

**BOARD OF EDUCATION
HACKETTSTOWN SCHOOL DISTRICT
AUDITORS MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS, FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2015**

AUDITORS MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS-FINANCIAL, COMPLIANCE AND PERFORMANCE

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Federal Identification Number 22-6001846

Certified Public Accountant
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November 24, 2015

Honorable President and Members
of the Board of Education
Hackettstown School District
County of Warren, 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 Hackettstown School District in the County of Warren for the year ended June 30, 2015, and have issued our report thereon dated November 24, 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 for the information of the Hackettstown 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.

Sincerely,



William M. Colantano, Jr.
Public School Accountant
No. CS 0128

SCOPE OF AUDIT

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

SCHOOL PURCHASING PROGRAMS

Contracts and Agreements Requiring Advertisement for Bids

NJSA 18A:18A-3 States:

- A. "Any purchase, contract or agreement for the performance of any work or the furnishing or hiring of materials or supplies, the cost or price of which, together with any other sums expended or foreseeably to be expended for the performance of any work or services in connection with the same project or the furnishing of similar materials or supplies during the same fiscal year paid with or out of school funds, does not exceed the total sum of \$7,500 or the amount determined pursuant to subsection B. of this section, in the fiscal year or, in the case of purchases that are not annually recurring, in a period of one year may be made, negotiated and awarded by a contracting agent when so authorized by resolution of the board of education without public advertising for bids and bidding therefore."
- B. "Commencing January 1, 1983 and every two years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount set forth in subsection A. of this section in direct proportion to the rise or fall of the consumer price index for all urban consumers in the New York City and the Philadelphia area as reported by the United States Department of Labor. The Governor shall notify all Local school districts of the adjustment. The adjustment shall become effective on July 1, of the year in which it is reported."

NJSA 18A:18A:-4 States:

"Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of school funds, not included within the terms of NJSA 18A:18A-3, shall be made and awarded only by the board of education after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or calculated by the Governor pursuant to NJSA 18A:18A-3 except by contract or agreement."

Effective April 17, 2000, NJSA 18A:18A (Public School Contracts Law) was revised by PL 1999 Ch 440. The associated rules were drafted by the Department of Local Government Services of the State of New Jersey, with consultation from the Commissioner of Education of New Jersey.

Effective July 1, 2015 and thereafter, the bid thresholds in accordance with NJSA 18A:18A-3 (as amended) and 18A:39-3 are \$29,000 and \$18,800 respectively.

In accordance with 18A:18A-3a and NJAC 5:34-5 et seq. the Board of Education has appointed a "Qualified Purchasing Agent" which allows the Board of Education to increase the bid threshold and to grant the authorization to negotiate contracts below the bid threshold.

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

SCHOOL PURCHASING PROGRAMS (Cont'd)

Contracts and Agreements Requiring Advertisement for Bids (Cont'd)

Our examination of the minutes indicated that contracts were awarded for the following:

Transportation	Internet Service
Contracted Services	Construction Services
Fixed Asset Appraisal Services	Visitor/Student Tracking System
Food Service Management Services	

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. Expenditures 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 threshold where there had been no advertising for bids in accordance with the provision of NJSA 18A:18A-4.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per NJSA 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 State Department of Purchase and Property pursuant to Chapter 114, PL 1977, therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal, however, that the following purchases were made through the use of state contracts:

Furniture
Online Actions
Copier Rentals
Custodial Supplies
Instructional Supplies
Technology Equipment/Supplies

Purchases were also made through cooperative agreements for the following:

Transportation	Natural Gas
Teaching Supplies	Furniture
Electric Generation	Custodial Supplies
Telecommunication Services	Auditorium Curtains
Driveway/Parking Lot Repairs	Technology Supplies/Equipment

ADMINISTRATIVE PRACTICES AND PROCEDURES

Insurance

Fire and other insurance coverage evidenced by policies was carried in the amounts as reflected in the Insurance Schedule included in the District's Comprehensive Annual Financial Report.

Adequacy of insurance coverage is the responsibility of the Board of Education.

