefits, features, costs, and performance of its deferred compensation plans and make that information available to employees to assist employees in making suitable choices for investing their retirement funds while fulfilling the District's fiduciary responsibilities.

Independent Contractors vs. Employees

The District should consider reviewing the status of "Independent Contractors" utilized by the District with Internal Revenue Service guidelines for determination of employment status. The IRS has been reviewing employers, including governments, to determine compliance. A proactive approach may help to minimize or eliminate potential penalties related to incorrect employment status determination.

Continuing Disclosure Requirements

In connection with the issuance of bonds by a school district, the District agrees to the continuing disclosure of certain information to the Electronic Municipal Market Access ("EMMA") website under the auspices of the Municipal Securities Rulemaking Board. The District should ensure that all continuing disclosure requirements with respect to the District's bond issuances are met. These requirements include filing of certain financial information such as audit reports, budgets and certain operating data.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

Management Suggestions (Cont'd)

Food Service Fund

The unrestricted net position in the Food Service Fund has decreased significantly over the past few years. It is suggested that the District carefully monitors the activities in the Food Service Fund on a monthly basis and that measures be taken to avoid significant operating losses in the future.

Grant Reimbursements

Requests were not submitted for NCLB and the IIS Competitive grant expenditures during the fiscal year. It is suggested that reimbursement requests are submitted for all grant expenditures on a regular basis throughout the year.

Surety Bonds

The duties of the Business Administrator have evolved over the last few decades into a position that is responsible for the collection, disbursement and investment of the District's funds. At the time of the passage of the statute delineating the duties of the Treasurer, the aforementioned duties were to be the responsibility of the Treasurer. Also, the statute established the requirement for the amount of the Treasurer's bond did not contemplate the evolution of the Business Administrator's position. It is suggested the Business Administrator's surety bond coverage be increased to the same amount as the Treasurer's.

Miscellaneous

Single Audit

Effective for the fiscal year ended June 30, 2016, there will be significant changes to the Single Audit. These changes include the following:

- An increase in the single audit threshold
- Low risk auditee criteria
- Type A and B threshold
- Coverage requirements for major programs tested for both low risk and non-low risk auditees.

Additionally, the cost principles and administrative requirements such as A-87 have been consolidated under the *OMB Uniform Guidance: Cost Principles, Audit and Administrative Requirements for Federal Awards*. This guidance was effective December 26, 2014 for all new federal awards and for any additional funding for existing awards made after December 26, 2014.

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#75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, will be effective for the fiscal year ending June 30, 2018. This standard replaces GASB#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* GASB#68 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.

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ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
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FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

Follow-up on Prior Year Findings

The prior year recommendations regarding an analysis of balance being prepared for the Payroll Agency and Flexible Spending accounts, year-end open purchase orders being properly classified, all staff charged to the I.D.E.A. grant being formally appointed by Board resolution and a comprehensive list be maintained of all I.D.E.A. staff and respective salaries, funds collected for the High School Student Activities account being turned over on a timely basis, and cash ledgers and monthly bank reconciliations being properly prepared for all student activities accounts were resolved during the current year. The program revenue being properly recorded as revenue and not as appropriation refunds, Athletic account vouchers being approved by an administrator and a receipt of goods signature before checks are released for payment, and an analysis of balance by club or activity being prepared for all student activities account were not resolved during the current year and are included in the current year's findings.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2014

	2015-2016 Application for State School Aid						Sample for Verification					
	Reported on ASSA On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Kindergarten	162		162					162		162		
Full Day Kindergarten												
Grade One	151		151					151		151		
Grade Two	204		204					204		204		
Grade Three	179		179					179		179		
Grade Four	163		163					163		163		
Grade Five	200		200					200		200		
Grade Six	174		174					174		174		
Grade Seven	180		180					180		180		
Grade Eight	172		172					172		172		
Grade Nine	189	1	189	1				189	1	189	1	
Grade Ten	158		158					158		158		
Grade Eleven	166	1	166	1				166	1	166	1	
Grade Twelve	171		171					171		171		
Subtotal	2,269	2	2,269	2				2,269	2	2,269	2	
Special Education:												
Elementary	157		157					157		157		
Middle	100		100					100		100		
High	117	2	117	2				117	2	117	2	
Subtotal	374	2	374	2				374	2	374	2	
Totals	2,643	4	2,643	4	-0 -	-0 -		2,643	4	2,643	4	-0 - -0 -
Percentage Error					0.00%	0.00%						0.00% 0.00%

