



**THE BOARD OF EDUCATION
OF THE MIDDLESEX COUNTY VOCATIONAL
AND TECHNICAL HIGH SCHOOLS
COUNTY OF MIDDLESEX
EAST BRUNSWICK, NEW JERSEY**

**MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS—
FINANCIAL, COMPLIANCE AND PERFORMANCE**

JUNE 30, 2015



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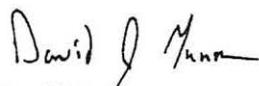
Report of Independent Auditors

Honorable President and Members
of the Board of Education of the
Middlesex County Vocational and Technical High Schools
County of Middlesex,
East Brunswick, New Jersey

We have audited, in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Vocational and Technical High Schools, in the County of Middlesex, as of and for the year ended June 30, 2015, and have issued our report thereon dated December 18, 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 and use of the Middlesex County Vocational and Technical High Schools Board of Education's management and Board members, others within the entity, and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.


David J. Gannon
Licensed Public School Accountant
No. 2305


WISS & COMPANY, LLP

December 18, 2015
Iselin, New Jersey

**THE BOARD OF EDUCATION
OF THE MIDDLESEX COUNTY VOCATIONAL AND TECHNICAL HIGH SCHOOLS
COUNTY OF MIDDLESEX
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 Treasurer of School Moneys, the activities of the Board of Education and the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the District's CAFR.

Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32, 18A:13-13)

| <u>Name</u> | <u>Position</u> | <u>Amount</u> |
|---------------|--|---------------|
| Karl J. Knehr | Business Administrator/Board Secretary | \$ 275,000 |
| Joseph Greco | Treasurer of School Moneys | 275,000 |

There is a Public Employee's Dishonesty Blanket Bond issued by the Zurich-American Insurance Company covering all other employees with multiple coverage of \$250,000.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were greater than or less than estimated costs. The District made a proper adjustment to the billings to sending Districts for the increase (decrease) in per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

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Payroll Account and Position Control Roster

The net salaries of all employees of the District were deposited in the Payroll Account. Employees' payroll deductions and 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/Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium withholding due to the general fund.

Payrolls were delivered to the treasurer of school moneys with a warrant made for the full amount of each payroll.

No exceptions noted.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable. No exceptions were noted.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A:23A-16.2 (f)* as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, we also selected a sample of administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-8.3*. As a result of the procedures performed, a transaction error rate of 0% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

Our review of the financial and accounting records maintained by the Board Secretary did not disclose any exceptions.

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Treasurer's Records

No exceptions were noted during our review of the financial and accounting records maintained by the Treasurer.

Elementary and Secondary Education Act (E.S.E.A.)/Improving America's Schools Act (I.A.S.A.) as reauthorized by the No Child Left Behind Act of 2001

The ESEA/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 projects under Titles I and II of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. indicated no instances of noncompliance and/or questionable costs.

Other Special Federal and/or State Projects

The District's special projects were approved as listed on Schedules A (K-3) and B (K-4) 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.

The study of compliance for the special projects indicated no instances of noncompliance that are required to be reported in accordance with OMB Circular A-133 or State OMB Circular 15-08.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly 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.

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's final reports for all applicable federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on behalf of the school district for those employees whose salaries are identified as being

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paid from federal funds was made prior to the end of the 60 day grant liquidation period required by the Office of Grants Management. The expenditures were reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

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.

The District 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.

The results of our examination indicated that no individual payments, contracts, or agreements were made 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, as amended.

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

School Food Service

The financial transactions and statistical records of the school food service fund were reviewed and appear to be maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis, with no exceptions identified in the A.S.S.A. section of this report.

Cash receipts and bank records were reviewed on a test basis for timely deposit. No exceptions were noted.

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.

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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 (total food service costs will not exceed gross receipts). The operating results provision was met for the year ended June 30, 2015.

Expenses were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified on a test check basis. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used. No exceptions were noted.

