

EWING TOWNSHIP BOARD OF EDUCATION

MERCER COUNTY, NEW JERSEY

AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS -

FINANCIAL, COMPLIANCE AND PERFORMANCE

FISCAL YEAR ENDED JUNE 30, 2015

EWING TOWNSHIP BOARD OF EDUCATION
MERCER COUNTY, NEW JERSEY
AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015

Prepared by

Gerard Stankiewicz, CPA, PSA

of the Firm

SAMUEL KLEIN AND COMPANY
36 West Main Street, Suite 303
Freehold, NJ 07728

TABLE OF CONTENTS

	<u>Page</u>
Report of Independent Auditors	1
Scope of Audit	2
Administrative Practices and Procedures:	
Insurance.....	2
Officials' Bonds.....	2
Financial Planning, Accounting and Reporting:	
Examination of Claims	2
Payroll Account.....	3
Unemployment Compensation Insurance Trust Fund	3
Reserve for Encumbrances and Accounts Payable	3
Classification of Expenditures.....	4
Travel Expenditures.....	4
Student Body Activities Funds	4
Board Secretary/School Business Administrator's Records	4
Treasurer's Records	4
Elementary and Secondary Education Act of 1965 (E.S.E.A.) as Reauthorized by No Child Left Behind Act of 2001	5
Other Special Federal and/or State Projects	5
T.P.A.F. Reimbursement	5
Expendable Trust Fund	5
School Purchasing Programs:	
Contracts and Agreements Requiring Advertisement for Bids.....	6
School Food Service	7
Application for State School Aid.....	8
Pupil Transportation	8
Recommendations.....	9
Follow-up on Prior Year's Findings	9
Acknowledgment.....	9
Schedule of Meal Count Activity	10
Schedule of Audited Enrollments.....	11-16
Excess Surplus Calculation	17-18
Net Cash Resource Schedule	19

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-9969
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

REPORT OF INDEPENDENT AUDITORS

Honorable President and Members
of the Board of Education
Borough of Ewing
Board of Education
County of Mercer, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Borough of Ewing School District in the County of Mercer for the year ended June 30, 2015, and have issued our report thereon dated December 1, 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 report is intended solely for the information of the Borough of Ewing Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
December 1, 2015

**ADMINISTRATIVE FINDINGS - FINANCIAL
COMPLIANCE AND PERFORMANCE
JUNE 30, 2015**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the Treasurer of School Monies, the activities of the Board of Education and the records of the various funds under the auspices of the Board of Education. This report is filed in conjunction with the District's Comprehensive Annual Financial Report (CAFR).

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on the Insurance Schedule contained in the Statistical Tables (Section) – Exhibit J-20, of the District's CAFR.

Officials' Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Jill Kristine Liedtka	Treasurer of School Monies	\$ 360,000.00 (A)

(A) Selective Insurance Company of America:
There is a Public Employees Faithful Performance Blanket Position Bond.

The Board Secretary/Business Administrator, effective July 1, 2014, was not specifically bonded as had been the case in the past while not statutorily required it would be in the best interest of the District. However, coverage was obtained effective July 1, 2015.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under audit was made as to affidavit or signed declaration, proper itemization and proper authorization by officials. The Board's voucher system is in accordance with R.S. 18:6-34, which requires a signed declaration by the vendor in place of an affidavit. In addition, all vouchers are signed by the Board Secretary. The actual signature for receipt of goods or services rendered is on the receiving copy of the purchase order set, which is attached to the purchase order filed by appropriation number. All claims approved for payment are listed by fund total in the Minutes.

**ADMINISTRATIVE FINDINGS - FINANCIAL
COMPLIANCE AND PERFORMANCE (CONTINUED)**
JUNE 30, 2015

Financial Planning, Accounting and Reporting (Continued)

Payroll Account

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

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

Compensation records were tested, and for those individuals examined; it was determined that salaries paid were in accordance with the amounts authorized by the Board.

Salary withholdings were promptly remitted to the proper agencies.