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2014

	Private Schools for Disabled					Resident Low Income						
	Reported on ASSA as Private Schools	Reported on Workpapers as Private Schools	Sample for Verification Errors	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	
Half Day Preschool 3 Years Old												
Full Day Preschool 3 Years Old												
Half Day Preschool 4 Years Old												
Full Day Preschool 4 Years Old												
Half Day Kindergarten						7	7		1	1		
Full Day Kindergarten												
Grade One						7	7		1	1		
Grade Two						15	15		2	2		
Grade Three						14	14		1	1		
Grade Four						9	9		1	1		
Grade Five						17	17		2	2		
Grade Six						15	15		2	2		
Grade Seven						12	12		1	1		
Grade Eight						4	4					
Grade Nine						7	7		1	1		
Grade Ten						6	6		1	1		
Grade Eleven						12	12		1	1		
Grade Twelve						12	12		1	1		
Subtotal						137	137		15	15		
Special Education:												
Elementary School	4	8	4	1	1	22	22		1	1		
Middle School	9	9		2	2	15	15		1	1		
High School	25	26	1	4	4	10	10		1	1		
Subtotal	38	43	5	7	7	47	47		3	3		
Totals	38	43	5	7	7	-0-	184	184	-0-	18	18	-0-
Percentage Error			13.16%			0.00%			0.00%			0.00%

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2014

	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 Not Low Income	Reported on Workpapers as LEP Not Low Income	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Half Day Preschool 3 Years Old										
Half Day Preschool 4 Years Old										
Half Day Kindergarten	3	3	1	1		7	7	2	2	
Grade One	2	2	1	1		2	2	1	1	
Grade Two	4	4	2	2		3	3	1	1	
Grade Three	3	3	1	1		1	1			
Grade Four										
Grade Five	1	1								
Grade Six										
Grade Seven										
Grade Eight										
Grade Nine						2	2	1	1	
Grade Ten										
Grade Eleven	1	1					1	1		
Grade Twelve						1		(1)		
Subtotal	14	14	5	5		16	16	5	5	
Special Education:										
Elementary School	6	6	2	2		3	3	1	1	
Middle School										
High School										
Subtotal	6	6	2	2		3	3	1	1	
Totals	20	20	7	7	-0 -	19	19	6	6	-0 -
Percentage Error			0.00%		0.00%			0.00%		0.00%

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2014

	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	91	91		7	7	
AIL - Non Public	161	161		12	12	
Special Needs - Public	38	38		3	3	
Special Needs - Private	38	38		3	3	
Totals	<u>328</u>	<u>328</u>	<u>-0 -</u>	<u>25</u>	<u>25</u>	<u>-0 -</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	<u>Reported</u>	<u>Recalculated</u>
Average Mileage - Regular Including Grade PK Students	6.6	6.6
Average Mileage - Regular Excluding Grade PK Students	6.6	6.6
Average Mileage - Special Education with Special Needs	9.3	9.3

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FISCAL YEAR ENDED JUNE 30, 2015