The cash disbursements records reflected expenses for program related goods and services. The appropriate revenue and expense 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 expenses.

Payroll records were maintained on all School Food Service employees employed by Aramark Educational Services, Inc. No exceptions were noted.

The number of meals claimed for reimbursement was compared to sales and meal count records on a test check basis. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted and certified in a timely manner. No exceptions were noted.

Applications for free and reduced price meals were reviewed for completeness and accuracy on a test check basis. 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 system. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions were noted.

USDA Food Donation Program (food and/or commodities) were received utilized, with a single inventory maintained on a first-in, first-out basis by Aramark Educational Services, Inc. No exceptions were noted.

Exhibits reflecting Child Nutrition Program operations are included in the B-4 through B-6 section of the CAFR.

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Student Body Activities

Our audit procedures included a test of items selected from cash receipts and cash disbursements for the student activity accounts and noted no exceptions.

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, low-income and bilingual. 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 work papers without exception. The information that was included on the work papers was verified without exception. 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

The District is a receiving district and, therefore, is not required to file a District Report of Transported Resident Students (DRTRS).

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 New Jersey Schools Development Authority ("NJSDA") grant agreement for consistency with recording NJSDA revenue, transfer of local funds from the general fund or from the capital reserve account and awarding of contracts for eligible facilities construction. No exceptions were noted.

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JUNE 30, 2015

Follow-up on Prior Year's Findings

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations. There were no prior year findings noted.

Acknowledgment

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

SCHEDULE OF MEAL COUNT ACTIVITY

THE BOARD OF EDUCATION
OF THE MIDDLESEX COUNTY VOCATIONAL AND TECHNICAL HIGH SCHOOLS
COUNTY OF MIDDLESEX

FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -Federal
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| PROGRAM | MEAL CATEGORY | MEALS CLAIMED | MEALS TESTED | MEALS VERIFIED | DIFFERENCE | RATE (a) | (OVER) UNDER CLAIM (b) |
|--|------------------|------------------|-----------------|-------------------|------------|----------|------------------------------|
| National School Lunch (Regular Rate) | Paid | 33,803 | 33,803 | 33,803 | - | \$ 0.30 | |
| National School Lunch (Regular Rate) | Reduced | 15,828 | 15,828 | 15,828 | - | 2.60 | |
| National School Lunch (Regular Rate) | Free | 86,748 | 86,748 | 86,748 | - | 3.00 | |
| | TOTAL | 136,379 | 136,379 | 136,379 | - | | - |
| National School Breakfast (Regular Rate) | Paid | 584 | 584 | 584 | - | \$ 0.28 | |
| National School Breakfast (Regular Rate) | Reduced | 11 | 11 | 11 | - | 1.32 | |
| National School Breakfast (Regular Rate) | Free | 635 | 635 | 635 | - | 1.62 | |
| | TOTAL | 1,230 | 1,230 | 1,230 | - | | - |
| National School Breakfast (Severe Needs) | Paid | 12,675 | 12,675 | 12,675 | - | \$ 0.28 | |
| National School Breakfast (Severe Needs) | Reduced | 7,220 | 7,220 | 7,220 | - | 1.63 | |
| National School Breakfast (Severe Needs) | Free | 43,834 | 43,834 | 43,834 | - | 1.93 | |
| | TOTAL | 63,729 | 63,729 | 63,729 | - | | - |
| Total Net (Over) Under Claim | | | | | | | \$ - |