ADMINISTRATIVE PRACTICES AND PROCEDURES (Cont'd)

Official Bonds (NJSA 18A:17-26 18A:17-32)

Surety bond coverage in force during the period was:

<u>Name of Employee</u>	<u>Position</u>	<u>Amount</u>
Gail Woicekowski	Secretary/Business Administrator	\$ 250,000

FINANCIAL PLANNING, ACCOUNTING AND REPORTINGExamination of Claims

An examination of claims paid during the period under review indicated nominal discrepancies with respect to signatures, certification or supporting documentation.

Finding: Receiving signatures were not evident on all payment forms verifying receipt of goods or services rendered.

Criteria: Payment forms should include a section where someone with knowledge of the facts signs that goods or services rendered were received.

Condition: Receiving signatures were not found on several payment vouchers selected for testing.

Cause: The method of processing payments did not include verifying that receiving signatures were evident.

Effect: Payments were made without someone having knowledge of the facts signing that goods or services rendered were received.

Recommendation: 2005-1 Receiving signatures should be evident on all payment forms verifying the receipt of goods or services rendered

Finding: The bookkeeping records for the payroll agency account were not maintained accurately, which resulted in remittances not being made timely to vendors and errors in tracking the detail of payroll agency activity.

Criteria: A properly maintained bookkeeping system would ensure that activity within the payroll agency bank account would be summarized accurately.

Condition: Payroll withholdings and related remittances were not in agreement and some withholdings were not remitted timely. Also, pension activity in the bookkeeping system did not reflect actual payroll activity.

Cause: The method of summarizing the payroll agency account did not accurately reflect activity.

Effect: Payroll withholdings for the district were not remitted timely or accurately in some instances.

Recommendation: 2015-2 The bookkeeping records for the payroll agency account. should be maintained accurately.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (Cont'd)

Other Special Federal and/or State Projects

Special Federal and State Projects of the District are reflected on schedules K-3 and K-4 included in the Comprehensive Annual Financial Report.

Our examination of the Special Projects, 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 contained within the CAFR represent a true statement of the financial position pertaining to the aforementioned special projects.

Payroll Account

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

Payrolls were approved by the Chief School Administrator and were certified by the President of the Board and the Board Secretary/School Business Administrator.

Salary withholdings were remitted to the proper agencies.

Reserve for Encumbrances, Liability (Current) for Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, 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.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with NJAC 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 NJAC 6A:23A-8.2. As a result of the procedures performed, a nominal transaction error rate was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (Cont'd)

Board Secretary's Accounting Records

The records of the Board Secretary were maintained in good order.

Treasurer's Records

Per PL 2010, Ch 39 the position of Treasurer was made optional. The Board of Education has opted not to appoint a Treasurer for the District. The records of individuals performing the duties of this position have been reviewed and those records have been maintained in good order.

Unemployment Compensation Insurance Trust Fund

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund.

TPAF (Social Security) Reimbursement

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

SCHOOL FOOD SERVICE

Food Service Fund

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.

Cash receipts and bank records were reviewed for timely deposit.

The District utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with NJSA 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 generate a profit of \$25,000. The operating results provision has been met.

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

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 non-profit status of the school food service. Net cash resources exceeded three months average expenditures.

Finding: The District's net cash resources for the Food Service Fund exceeded three months average expenditures.

Suggestion: The District should take measures to reduce the net cash resources of their Food Service program to an acceptable level as per state regulations.

SCHOOL FOOD SERVICE (Cont'd)Food Service Fund (cont'd)

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted and certified in a timely manner.

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 and/or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review.

Food Distribution Program commodities were received and a single 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 Enterprise Funds, Section G of the CAFR.

Schedule of Meal Count Activity

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over)/ Under Claim</u>
National School Lunch	Paid	50,880	50,880	-0-	\$.32	\$ -0-
	Reduced	6,887	6,887	-0-	2.635	-0-
	Free	42,732	42,732	-0-	3.035	-0-
HHFKA Aid		100,499	100,499	-0-	.06	-0-
Breakfast-Severe Needs Rate	Paid	9,356	9,356	-0-	.28	-0-
	Reduced	1,081	1,081	-0-	1.63	-0-
	Free	10,785	10,785	-0-	1.93	-0-
Breakfast-Regular Rate	Paid	1,616	1,616	-0-	.28	-0-
	Reduced	285	285	-0-	1.32	-0-
	Free	3,510	3,510	-0-	1.62	-0-
Milk Program	Paid	49	49	-0-	.2025	-0-
	Free	4	4	-0-	.2475	-0-

