

**BOARD OF EDUCATION  
BOROUGH OF HIGHLAND PARK  
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

	<u>PAGE</u>
Independent Auditors Report	1
Scope of Audit	2
School Purchasing Program:	
Contracts and Agreements Requiring Advertisement for Bids	2-3
Administrative Practices and Procedures:	
Insurance	3
Official Bonds	4
Financial Planning, Accounting and Reporting:	
Examination of Claims	4
Other Special Federal and/or State Projects	4
Payroll Account	4
Reserve for Encumbrances, Liability (Current) for Accounts Payable	4
Classification of Expenditures	5
Treasurer's Records	5
Board Secretary's Records	5
Unemployment Compensation Insurance Trust Fund	5
TPAF (Social Security) Reimbursement	5
School Food Service:	
Food Service Fund	5-6
Schedule of Meal Count Activity	6
Application for State School Aid	7
Pupil Transportation	7
Schedule of Findings of Noncompliance	7
TPAF Reimbursement to the State	7
Other Matters	7
Net Cash Resources Schedule	8
Application for State School Aid Summary/Enrollments	9-11
Excess Surplus Calculation	12-13
Suggestion	14
Recommendations	14
Status of Prior Year's Audit Findings and Recommendations	14
Acknowledgment	14

**Federal Identification Number 22-6001980**

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

100 Route 31 North  
Washington, NJ 07882 - 1530  
Fax # (908) 689-8388  
(908) 689-5002

November 24, 2015

Honorable President and Members  
of the Board of Education  
Borough of Highland Park  
County of Middlesex, 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 Highland Park School District in the County of Middlesex 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 Highland Park 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 and 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.

## 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:

Utilities  
 Transportation  
 Internet Service  
 Photocopier Rentals  
 Poison Ivy Removal  
 Contracted Services  
 Professional Services  
 Construction Services  
 Window Replacement  
 Custodial Maintenance Services  
 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:

Copier Rentals  
 Classroom Furniture  
 Wireless Network Installation  
 Technology Equipment/Supplies

Purchases were also made through cooperative agreements for the following:

Office Supplies	Transportation
Photocopy Paper	Teaching Supplies
Electric Generation	Sidewalk Repairs
Related Services	Telecommunication Services
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>
Linda Hoefele	Secretary/Business Administrator	\$ 100,000
Kathleen Kovacs	Treasurer of School Monies	233,000

The Treasurer of School Monies was bonded in a surety bond in accordance with provisions of Title 18A:17-32, within the minimum limits of the schedule promulgated by the New Jersey State Board of Education.

**FINANCIAL PLANNING, ACCOUNTING AND REPORTING**Examination of Claims

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

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 promptly 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.

## **FINANCIAL PLANNING, ACCOUNTING AND REPORTING (Cont'd)**

### 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.

### Treasurer's Records

The records of the Treasurer were maintained in good order.

### Board Secretary's Accounting Records

The records of the Board Secretary were 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 \$15,000. The operating results provision has been met.

## SCHOOL FOOD SERVICE (Cont'd)

### Food Service Fund (cont'd)

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 did not exceed three months average expenditures.

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>Differ- ence</u>	<u>Rate</u>	<u>(Over)/ Under Claim</u>
National School Lunch	Paid	53,869	53,869	-0-	\$ .32	\$ -0-
	Reduced	17,961	17,961	-0-	2.635	-0-
	Free	58,779	58,779	-0-	3.035	-0-
HHFKA Aid		130,609	130,609	-0-	.06	-0-
Breakfast	Paid	1,901	1,901	-0-	.28	-0-
(Severe Needs	Reduced	2,218	2,218	-0-	1.63	-0-
Rate)	Free	12,374	12,374	-0-	1.93	-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 nominal 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 nominal 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**

The reimbursement to the State to reimburse for the TPAF/FICA payments made by the State on-behalf of the District for those employees whose salaries are identified as being paid from federal funds was made prior to the 90 days required by NJSA 18A:66-90. Accordingly, the expenditure was made in accordance with State law (within 90 days).

## **OTHER MATTERS**

Finding: The bookkeeping and procedures for the Before and After School Child Care Enterprise Fund (the Program) were inadequate for fiscal year 2015.

Criteria: Proper procedures and bookkeeping preparation are important elements in the effective operation of the Program.

Condition: Delinquent receivable balances were often not resolved in a timely manner or were resolved without following proper procedures and student applications were often not on file.

Cause: Procedures for student application retention, delinquent balance resolution and billing adjustment approval were not effectively developed and followed.

Effect: The bookkeeping and procedures for the Program were inadequate.

Recommendation: 2015-1. The District should take measures to improve the bookkeeping and procedures for the Before and After School Child Care Enterprise Fund.