SCHEDULE OF MEAL COUNT ACTIVITY

THE BOARD OF EDUCATION
OF THE MIDDLESEX COUNTY VOCATIONAL AND TECHNICAL HIGH SCHOOLS
COUNTY OF MIDDLESEX

FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -STATE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| PROGRAM | MEAL CATEGORY | MEALS CLAIMED | MEALS TESTED | MEALS VERIFIED | DIFFERENCE | RATE (a) | (OVER) UNDER CLAIM (b) |
|---|------------------|------------------|-----------------|-------------------|------------|----------|------------------------------|
| State Reimbursement -National School Lunch (Regular Rate) | Paid | 33,803 | 33,803 | 33,803 | - | \$ 0.040 | - |
| State Reimbursement -National School Lunch (Regular Rate) | Reduced | 15,828 | 15,828 | 15,828 | - | 0.055 | - |
| State Reimbursement -National School Lunch (Regular Rate) | Free | 86,748 | 86,748 | 86,748 | - | 0.055 | - |
| | TOTAL | 136,379 | 136,379 | 136,379 | - | | - |
| Total Net (Over) Under Claim | | | | | | | \$ - |

NET CASH RESOURCE SCHEDULE

THE BOARD OF EDUCATION OF THE MIDDLESEX COUNTY VOCATIONAL AND TECHNICAL HIGH SCHOOLS COUNTY OF MIDDLESEX

Net cash resources did/did not exceed three months of expenditures
Proprietary Funds - Food Service
Year ended June 30, 2015

| <u>Net Cash Resources:</u> | | Food Service B - 4/5 | |
|---|---|----------------------------|--------------------------|
| CAFR | * | Current Assets | |
| B-4 | | Cash & Cash Equiv. | \$ - |
| B-4 | | Due from Other Gov'ts | 35,474 |
| B-4 | | Interfund Receivable | 103,314 |
| B-4 | | Investments | |
| CAFR | | Current Liabilities | |
| B-4 | | Less Accounts Payable | 56,085 |
| B-4 | | Less Accruals | 274 |
| B-4 | | Less Interfund Payable | |
| B-4 | | Less Compensated Absences | |
| B-4 | | Less Unearned Revenue | 740 |
| | | Net Cash Resources | \$ 81,689 (A) |
| <u>Net Adj. Total Operating Expense:</u> | | | |
| B-5 | | Tot. Operating Exp. | 642,294 |
| B-5 | | Less Depreciation | 2,539 |
| | | Adj. Tot. Oper. Exp. | \$ 639,755 (B) |
| <u>Average Monthly Operating Expense:</u> | | | |
| | | B / 10 | \$ 63,975.50 (C) |
| <u>Three times monthly Average:</u> | | | |
| | | 3 X C | \$ 191,926.50 (D) |

| | | | |
|---|----|--------------|--|
| TOTAL IN BOX A | \$ | 81,689.00 | |
| LESS TOTAL IN BOX D | \$ | 191,926.50 | |
| NET | \$ | (110,237.50) | |
| 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. | | | |

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**SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY**

ENROLLMENT AS OF OCTOBER 15, 2014

| | 2015-16 Application for State School Aid (10/15/14 data) | | | | | | Sample for Verification | | | | | | Private Schools for Disabled | | | |
|--|--|--------|--------------------------------------|--------|--------|--------|---------------------------------------|--------|--------------------------------------|--------|------------------------------------|--------|--|-------------------------------|--------------------|------------------|
| | Reported on A.S.S.A. On Roll | | Reported on Workpapers On Roll | | Errors | | Sample Selected from Workpapers | | Verified per Registers On Roll | | Errors per Registers On Roll | | Reported on A.S.S.A. as Private Schools | Sample for Verification | Sample Verified | Sample Errors |
| | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Full | Shared | | | | |
| Half Day Preschool | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Full Day Preschool | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Half Day Kindergarten | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Full Day Kindergarten | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| One | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Two | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Three | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Four | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Five | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Six | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Seven | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Eight | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Nine | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Ten | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Eleven | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Twelve | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Post-Graduate | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Adult H.S. (15 + CR) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Adult H.S. (1-14 CR) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Subtotal | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Education Elementary School | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Education Middle School | - | 90 | - | 90 | - | - | - | 90 | - | 90 | - | - | - | - | - | - |
| Special Education High School | 485.0 | 88.0 | 485.0 | 88.0 | - | - | 56.0 | 79.0 | 56.0 | 79.0 | - | - | - | - | - | - |
| Subtotal | 485.0 | 178.0 | 485.0 | 178.0 | - | - | 56.0 | 169.0 | 56.0 | 169.0 | - | - | - | - | - | - |
| County Vocational - Regular | 1,440.0 | 19.0 | 1,440.0 | 19.0 | - | - | 223.0 | 19.0 | 223.0 | 19.0 | - | - | - | - | - | - |
| County Vocational - First Post Secondary | 418.0 | - | 418.0 | - | - | - | 237.0 | - | 237.0 | - | - | - | - | - | - | - |
| Total | 2,343.0 | 197.0 | 2,343.0 | 197.0 | - | - | 516.0 | 188.0 | 516.0 | 188.0 | - | - | - | - | - | - |
| Percentage Error | | | | | 0.0% | 0.0% | | | | | 0.0% | 0.0% | | | | 0.0% |