APPLICATION FOR STATE SCHOOL AID

Our audit procedures included a test of the information reported in the October 15, 2014 Application for State School Aid (ASSA) Data Listing for on-roll, private schools for the handicapped, and transportation. We also performed a review of the district procedures related to its completion. The information on the data listing was compared to the district work papers with some exceptions. The information that was included on the work papers was verified with no exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

The district maintained work papers on the prescribed state forms or their equivalent.

The district has adequate written procedures for the recording of student enrollment data.

PUPIL TRANSPORTATION

Our audit procedures included a test of on roll status reported in the 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 with no 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.

SCHEDULE OF FINDINGS OF NONCOMPLIANCE

There were no findings of noncompliance as a result of this audit pertaining to federal or state financial assistance.

TPAF REIMBURSEMENT TO THE STATE FOR FEDERAL SALARY EXPENDITURES

No reimbursement is due to the State to reimburse for the TPAF/FICA payments made by the State on-behalf of the District. The District had no employees with applicable salaries identified as being paid from federal funds.

OTHER MATTERS

Finding: Receipts collected for high school student activities were occasionally not deposited timely.

Criteria: Receipts should be deposited in a timely manner to ensure that they are not at risk for theft, misplacement or destruction.

Condition: Several receipts were not deposited to the bank in a timely manner.

Cause: Procedures in place to ensure receipts are deposited in a timely manner within the District were not effective.

Effect: Some receipts collected for high school student activities were at risk for theft, misplacement or destruction for a period of time before they were deposited

Recommendation: 2015-3. Procedures should be implemented to ensure that all receipts collected for the high school student activity funds are deposited timely.

HACKETTSTOWN SCHOOL DISTRICT
NET CASH RESOURCES SCHEDULE

Net cash resources did exceed three months of expenditures
Proprietary Funds - Food Service
Fiscal Year Ending 6/30/15

<u>Net Cash Resources:</u>		Food Service Sch. B-4;B-5	
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	118,923
B-4		Interfunds Receivable	22,555
B-4		Accounts Receivable	15,712
CAFR		Current Liabilities	
B-4		Less Accounts Payable	-
B-4		Less Accruals	-
B-4		Less Due to Other Funds	-
B-4		Less Unearned Revenue	<u>(5,749)</u>
		Net Cash Resources	<u>\$ 151,441 (A)</u>

Net Adj. Total Operating Expense:

B-5		Tot. Operating Exp.	411,479
B-5		Less Depreciation	<u>(8,127)</u>
		Adj. Tot. Oper. Exp.	<u>\$ 403,352 (B)</u>

Average Monthly Operating Expense:

B / 10 \$ 40,335.0 (C)

Three times monthly Average:

3 X C \$ 121,005 (D)

TOTAL IN BOX A	\$ 151,441.00
LESS TOTAL IN BOX D	\$ (121,005.00)
NET	<u>\$ 30,436.00</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.

HACKETTSTOWN SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

SCHEDULE OF AUDITED ENROLLMENTS

	2015-2016 Application for State School Aid						Sample for Verification				Private Schools for Disabled						
	Reported on ASSA On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on ASSA as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Half Day Preschool Age 3																	
Full Day Preschool Age 3																	
Half Day Preschool Age 4																	
Full Day Preschool Age 4																	
Half Day Kindergarten																	
Full Day Kindergarten	114		114				16		16								
One	107		107				24		24								
Two	88		88				13		13								
Three	105		105				15		15								
Four	86		86				12		12								
Five	82		82				12		12								
Six	79		79				11		11								
Seven	72		72				10		10								
Eight	87		87				13		13								
Nine	195		195				28		28								
Ten	201		201				28		28								
Eleven	199		199				29		29								
Twelve	194		194				28		28								
Post-Graduate																	
Adult HS (15+CR)																	
Adult HS (1-14CR)																	
Subtotal	1609	-	1609	-	-	-	239	-	239	-	-	-	-	-	-	-	-
Special Education-Elementary	93		92		1		13		13				3	3	3		
Special Education-Middle	53		52		1		7		7								
Special Education-High School	132		132				19		19				7	7	7		
Subtotal	278	-	276	-	2	-	39	-	39	-	-	-	10.0	10.0	10.0	-	-
County Vocational-Regular																	
County Vocational-Full Time Post Sec																	
Totals	1887	-	1885	-	2	-	278	-	278	-	-	-	10.0	10.0	10.0	-	-
Percentage Error					0.11%	0.00%						0.00%	0.00%				0.00%