The Board utilizes a payroll service bureau to process all of its payroll transactions, inclusive of the net pay and the payroll agency (withholdings) fund; however, the bureau does not have authority over any funds that responsibility remains with the Board. The payroll service bureau is not required to provide the report on their internal controls in accordance with the AICPA Statement on Standards for Attestation Engagement Number 16 (SSAE #16), "Report on Internal Controls of Service Organizations".

Unemployment Compensation Insurance

The Board pays quarterly based on the rates established by the State of New Jersey through the general fund budget appropriation for unemployment.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, 2015 for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders existed for proper classification of orders as reserved for encumbrances and accounts payable.

**ADMINISTRATIVE FINDINGS - FINANCIAL
COMPLIANCE AND PERFORMANCE (CONTINUED)**
JUNE 30, 2015

Financial Planning, Accounting and Reporting (Continued)

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2(g) as part of our test of transactions of randomly selected expenditure items. We also examined 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-2.4. As a result of the procedures performed, no transaction error rate was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Travel Expenditures

Travel expenditures were tested and found to be in compliance with N.J.A.C. 6A:23A-7.1.

Student Body Activities Funds

High School, Middle School and Elementary Schools

Cash receipts and cash disbursements records were maintained in satisfactory condition.

All receipts were promptly deposited in the bank.

A test check of bills and invoices was made to the cash disbursements records.

Board Secretary/School Business Administrator's Records

Our review of the financial and accounting records maintained by the Board Secretary revealed that the records were maintained properly.

Acknowledgment of the Board's receipt of the Board Secretary's report was included in the minutes.

Treasurer's Records

The Treasurer's records were found to be maintained properly.

Acknowledgment of the Board's receipt of the Treasurer's report was included in the minutes.

**ADMINISTRATIVE FINDINGS - FINANCIAL
COMPLIANCE AND PERFORMANCE (CONTINUED)**
JUNE 30, 2015

Financial Planning, Accounting and Reporting (Continued)

Elementary and Secondary Education Act of 1965 (E.S.E.A.) as Reauthorized by No Child Left Behind (NCLB) Act of 2001

The NCLB financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the project under Title I, II-A and III of the Elementary and Secondary Education Act.

The study of compliance for NCLB indicated no matters of noncompliance and/or questioned costs.

The District had undergone a compliance audit of its NCLB and IDEA programs for 2012-2013 and 2013-2014; the results of which were all addressed by the District in the required format.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on the Schedules of Federal and State Financial Assistance 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.

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.

T.P.A.F. Reimbursement

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

Expendable Trust Fund

The account appears to have been properly administered.

ADMINISTRATIVE FINDINGS - FINANCIAL
COMPLIANCE AND PERFORMANCE (CONTINUED)
JUNE 30, 2015

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2005 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-3 and 18A:39-3 are \$26,000 and \$17,500, respectively.

After January 1, 2006 as a result of the adoption of P.L. 2004, Chapter 19 (as amended by P.L. 2005, c.51), the Local Public Contract Law threshold was reduced to \$17,500 for window contracts (\$17,500 to \$21,000/\$29,000).

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

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

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.

The results of our examination indicated that no individual payments, contracts or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

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

The minutes indicate that bids were advertised for the following:

Running Track and Turf Improvements	Transportation Contracts
Lease Purchase Interest Rate	Custodial Supplies

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 did reveal however, purchases were made through the use of State contracts:

Computer Supplies	School Supplies
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**ADMINISTRATIVE FINDINGS - FINANCIAL
COMPLIANCE AND PERFORMANCE (CONTINUED)**
JUNE 30, 2015

Contracts and Agreements Requiring Advertisement for Bids (Continued)

Purchase of supplies were also made through Middlesex Regional Educational Service Commission authorized purchasing and bidding cooperative, of which, there is significant participation of New Jersey school districts.

School Food Service

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

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served did not exceed the number of valid applications on file, times the number of operating days, on a school by school basis. The free and reduced price meals and free milk policy is uniformly administered throughout the School System. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions were noted.