**THE BOARD OF EDUCATION
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COUNTY OF MIDDLESEX**

**SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY (continued)**

ENROLLMENT AS OF OCTOBER 15, 2014

| | Resident Low Income | | | Sample for Verification | | | Resident LEP Low Income | | | 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 | Reported on A.S.S.A. as LEP Low Income | Reported on Workpapers as LEP Low Income | Errors | Sample Selected from Workpapers | Verified to Test Score and Register | Sample Errors |
| Half Day Preschool | - | - | - | - | - | - | - | - | - | - | - | - |
| Full Day Preschool | - | - | - | - | - | - | - | - | - | - | - | - |
| Half Day Kindergarten | - | - | - | - | - | - | - | - | - | - | - | - |
| Full Day Kindergarten | - | - | - | - | - | - | - | - | - | - | - | - |
| One | - | - | - | - | - | - | - | - | - | - | - | - |
| Two | - | - | - | - | - | - | - | - | - | - | - | - |
| Three | - | - | - | - | - | - | - | - | - | - | - | - |
| Four | - | - | - | - | - | - | - | - | - | - | - | - |
| Five | - | - | - | - | - | - | - | - | - | - | - | - |
| Six | - | - | - | - | - | - | - | - | - | - | - | - |
| Seven | - | - | - | - | - | - | - | - | - | - | - | - |
| Eight | - | - | - | - | - | - | - | - | - | - | - | - |
| Nine | - | - | - | - | - | - | - | - | - | - | - | - |
| Ten | - | - | - | - | - | - | - | - | - | - | - | - |
| Eleven | - | - | - | - | - | - | - | - | - | - | - | - |
| Twelve | - | - | - | - | - | - | - | - | - | - | - | - |
| Post-Graduate | - | - | - | - | - | - | - | - | - | - | - | - |
| Adult H.S. (15 + CR) | - | - | - | - | - | - | - | - | - | - | - | - |
| Adult H.S. (1-14 CR) | - | - | - | - | - | - | - | - | - | - | - | - |
| Subtotal | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Education Elementary School | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Education Middle School | 16 | 16 | - | 4 | 4 | - | - | - | - | - | - | - |
| Special Education High School | 295.0 | 295.0 | - | 66.0 | 66.0 | - | - | - | - | - | - | - |
| Subtotal | 311.0 | 311.0 | - | 70.0 | 70.0 | - | - | - | - | - | - | - |
| County Vocational - Regular | 646.5 | 646.5 | - | 184.0 | 184.0 | - | 11.0 | 11.0 | - | 10.0 | 10.0 | - |
| County Vocational - First Post Secondary | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | 957.5 | 957.5 | - | 254.0 | 254.0 | - | 11.0 | 11.0 | - | 10.0 | 10.0 | - |
| Percentage Error | | | 0.0% | | | 0.0% | | | 0.0% | | | 0.0% |

| Transportation | | | | | | Reported | Recalculated |
|---------------------------------|-------------------------------|--------|--------|----------|--------|--|--------------|
| Reported on DRTRS by DOE/County | Reported on DRTRS by District | Errors | Tested | Verified | Errors | | |
| Regular - Public | - | - | - | - | - | Average mileage - regular including Grade PK students | - |
| Transported Non-Public | - | - | - | - | - | Average mileage - regular excluding Grade PK students | - |
| AIL - Non Public | - | - | - | - | - | Average mileage - special education with special needs | - |
| Special Education-Public | - | - | - | - | - | | |
| Special Education Needs | - | - | - | - | - | | |
| Totals | - | - | - | - | - | | |
| Percentage Error | | 0.0% | | | 0.0% | | |