HIGHLAND PARK BOROUGH SCHOOL DISTRICT  
NET CASH RESOURCES SCHEDULE

Net Cash Resources Did Not 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
B-4		Interfunds Receivable
B-4		Accounts Receivable
		74,955
		14,689
		71,058
CAFR		Current Liabilities
B-4		Less Accounts Payable
B-4		Less Accruals
B-4		Less Due to Other Funds
B-4		Less Deferred Revenue
		(39,126)
		-
		-
		(9,372)
		<u>112,204</u>
		(A)

Net Adj Total Operating Expense

B-5	Total Operating Exp	584,567	
B-5	Less Depreciation	<u>(4,296)</u>	
	Adj Total Oper Exp	<u>580,271</u>	(B)

Average Monthly Operating Expense

B / 10	<u>58,027</u>	(C)
--------	---------------	-----

Three Times Monthly Average

3 X C	<u>174,081</u>	(D)
-------	----------------	-----

TOTAL IN BOX A	\$ 112,204.00
LESS TOTAL IN BOX D	\$ (174,081.00)
NET	<u>\$ (61,877.00)</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.

HIGHLAND PARK BOROUGH 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	62		62					10		10							
Full Day Preschool Age 4																	
Half Day Kindergarten																	
Full Day Kindergarten	125		125					23		23							
One	117		117					19		19							
Two	114		114					19		19							
Three	116		116					19		19							
Four	95		95					15		15							
Five	98		98					17		17							
Six	89		89					15		15							
Seven	91		91					15		15							
Eight	104		104					17		17							
Nine	115		115					19		19							
Ten	105		105					18		18							
Eleven	102		102					17		17							
Twelve	79		79					13		13							
Post-Graduate																	
Adult HS (15+CR)																	
Adult HS (1-14CR)																	
Subtotal	<u>1412</u>	<u>-</u>	<u>1412</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>236</u>	<u>-</u>	<u>236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special Education-Elementary	78		77		1		14		14				2	2	2		
Special Education-Middle	55		55				10		10				6	6	6		
Special Education-High School	73	1	73	1			12		12				8	8	8		
Subtotal	<u>206</u>	<u>1</u>	<u>205</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>36</u>	<u>-</u>	<u>36</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16.0</u>	<u>16.0</u>	<u>16.0</u>	<u>-</u>	<u>-</u>
County Vocational-Regular																	
County Vocational-Full Time Post Sec																	
Totals	<u>1618</u>	<u>1</u>	<u>1617</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>272</u>	<u>-</u>	<u>272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16.0</u>	<u>16.0</u>	<u>16.0</u>	<u>-</u>	<u>-</u>
Percentage Error					<u>0.06%</u>	<u>0.00%</u>							<u>0.00%</u>	<u>0.00%</u>			<u>0.00%</u>

HIGHLAND PARK BOROUGH 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	49	48	1	9	9		1	1				
One	49	50	(1)	13	13		7	7		1	1	
Two	46	46		17	17		6	6				
Three	46	46		17	17		2	2		2	2	
Four	36	37	(1)	14	14		4	4				
Five	41	41		16	16		3	3		3	3	
Six	34	33	1	7	7		4	4		1	1	
Seven	36	36		11	11		4	4		4	4	
Eight	34	34		3	3		1	1		3	3	
Nine	34	33	1	9	9		4	4		4	4	
Ten	32	34	(2)	12	12		1	1		1	1	
Eleven	29	29		9	9		3	3				
Twelve	25	25		3	3		2	2		1	1	
Post-Graduate												
Adult HS (15+CR)												
Adult HS (1-14CR)												
Subtotal	<u>491</u>	<u>492</u>	<u>(1)</u>	<u>140</u>	<u>140</u>	<u>-</u>	<u>42</u>	<u>42</u>	<u>-</u>	<u>20</u>	<u>20</u>	<u>-</u>
Special Education-Elementary	40	40		15	15		2	2				
Special Education-Middle	31	31		6	6							
Special Education-High School	38	39	(1)	7	7							
Subtotal	<u>109</u>	<u>110</u>	<u>(1)</u>	<u>28</u>	<u>28</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County Vocational-Regular												
Cty Vocational-F/T Post Sec												
Totals	<u>600</u>	<u>602</u>	<u>(2)</u>	<u>168</u>	<u>168</u>	<u>-</u>	<u>44</u>	<u>44</u>	<u>-</u>	<u>20</u>	<u>20</u>	<u>-</u>
Percentage			<u>-0.33%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