HACKETTSTOWN SCHOOL DISTRICT
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2014
 (Continued)

SCHEDULE OF AUDITED ENROLLMENTS

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application & Register	Sample Errors	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score & Register	Sample Errors
Half Day Preschool Age 3												
Full Day Preschool Age 3												
Half Day Preschool Age 4												
Full Day Preschool Age 4												
Half Day Kindergarten												
Full Day Kindergarten	34	35	(1)	17	17		10	10		9	9	
One	30	30		14	14		15	15		10	10	
Two	26	26		14	14		7	7		5	5	
Three	27	27		13	13		8	8		6	6	
Four	21	21		11	11		1	1				
Five	20	20		10	10							
Six	17	17		8	8		3	3		3	3	
Seven	18	18		9	9		2	2		1	1	
Eight	25	26	(1)	13	13		2	5	(3)	2	2	
Nine	33	33		17	17		13	13		12	12	
Ten	29	29		16	16		1	1		1	1	
Eleven	22	22		12	12							
Twelve	16	16		8	8							
Post-Graduate												
Adult HS (15+CR)												
Adult HS (1-14CR)												
Subtotal	<u>318</u>	<u>320</u>	<u>(2)</u>	<u>162</u>	<u>162</u>	<u>-</u>	<u>62</u>	<u>65</u>	<u>(3)</u>	<u>49</u>	<u>49</u>	<u>-</u>
Special Education-Elementary	38	37	1	17	17		5	5		4	4	
Special Education-Middle	18	17	1	9	9							
Special Education-High School	20	20		8	8							
Subtotal	<u>76</u>	<u>74</u>	<u>2</u>	<u>34</u>	<u>34</u>	<u>-</u>	<u>5</u>	<u>5</u>	<u>-</u>	<u>4</u>	<u>4</u>	<u>-</u>
County Vocational-Regular												
Cty Vocational-F/T Post Sec.												
Totals	<u>394</u>	<u>394</u>	<u>-</u>	<u>196</u>	<u>196</u>	<u>-</u>	<u>67</u>	<u>70</u>	<u>(3)</u>	<u>53</u>	<u>53</u>	<u>-</u>
Percentage			<u>0.00%</u>			<u>0.00%</u>			<u>-4.48%</u>			<u>0.00%</u>

HACKETTSTOWN SCHOOL DISTRICT
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2014
 (Continued)

SCHEDULE OF AUDITED ENROLLMENTS

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA as Not Low Income	Reported on Workpapers as Not Low Income	Errors	Sample Selected from Workpapers	Verified to Application & Register	Sample Errors
Full Day Kindergarten	2	1	1			
Grade 1	1	1		1	1	
Grade 2	1	1		1	1	
Grade 3	2	2		1	1	
Grade 5	1		1			
Grade 6	1	1		1	1	
Grade 8	1		1			
Grade 9	2	2		2	2	
Totals	11	8	3	6	6	-
			27.27%			0.00%
	Transportation					
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Sample Errors
Students-PK						
Regular- Public Schools	2	2		2	2	
Special Education- Public School Students	10	10		8	8	
Special Education- Public School Students With Special Needs	21	21		18	18	
Vocational School						
Aid In Lieu Non Public						
Charter School	1	1		1	1	
Non Public						
CSPP Charter School						
Out of District Private School-Without Special Needs	5	5		5	5	
Out of District Private School-With Special Needs	6	2		2	2	
Out of District Public School-Without Special Needs	2	6		6	6	
	47	47	-	42	42	-
Percentage			0.00%			0.00%