THE BOARD OF EDUCATION
OF THE VOCATIONAL AND TECHNICAL HIGH SCHOOLS
COUNTY OF MIDDLESEX

SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 15, 2014

| | Resident LEP NOT Low Income | | | Sample for Verification | | |
|--|---|---|--------|---------------------------------------|--|------------------|
| | Reported on A.S.S.A. as NOT Low Income | Reported on Workpapers as NOT Low Income | Errors | Sample Selected from Workpapers | Verified to Application and Register | Sample Errors |
| Half Day Preschool | - | - | - | - | - | - |
| Full Day Preschool | - | - | - | - | - | - |
| Half Day Kindergarten | - | - | - | - | - | - |
| Full Day Kindergarten | - | - | - | - | - | - |
| One | - | - | - | - | - | - |
| Two | - | - | - | - | - | - |
| Three | - | - | - | - | - | - |
| Four | - | - | - | - | - | - |
| Five | - | - | - | - | - | - |
| Six | - | - | - | - | - | - |
| Seven | - | - | - | - | - | - |
| Eight | - | - | - | - | - | - |
| Nine | - | - | - | - | - | - |
| Ten | - | - | - | - | - | - |
| Eleven | - | - | - | - | - | - |
| Twelve | - | - | - | - | - | - |
| Post-Graduate | - | - | - | - | - | - |
| Adult H.S. (15 + CR) | - | - | - | - | - | - |
| Adult H.S. (1-14 CR) | - | - | - | - | - | - |
| Subtotal | - | - | - | - | - | - |
| Special Education Elementary School | - | - | - | - | - | - |
| Special Education Middle School | - | - | - | - | - | - |
| Special Education High School | - | - | - | - | - | - |
| Subtotal | - | - | - | - | - | - |
| County Vocational - Regular | 1.0 | 1.0 | - | 1.0 | 1.0 | - |
| County Vocational - First Post Secondary | - | - | - | - | - | - |
| Total | 1.0 | 1.0 | - | 1.0 | 1.0 | - |

Percentage Error

0.0%

0.0%

THE BOARD OF EDUCATION
OF THE VOCATIONAL AND TECHNICAL HIGH SCHOOLS
COUNTY OF MIDDLESEX

EXCESS SURPLUS CALCULATION

June 30, 2015

SECTION 1 - County Vocational District

A. 6% Calculation of Excess Surplus (2014-15 expenditures of \$100 million or less)

| | |
|--|---------------------------|
| 2014-15 Total General Fund Expenditures Reported on Exhibit C-1 | \$ <u>42,503,328</u> (B) |
| Increased by: | |
| Transfer from Capital Outlay to Capital Projects Fund | \$ _____ - (B1a) |
| Transfer from Capital Reserve to Capital Projects Fund | \$ _____ - (B1b) |
| Decreased by: | |
| On-Behalf TPAF Pension & Social Security | \$ <u>3,715,237</u> (B2a) |
| Assets Acquired Under Capital Leases | \$ _____ - (B2b) |
| Adjusted 2014-15 General Fund Expenditures [(B) + (B1s) - (B2s)] | \$ <u>38,788,091</u> (B3) |
| 6% of Adjusted 2014-15 General Fund Expenditures [(B3) times .06] | \$ <u>2,327,285</u> (B4) |
| Enter Greater of (B4) or \$250,000 | \$ <u>2,327,285</u> (B5) |
| Increased by: Allowable Adjustment* | \$ _____ - (K) |
| Maximum Unassigned/Unreserved - Undesignated Fund Balance [(B5) + (K)] | \$ <u>2,327,285</u> (M) |