The Board manages the food service program. We examined, on a test basis, their expenditures for separate recording of food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used.

All employees of the food service fund are hired by the District. Timesheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education. No exceptions were noted.

Exhibits reflecting child nutrition program operations are included in Section B of the CAFR.

The District is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34 and 19-1 through 19-4.1. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. Net cash resources did not exceed three months average expenditures.

Food Distribution Program commodities were received during the period of audit. Inventory records on commodities are being maintained. The value of U.S.D.A. commodities received during 2014-2015 was \$98,616.71.

ADMINISTRATIVE FINDINGS - FINANCIAL
COMPLIANCE AND PERFORMANCE (CONTINUED)
JUNE 30, 2015

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2014 Application for State School Aid (ASSA) for on-roll, private schools for the handicapped, low-income and bilingual. We also performed a review of the district procedures related to its completion. The information on the ASSA was compared to the district workpapers. 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 has written procedures for the recording of student enrollment data.

Pupil Transportation

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

RECOMMENDATIONS
JUNE 30, 2015

None

FOLLOW-UP ON PRIOR YEAR'S FINDINGS

2014-1: It is recommended that the capital assets detailed schedules be updated for all acquisitions and deletions.

This recommendation has been substantially implemented during 2014-2015.

ACKNOWLEDGMENT

We received the complete cooperation of all the officials of the School District and we greatly appreciate the courtesies extended to us.

Respectfully submitted,



Gerard Stankiewicz
Certified Public Accountant
Public School Accountant #912

For The Firm
SAMUEL KLEIN AND COMPANY

**BOARD OF EDUCATION
EWING TOWNSHIP, COUNTY OF MERCER
SCHEDULE OF MEAL COUNT ACTIVITY
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>Over (Under)-Claim</u>
National School Lunch (Regular Rate)	Paid	133,729	133,729	133,729	-	.28/.04	
	Reduced	44,863	44,863	44,863	-	2.58/.055	
	Free	176,511	176,511	176,511	-	2.98/.055	
	Total	355,103	355,103	355,103	-		
School Breakfast (Severe Needs Rate)	Paid	24,280	24,280	24,280	-	0.28	
	Reduced	6,268	6,268	6,268	-	1.63	
	Free	33,534	33,534	33,534	-	1.93	
	Total	64,082	64,082	64,082	-		
School Breakfast (Regular Rate)	Paid	898	898	898	-	0.28	
	Reduced	71	71	71	-	1.32	
	Free	247	247	247	-	1.62	
	Total	1,216	1,216	1,216	-		

**BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014**

	2015-2016 Application for State School Aid						Sample for Verification					
	Reported on A.S.S.A. On Roll		Report on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool 3yrs	10		10				1		1			
Half Day Preschool 4 yrs	9		9				1		1			
Full day Kindergarden	249		249				21		21			
One	260		260				22		22			
Two	249		249				21		21			
Three	225		225				19		19			
Four	192		192				16		16			
Five	195		195				16		16			
Six	239		239				20		20			
Seven	216		216				18		18			
Eight	238		238				20		20			
Nine	248		248				21		21			
Ten	254	1	254	1			21		21			
Eleven	185	19	185	19			16		16			
Twelve	221	29	221	29			19		19			
Subtotal	<u>2,990</u>	<u>49</u>	<u>2,990</u>	<u>49</u>			<u>252</u>		<u>252</u>			
Special Ed-Elementary	213		213				18		18			
Special Ed-Middle	178		178				15		15			
Special Ed-High School Sent to CSSD	186	26	186	26			16		16			
Subtotal	<u>577</u>	<u>26</u>	<u>577</u>	<u>26</u>			<u>49</u>		<u>49</u>			
Home Instruction												
Totals	<u>3,567</u>	<u>75</u>	<u>3,567</u>	<u>75</u>			<u>301</u>		<u>301</u>			
Percentage Error					<u>0.00%</u>	<u>0.00%</u>					<u>0.00%</u>	<u>0.00%</u>