HIGHLAND PARK BOROUGH 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						
Grade 1	3	3		3	3	
Grade 2	5	5		5	5	
Grade 3	2	2		2	2	
Grade 4	2	2		2	2	
Grade 5	1	1		1	1	
Grade 6	1	1		1	1	
Grade 7	1	1		1	1	
Grade 10	1	1		1	1	
Grade 11	2	2		2	2	
Totals	<u>18</u>	<u>18</u>	<u>-</u>	<u>18</u>	<u>18</u>	<u>-</u>
			<u>0.00%</u>			<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Sample Errors
Students-PK	6	6		2	2	
Regular- Public Schools	120	120		67	67	
Special Education- Public School Students	32	32		10	10	
Vocational School	6	6		3	3	
Aid In Lieu Non Public	57	57		19	17	2
Charter School	5	5		3	3	
Aid In Lieu Charter School	20	20		10	10	
Non Public	227	227		76	74	2
CSPP Charter School						
Out of District Private School-Without Special Needs	16	16		5	5	
Out of District Private School-With Special Needs						
Out of District Public School-With Special Needs	1	1		1	1	
Out of District Public School-Without Special Needs	8	8		2	2	
	<u>497</u>	<u>497</u>	<u>-</u>	<u>198</u>	<u>194</u>	<u>4</u>
Percentage			<u>0.00%</u>			<u>2.02%</u>

## EXCESS SURPLUS CALCULATION

## SECTION 1

2% Calculation of Excess Surplus

2014-2015 Total General Fund Expenditures Per the CAFR, Exhibit C-1	\$ 29,394,643	(B)	
Recapitulation of Excess Surplus as of June 30, 2015			
Increased by:			
Transfer from Capital Outlay to Capital Projects Fund	-	(B1a)	
Transfer from Capital Reserve to Capital Projects Fund	-	(B1b)	
Transfer from General Fund to SRF for PreK-Regular	16,316	(B1c)	
Transfer from General Fund to SRF for PreK-Inclusion	-	(B1d)	
Transfer to Unemployment Compensation Fund	40,000	(B1e)	
Decreased by:			
On-Behalf TPAF Pension & Social Security	2,475,847	(B2a)	
Assets Acquired Under Capital Leases	-	(B2b)	
Adjusted 2014-2015 General Fund Expenditures [(B)+(B1s)-(B2s)]	<u>\$ 26,975,112</u>	(B3)	
2% of Adjusted 2014-2015 General Fund Expenditures [(B3) Times .02]	\$ 539,502	(B4)	
Enter Greater of (B4) or \$250,000	539,502	(B5)	
Increased by: Allowable Adjustment	<u>327,318</u>	(K)	
Maximum Unassigned Fund Balance [(B5)+(K)]			<u>\$ 866,820 (M)</u>

## SECTION 2

Total General Fund-Fund Balances @ 06/30/2015 (Per CAFR Budgetary Comparison Schedule C-1)	\$ 2,715,432	(C)	
Decreased by:			
Year-End Encumbrances	295,676	(C1)	
Legally Restricted-Designated for Subsequent Year's Expenditures	-	(C2)	
Restricted-Excess Surplus-Designated for Subsequent Year's Expenditures	-	(C3)	
Other Restricted Fund Balances	1,103,068	(C4)	
Assigned Fund Balance-Designated for Subsequent Year's Expenditures	<u>400,000</u>	(C5)	
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]			<u>\$ 916,688 (U)</u>

**EXCESS SURPLUS CALCULATION**  
(Continued)

**SECTION 3**

Restricted Fund Balance-Excess Surplus [(U)-(M)] if Negative Enter -0-	\$	49,868	(E)
<hr/>			
<u>Recapitulation of Excess Surplus as of June 30, 2015</u>			
Restricted Excess Surplus-Designated for Subsequent Year's Expenditures	\$	-	(C3)
Restricted Excess Surplus		49,868	(E)
<hr/>			
Total Excess Surplus [(C3) + (E)]	\$	49,868	(D)

Detail of Allowable Adjustments

Impact Aid	\$	-	(H)
Sale and Lease Back		-	(I)
Extraordinary Aid		295,003	(J1)
Additional Nonpublic Transportation Aid		32,315	(J2)
Other Allowable Adjustments		-	(J3)
<hr/>			
Total Adjustments	\$	327,318	(K)

Detail of Other Restricted Fund Balance

Approved Unspent Separate Proposal	\$	-	
Sale/Lease-Back Reserve		-	
Capital Reserve		852,634	
Maintenance Reserve		-	
Emergency Reserve		250,434	
Other State/Government Mandated Reserve		-	
(Other Restricted Fund Balance Not Noted Above)		-	
<hr/>			
Total Other Restricted Fund Balance	\$	1,103,068	(C4)



William M. Colantano CPA, Public School Accountant

**RECOMMENDATIONS**

2015-1. The District should take measures to improve the bookkeeping and procedures for the Before and After School Child Care Enterprise Fund.

**STATUS OF PRIOR YEAR'S AUDIT FINDINGS/RECOMMENDATIONS**

There were no prior year recommendations.

\*\*\*\*\*

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