**EXCESS SURPLUS CALCULATION****REGULAR DISTRICT****SECTION 1****A. 2% Calculation of Excess Surplus**

2014-15 Total General Fund Expenditures per the CAFR, Ex. C-1	<u>\$ 44,611,746</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -0-</u> (B1a)
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ 1,215,948</u> (B1b)
Transfer from General Fund to SRF for PreK-Regular	<u>\$ -0-</u> (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	<u>\$ -0-</u> (B1d)
Decreased by:	
On-Behalf TPAF Pension and Social Security	<u>\$ 3,697,585</u> (B2a)
Assets Acquired Under Capital Leases	<u>\$ 240,000</u> (B2b)
Adjustment for Disallowed Expenditures per S1701	<u>\$ -0-</u> (B2c)
Adjusted 14-15 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 41,890,109</u> (B3)
2% of Adjusted 2014-15 General Fund Expenditures [(B3) times .02]	<u>\$ 837,802</u> (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 837,802</u> (B5)
Increased by: Allowable Adjustment	<u>\$ 110,615</u> (K)
Maximum Unassigned Fund Balance [(B5)+(K)]	<u>\$ 948,417</u> (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6/30/15 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 2,562,541</u> (C)
Decreased by:	
Year End Encumbrances	<u>\$ 304,976</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C2)
Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 400,000</u> (C3)
Other Restricted Fund Balances	<u>\$ 557,970</u> (C4)
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ 51,178</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	<u>\$ 1,248,417</u> (U1)
Increased by:	
Adjustment for Disallowed Transfers per S1701	<u>\$ -0-</u> (C6)
Total Unassigned Fund Balance for Excess Surplus Calculation (U1 + C6)	<u>\$ 1,248,417</u> (U2)

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

**SECTION 3**

Restricted Fund Balance - Excess Surplus [(U2)-(M)] IF NEGATIVE, ENTER -0- \$ 300,000 (E)

**Recapitulation of Excess Surplus as of June 30, 2015**

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 400,000 (C3)</u>
Restricted Excess Surplus [(E)]	<u>\$ 300,000 (E)</u>
Fund Balance Restricted for 2014-15 per S1701	<u>\$ -0- (F)</u>
 Total [(C3)+(E)+(F)]	 <u>\$ 700,000 (D)</u>

Detail of Allowable Adjustments

Impact Aid	<u>\$ -0- (H)</u>
Sale and Lease Back	<u>\$ -0- (I)</u>
Extraordinary Aid	<u>\$ 82,601 (J1)</u>
Additional Nonpublic School Transportation Aid	<u>\$ 28,014 (J2)</u>
Current Year School Bus Advertising Revenue Recognized	<u>\$ -0- (J3)</u>
 Total Adjustments ((H)+(I)+(J1)+(J2)+(J3))	 <u>\$ 110,615 (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>\$ 457,970</u>
Maintenance reserve	<u>\$ 100,000</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>
Other state/governmental mandated reserve	<u>\$ -0-</u>
 Other Restricted Fund Balance not noted above	 <u>\$ -0-</u>
 Total Other Restricted Fund Balance	 <u>\$ 557,970 (C4)</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
SUMMARY OF RECOMMENDATIONS  
FISCAL YEAR ENDED JUNE 30, 2015

It is recommended that:

1. Administrative Practices and Procedures  
None
2. Financial Planning, Accounting and Reporting  
Program revenue be properly recorded as revenue and not as appropriation refunds.
3. School Purchasing Program  
None
4. School Food Service  
None
5. Student Body Activities
  - A) All Athletic account vouchers be approved by an administrator and contain a receipt of goods signature before checks are released for payment.
  - B) An analysis of balance by clubs or activities be prepared for all student activities accounts.
6. Application for State School Aid  
None
7. Pupil Transportation  
None
8. Facilities and Capital Assets  
None
9. Continuing Education
  - A) All Continuing Education vouchers be approved by an administrator and contain a receipt of goods signature before checks are released for payment.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
SUMMARY OF RECOMMENDATIONS  
FISCAL YEAR ENDED JUNE 30, 2015

It is recommended that:

10. Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding an analysis of balance being prepared for the Payroll Agency and Flexible Spending accounts, year-end open purchase orders being properly classified, all staff charged to the I.D.E.A. grant being formally appointed by Board resolution and a comprehensive list be maintained of all I.D.E.A. staff and respective salaries, funds collected for the High School Student Activities account being turned over on a timely basis, and cash ledgers and monthly bank reconciliations being properly prepared for all student activities accounts were resolved during the current year. The program revenue being properly recorded as revenue and not as appropriation refunds, Athletic account vouchers being approved by an administrator and a receipt of goods signature before checks are released for payment, and an analysis of balance by club or activity being prepared for all student activities account were not resolved during the current year and are included in the current year's findings.