SECTION 2

| | |
|--|--------------------------|
| Total General Fund - Fund Balances @ 6/30/2015 (Per CAFR Budgetary Comparison Schedule C-1) | \$ <u>3,808,889</u> (C) |
| Decreased by: | |
| Year-end Encumbrances | \$ <u>171,817</u> (C1) |
| ARRA/SEMI - Unreserved - Designated for Subsequent Year's Expenditures | \$ <u>20,338</u> (C2) |
| Reserved Excess Surplus - Designated for Subsequent Year's Expenditures | \$ <u>68,978</u> (C3) |
| Other Restricted Fund Balances**** | \$ <u>100</u> (C4) |
| Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures | \$ <u>1,131,022</u> (C5) |
| Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)] | \$ <u>2,416,634</u> (U1) |

THE BOARD OF EDUCATION
OF THE VOCATIONAL AND TECHNICAL HIGH SCHOOLS
COUNTY OF MIDDLESEX
EXCESS SURPLUS CALCULATION

June 30, 2015

SECTION 3

Restricted Fund Balance - Excess Surplus ***
[(U1)-(M)] IF NEGATIVE ENTER -0- \$ 89,349 (E)

Recapitulation of Excess Surplus as of June 30, 2015

| | | | |
|--|--------|--------------------|---------|
| Reserved Excess Surplus - Designated for Subsequent Year's Expenditures ** | \$ | <u>68,978</u> | (C3) |
| Reserved Excess Surplus *** [(E)] | \$ | <u>89,349</u> | (E) |
| Total Excess Surplus [(C3)+(E)] | \$ | <u>158,327</u> | (D) |

- * Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:
- (H) Federal Impact Aid. The passage of P.L.2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, effective for the year ending June 30, 2015 the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve – General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
 - (I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);
 - (J1) Extraordinary Aid;
 - (J2) Additional Nonpublic School Transportation Aid;
 - (J3) Recognized current year School Bus Advertising Revenue; and
 - (J4) Family Crisis Transportation Aid.

Detail of Allowable Adjustments

| | | | |
|--|----|---|------|
| Impact Aid | \$ | - | (H) |
| Sales & Lease-back | \$ | - | (I) |
| Extraordinary Aid | \$ | - | (J1) |
| Additional Nonpublic School Transportation Aid | \$ | - | (J2) |
| Current Year School Bus Advertising Revenue Recognized | \$ | - | (J3) |
| Family Crisis Transportation Aid | \$ | - | (J4) |
| Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)] | \$ | - | (K) |

** This amount represents the June 30, 2014 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amount must agree to the June 30, 2015 CAFR and Audit Summary Worksheet 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 any other type of government, such as the judicial branch of government, must have departmental approval. District requests should be submitted to the Division of Finance prior to September 30.

THE BOARD OF EDUCATION
OF THE VOCATIONAL AND TECHNICAL HIGH SCHOOLS
COUNTY OF MIDDLESEX

EXCESS SURPLUS CALCULATION

June 30, 2015

Detail of Other Reserved Fund Balance

| | |
|---|-------------|
| Statutory restrictions: | |
| Approved unspent separate proposal | \$ - |
| Sale/lease-back reserve | \$ - |
| Capital reserve | \$ 100 |
| Maintenance reserve | \$ - |
| Emergency reserve | \$ - |
| Tuition reserve | \$ - |
| School bus advertising 50% fuel offset reserve - current year | \$ - |
| School bus advertising 50% fuel offset reserve - prior year | \$ - |
| Impact Aid General Fund Reserve | \$ - |
| Impact Aid Capital Fund Reserve | \$ - |
| Other state/government mandated reserve | \$ - |
| [Other Restricted Fund Balance not noted above]**** | \$ - |
| Total Other Restricted Fund Balance | \$ 100 (C4) |