EXCESS SURPLUS CALCULATION

SECTION 1

2% Calculation of Excess Surplus

2014-2015 Total General Fund Expenditures Per the CAFR, Exhibit C-1	\$ 29,560,368	(B)	
Recapitulation of Excess Surplus as of June 30, 2011			
Increased by:			
Transfer from Capital Outlay to Capital Projects Fund	-	(B1a)	
Transfer from Capital Reserve to Capital Projects Fund	132,856	(B1b)	
Transfer from General Fund to SRF for PreK-Regular	-	(B1c)	
Transfer from General Fund to SRF for PreK-Inclusion	-	(B1d)	
Transfer to Unemployment Compensation Fund	-	(B1e)	
Decreased by:			
On-Behalf TPAF Pension & Social Security	2,827,575	(B2a)	
Assets Acquired Under Capital Leases	-	(B2b)	
Adjusted 2014-2015 General Fund Expenditures [(B)+(B1s)-(B2s)]	<u>\$ 26,865,649</u>	(B3)	
2% of Adjusted 2014-2015 General Fund Expenditures [(B3) Times .02]	\$ 537,313	(B4)	
Enter Greater of (B4) or \$250,000	537,313	(B5)	
Increased by: Allowable Adjustment	<u>78,517</u>	(K)	
Maximum Unassigned Fund Balance [(B5)+(K)]			<u>\$ 615,830 (M)</u>

SECTION 2

Total General Fund-Fund Balances @ 06/30/2015 (Per CAFR Budgetary Comparison Schedule C-1)	\$ 5,983,190	(C)	
Decreased by:			
Year-end Encumbrances	910,205	(C1)	
Legally Restricted-Designated for Subsequent Year's Expenditures	-	(C2)	
Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures	-	(C3)	
Other Restricted Fund Balances	3,969,747	(C4)	
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	<u>375,000</u>	(C5)	
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]			<u>\$ 728,238 (U)</u>

EXCESS SURPLUS CALCULATION
(Continued)

SECTION 3

Restricted Fund Balance-Excess Surplus [(U)-(M)] if Negative Enter -0-	<u>\$ 112,408</u>	(E)
<u>Recapitulation of Excess Surplus as of June 30, 2015</u>		
Restricted Excess Surplus-Designated for Subsequent Year's Expenditures	\$ -	(C3)
Restricted Excess Surplus	<u>112,408</u>	(E)
 Total Excess Surplus [(C3) + (E)]	 <u>\$ 112,408</u>	 (D)

Detail of Allowable Adjustments

Impact Aid	\$ -	(H)
Sale and Lease Back	-	(I)
Extraordinary Aid	78,517	(J1)
Additional Nonpublic Transportation Aid	-	(J2)
Other Allowable Adjustments	<u>-</u>	(J3)
 Total Adjustments	 <u>\$ 78,517</u>	 (K)

Detail of Other Restricted Fund Balance

Approved Unspent Separate Proposal	\$ -	
Sale/Lease-Back Reserve	-	
Capital Reserve	3,236,747	
Maintenance Reserve	533,000	
Emergency Reserve	200,000	
Tuition Reserve	-	
Other State/Government Mandated Reserve (Other Restricted Fund Balance not noted above)	<u>-</u>	
 Total Other Restricted Fund Balance	 <u>\$ 3,969,747</u>	 (C4)



William M. Colantano CPA, Public School Accountant

SUGGESTIONS

1. The District should take measures to reduce the net cash resources of their Food Service program to an acceptable level as per state regulations.

RECOMMENDATIONS

2015-1. Receiving signatures should be evident on all payment forms verifying the receipt of goods or services rendered.

2015-2 The bookkeeping records for the payroll agency account should be maintained accurately.

2015-3 Procedures should be implemented to ensure that all receipts collected for the high school student activity funds are deposited timely.

STATUS OF PRIOR YEAR RECOMMENDATIONS

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.

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The foregoing conditions were considered in determining the nature, timing and extent of the audit tests to be applied in our examination of the financial statements, and this report of such conditions does not modify our report dated November 24, 2015

Should any questions arise as to our comments, please do not hesitate to contact us.

We wish to express our appreciation for the assistance and courtesies rendered by the school officials and employees during the course of the examination.



 William M. Colantano, Jr.
 Public School Accountant
 No. CS 0128