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

	Low Income Lunch			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool 3yrs						
Half Day Preschool 4 yrs						
Full day Kindergarten	112	112		15	15	
One	115	115		16	16	
Two	112	112		16	16	
Three	96	96		12	12	
Four	94	94		12	12	
Five	81	81		11	11	
Six	130	130		16	16	
Seven	79	79		9	9	
Eight	105	105		17	17	
Nine	103	103		13	13	
Ten	115	115		15	15	
Eleven	83	83		11	11	
Twelve	99	99		13	13	
Subtotal	<u>1,324</u>	<u>1,324</u>		<u>176</u>	<u>176</u>	
Special Ed-Elementary	111	111		13	13	
Special Ed-Middle	112	112		16	16	
Special Ed-High School Sent to CSSD	99	99		12	12	
Subtotal	<u>322</u>	<u>322</u>		<u>41</u>	<u>41</u>	
Home Instruction						
Totals	<u>1,646</u>	<u>1,646</u>		<u>217</u>	<u>217</u>	
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

	<u>Private Schools for Handicapped</u>				<u>Private Schools - Related Services</u>		
	<u>Reported on A.S.S.A. as Private Schools</u>	<u>Sample for Verification</u>	<u>Sample Verified</u>	<u>Sample Errors</u>	<u>Sample for Verification</u>	<u>Sample Verified</u>	<u>Sample Errors</u>
Half Day Preschool 3yrs							
Half Day Preschool 4 yrs							
Full day Kindergarden							
One							
Two							
Three							
Four							
Five							
Six							
Seven							
Eight							
Nine							
Ten							
Eleven							
Twelve							
Subtotal							
Special Ed-Elementary	5	5	5				
Special Ed-Middle	3	3	3				
Special Ed-High School Sent to CSSD	13	13	13				
Subtotal	<u>21</u>	<u>21</u>	<u>21</u>				
Home Instruction							
Totals	<u>21</u>	<u>21</u>	<u>21</u>				
Percentage Error				<u>0.00%</u>			<u>0.00%</u>

**BOARD OF EDUCATION
TOWNSHIP OF EWING SCHOOL DISTRICT
COUNTY OF MERCER
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014**

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as Low Income</u>	<u>Reported on Workpapers as Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Half Day Preschool 4 Years Old						
Half Day Kindergarten						
Full Day Kindergarten	6	6		6	6	
One	4	4		4	4	
Two	8	8		8	8	
Three	2	2		2	2	
Four						
Five	2	2		2	2	
Six						
Seven	1	1		1	1	
Eight	3	3		3	3	
Nine	1	1		1	1	
Ten	2	2		2	2	
Eleven						
Twelve	1	1		1	1	
Sent to CSSD						
Regional Day School						
Subtotal	<u>30</u>	<u>30</u>		<u>30</u>	<u>30</u>	
Sp. Ed - Elementary	1	1		1	1	
Sp. Ed - Middle						
Sp. Ed - High School						
Subtotal	<u>1</u>	<u>1</u>		<u>1</u>	<u>1</u>	
Regional Day School						
Totals	<u>31</u>	<u>31</u>		<u>31</u>	<u>31</u>	
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**BOARD OF EDUCATION
TOWNSHIP OF EWING SCHOOL DISTRICT
COUNTY OF MERCER
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014**

	<u>Reduced - Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as Low Income</u>	<u>Reported on Workpapers as Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Half Day Preschool 4 Years Old						
Half Day Kindergarten						
Full Day Kindergarten	12	12		12	12	
One	9	9		9	9	
Two	7	7		7	7	
Three	4	4		4	4	
Four	5	5		5	5	
Five	2	2		2	2	
Six	4	4		4	4	
Seven	2	2		2	2	
Eight	5	5		5	5	
Nine	3	3		3	3	
Ten	4	4		4	4	
Eleven	2	2		2	2	
Twelve	2	2		2	2	
Sent to CSSD						
Regional Day School						
Subtotal	<u>61</u>	<u>61</u>		<u>61</u>	<u>61</u>	
Sp. Ed - Elementary	4	4		4	4	
Sp. Ed - Middle	1	1		1	1	
Sp. Ed - High School						
Subtotal	<u>5</u>	<u>5</u>		<u>5</u>	<u>5</u>	
Regional Day School						
Totals	<u>66</u>	<u>66</u>		<u>66</u>	<u>66</u>	
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**BOARD OF EDUCATION
 EWING TOWNSHIP SCHOOL DISTRICT
 COUNTY OF MERCER
 SCHEDULE OF AUDITED ENROLLMENTS
 APPLICATION FOR STATE SCHOOL AID SUMMARY (CONTINUED)
 ENROLLMENT AS OF OCTOBER 15, 2014**

Resident Enrollment Details & SLD			
	<u>On A.S.S.A.</u>	<u>Auditor</u>	<u>Errors</u>
Regular Students:			
Regular - Public Schools	1,335.5	1,335.5	
Vocational School Students	74.5	74.5	
Charter School Students	17.0	17.0	
Non-Public School Students	177.0	177.0	
AIL Non-Public School Students	171.0	171.0	
Special Education - Public School Students	69.0	69.0	
Private School for Students with Disabilities and Other School Students	1.0	1.0	_____
Total Regular Students	1,845.0	1,845.0	_____
Percentage Error			0%
	<u>On A.S.S.A.</u>	<u>Auditor</u>	<u>Errors</u>
Special Students:			
Public School Students With Special Needs	18.0	18.0	
Private School Handicapped With Special Needs	4.0	4.0	
Out of District Public School Students Without Special Needs	16.0	16.0	
Out of District Private school for Handicapped W/O special needs	30.0	30.0	_____
Total Special Students	68.0	68.0	_____
Percentage Error			0%
Totals	1,913	1,913	
		<u>Originally Reported On DRTRS</u>	<u>Verified by Auditor</u>
Average mileage, including grade PK students		4.62	4.62
Average mileage - regular, including grade PK students		4.62	4.62
Average mileage - special education/special needs		10.00	10.00
Average mileage - courtesy		1.60	1.60

BOARD OF EDUCATION
EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER
FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

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>68,023,937.97</u> (B)	
Increased by:		
Transfer to Food Service Fund	\$ _____ (B1a)	
Transfer from Capital Outlay to Capital Projects Fund	\$ _____ (B1b)	
Transfer from General Fund to SRF for PerK-Regular	\$ _____ (B1c)	
Transfer from General Fund to SRF for PerK-Inclusion	\$ _____ (B1d)	
Decreased by:		
On-Behalf TPAF Pension & Social Security	\$ <u>5,758,929.90</u> (B2a)	
Assets Acquired Under Capital Leases	_____ (B2b)	
Adjusted 2014-15 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ <u>62,265,008.07</u> (B3)	
2% of Adjusted 2014-15 General Fund Expenditures [(B3) times .02]	\$ <u>1,245,300.16</u> (B4)	
Enter Greater of (B4) or \$250,000	\$ <u>1,245,300.16</u> (B5)	
Increased by: Allowable Adjustment*	\$ _____ (K)	
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]	\$ <u>1,245,300.16</u> (M)	

SECTION 2

Total General Fund - Fund Balances @ 6-30-2015 (Per CAFR Budgetary Comparison Schedule-C1)	\$ <u>7,881,406.28</u> (C)	
Decreased by:		
Year-end Encumbrances	\$ <u>183,995.57</u> (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ <u>1,300,000.00</u> (C2)	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>1,300,000.00</u> (C3)	
Other Restricted Fund Balances ****	\$ <u>3,808,594.07</u> (C4)	
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ <u>43,516.52</u> (C5)	
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ <u>1,245,300.12</u> (U1)	

SECTION 3

Restricted Fund Balance - Excess Surplus***[(U1)-(M)] IF NEGATIVE ENTER -0-	\$ <u>1,300,000.00</u> (E)
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**BOARD OF EDUCATION
 EWING TOWNSHIP SCHOOL DISTRICT
 COUNTY OF MERCER
 FISCAL YEAR ENDED JUNE 30, 2015
 (UNAUDITED)**

Recapitulation of Excess Surplus as of June 30, 2015

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 1,300,000.00 (C3)
Reserved Excess Surplus***[(E)]	\$ 1,300,000.00 (E)
 Total Excess Surplus [(C3) + (E)]	 \$ <u>2,600,000.00</u> (D)

Footnotes:

* This adjustment line (as detailed below) is to be utilized when applicable for: Impact Aid; Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10), Extraordinary Aid; Additional and Nonpublic School Transportation Aid; and recognized current year School Bus Advertising Revenue. Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid and Additional Nonpublic School Transportation Aid).

Detail of Allowable Adjustments

Impact Aid	\$		(H)
Sale & Lease-back	\$		(I)
Extraordinary Aid	\$		(J1)
Additional Nonpublic School Transportation Aid	\$		(J2)
Current Year School Bus Advertising Revenue Recognized	\$		(J3)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)]	\$		(K)

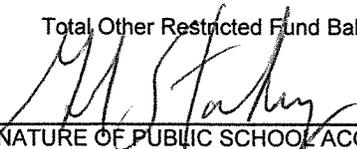
** This amount represents the June 30, 2015 Excess Surplus (C3 above) and must be included in the Audit Summary Line 90031.

*** Amount must agree to the June 30, 2015 CAFR and must agree to Audit Summary Line 90030.

**** Amount for Other Restricted Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by an other type of government, such as the judicial branch of government, must have departmental approval. District requests should be submitted to the Division of Administration and Finance prior to September 30.

Detail of Other Restricted Fund Balance

Statutory restrictions:			
Approved unspent separate proposal	\$		
Sale/lease-back reserve	\$		
Capital reserve	\$	2,000,000.00	
Maintenance reserve	\$	1,308,594.03	
Emergency reserve	\$	500,000.00	
Tuition reserve	\$		
School Bus Advertising 50% Fuel Offset Reserve - current year	\$		
School Bus Advertising 50% Fuel Offset Reserve - prior year	\$		
Other state/government mandated reserve	\$		
[Other Reserved Fund Balance not noted above]****	\$		
 Total Other Restricted Fund Balance	 \$	 3,808,594.03	 (C4)



 SIGNATURE OF PUBLIC SCHOOL ACCOUNTANT

CPA, PSA #912

Date: December 1, 2015

EWING TOWNSHIP SCHOOL DISTRICT
COUNTY OF MERCER, NEW JERSEY

NET CASH RESOURCE SCHEDULE

Net Cash Resources Did Not Exceed Three Months of Expenditures
Proprietary Funds - Food Service
FYE 2015

<u>Net Cash Resources:</u>		Food Service	
		B - 4/5	
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 132,183
B-4		Due from Other Gov'ts	154,859
B-4		Accounts Receivable	40,927
B-4		Investment	-
CAFR		Current Liabilities	
B-4		Less Accounts Payable	29,279
B-4		Less Accruals	
B-4		Less Due to Other Funds	
B-4		Less Deferred Revenue	<u>16,477</u>
		Net Cash Resources	<u>\$ 282,212 (A)</u>
 <u>Net Adj. Total Operating Expense:</u>			
B-5		Total Operating Expense	1,625,960
B-5		Less Depreciation	<u>8,166</u>
		Adj. Total Operating Expense	<u>\$ 1,617,794 (B)</u>
 <u>Average Monthly Operating Expense:</u>			
		B / 10	<u>\$ 161,779 (C)</u>
 <u>Three Times Monthly Average:</u>			
		3 X C	<u>\$ 485,338 (D)</u>

TOTAL IN BOX A	\$ 282,212
LESS TOTAL IN BOX D	\$ 485,338
NET	<u>\$ (203,126)</u>
From above:	
A is greater than D, cash exceeds 3 X average monthly operating expenses.	
D is greater than A, cash does not exceed 3 X average monthly operating expenses.	

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

SOURCE - USDA resource management comprehensive review form