

***MORRIS SCHOOL DISTRICT
COUNTY OF MORRIS, NEW JERSEY***

***AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS –
FINANCIAL, COMPLIANCE AND
PERFORMANCE
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015***

HODULIK & MORRISON, P.A.
*CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS
PUBLIC SCHOOL ACCOUNTANTS
HIGHLAND PARK, N.J.*

MORRIS SCHOOL DISTRICT
MORRIS COUNTY, NEW JERSEY

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

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JO ANN BOOS, CPA, PSA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Morris School District
Morris County, New Jersey

We have audited, in accordance with generally accepted audit standards and *Government Auditing Standards* issued by the Comptroller General of the United States of, the basic financial statements of the Board of Education of the Morris School District in the County of Morris, New Jersey, as of and for the year ended June 30, 2015, and have issued our report thereon dated November 20, 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 Morris School District 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.



HODULIK & MORRISON, P.A.
Certified Public Accountants
Public School Accountants



Robert S. Morrison
Certified Public Accountant
Public School Accountant #871

Highland Park, New Jersey
November 20, 2015

ADMINISTRATIVE FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING

Scope of Audit

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

The audit did not and could not determine the character of services rendered for which payment had been made nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the approval of such claims. Revenues and receipts were established and verified as to sources and amount only insofar as the records permitted.

ADMINISTRATIVE PRACTICES AND PROCEDURES

Insurance

Fire insurance coverage was carried in amounts as detailed on Exhibit J-20 of the District's CAFR. The details of the various additional insurance coverages carried by the Board are also presented on this Exhibit. No attempt was made to determine the adequacy of coverage as part of this report. Adequacy of coverage is the responsibility of the Board of Education.

Official Bonds

The following position was covered by Surety Bonds:

Christine Kelly, Business Administrator/ Board Secretary	\$410,000.00
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The Surety Bond coverage for the School Business Administrator/Board Secretary exceeded the minimum requirement as promulgated by the Department of Education.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. Differences in actual costs, as certified by the Department of Education pursuant to the provisions of N.J.A.C. 6:20-3.1, from estimated costs billed by the Board during the period were adjusted as required.

Examination of Claims

Claims were examined for the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Payroll/Payroll Agency Account

The Board maintained the Net Payroll and Agency Account method for the depositing and payment of its payrolls. The net payrolls from all sources are deposited in the payroll account and all payroll deductions, together with the Board's share, are deposited to the 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. Tests were made of these records with no exceptions noted.

Salary withholdings were promptly remitted to the proper agencies.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING

Reserve for Encumbrances and 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. Our review indicated that outstanding issued purchase orders were properly classified at June 30, 2015 based upon accounting principles generally accepted in the United States of America.

The use of blanket orders during the school year was based on operating efficiencies, and controls over their utilization were good.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f). Our testing included random sampling procedures as well as a full review of items determined to be individually significant. 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 N.J.A.C. 6A:23A-8.3. We noted no errors in the test population relating to the proper classification of expenditures.

Unemployment Compensation Insurance Trust Fund

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. Exhibit "H-2" sets forth the activity of this fund for the period under review. Total revenue, which consisted of interest earnings, employee contributions and board contributions, amounted to \$333,869 and expenditures, which consist primarily of reimbursements to the New Jersey Unemployment Insurance Fund, amounted to \$76,149. Funds available at June 30, 2015 to pay future claims amounted to \$2,056,879. The cash balance in the Unemployment Compensation Insurance Trust Fund at June 30, 2015 is sufficient, without additional interest earnings, to cover actual claims reimbursed to the State during the year then ended. Unfortunately, the District is not permitted under existing law and regulations to utilize this excess funding of a self-insured risk for any other purpose.

Investment of Idle Funds

During the period under audit, the Board had all of the idle funds in its governmental fund types invested in interest bearing accounts. Based on an agreement with its official depository, the Board receives interest, calculated using the federal funds rate, on its bank balance in the general account. Additional funds were held in certificates of deposit. The existing practices allow the Board to maximize investment income without exposing Board funds to market related risks to investment principal.

Board Secretary's Records

The minutes maintained by the Board Secretary were in good condition.

The financial records maintained by the Board Secretary were found to be a complete and accurate reporting of the transactional record for the period. Information provided to the Board of Education and Management in the form of monthly financial reports was found to be timely and reliable. The implementation of the "Administrative Manual for Business Office Procedures" during the 1998-99 school year has formalized the various functions and tasks, resulting in an improved internal control environment.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (CONT'D.)

Elementary and Secondary Education Act of 1965 (E.S.E.A.)/Improving America's Schools Act (IASA) as reauthorized by the No Child Left Behind Act of 2001.

The E.S.E.A./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, II and III of the Elementary and Secondary Education Act, as amended and reauthorized.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the CAFR.

The examination 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 Fund Section of the CAFR. This section of the CAFR documents the revenues and expenditures pertaining to the aforementioned special projects on a grant accounting budgetary basis and reports the financial position of the fund on a GAAP basis at June 30, 2015.

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 for items tested.

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report for all 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 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 expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

SCHOOL PURCHASING PROGRAMS

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 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 \$17,500.00 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."

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (CONT'D.)

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

N.J.S.A. 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 N.J.S.A. 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 N.J.S.A. 18A:18A-3 except by contract or agreement."

Effective July 1, 2010 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:39-2 and 18A:39-3(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 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 Solicitor's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The results of the 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 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.

State approved contracts were issued for vendors throughout the year for state contracts that were awarded over the bid threshold as required under Administrative Code section 5:34-7.29.

School Food Service Fund

The financial transactions and statistical records of the school food services were maintained in satisfactory condition. The financial accounts and eligibility applications were reviewed on a test check basis.

The number of meals claimed for reimbursement was verified against sales and meal count records. Reimbursement claims were submitted/certified in a timely manner. No exceptions noted for items tested.

The district utilizes a food service management company and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. No exceptions noted for items tested.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (CONT'D.)

School Food Service Fund (Cont'd.)

Applications for free and reduced price meals were reviewed for completeness and accuracy. The free and reduced price meal and free milk policy is uniformly administered throughout the School System. The required verification policy procedures for free and reduced price applications were completed and available for review. No exceptions noted.

Expenses were separately recorded as food, labor, benefits and other costs. Vendor invoices were reviewed and costs verified. Inventory records were maintained current and properly applied in determining the cost of food and supplies used. No exceptions noted.

The cash disbursement records reflected expenditures for program and related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the Food Service Fund. Net cash resources did not exceed three months average expenses.

Net cash resources did not exceed three months average expenditures.

U.S.D.A. commodities were received and separate inventory records were maintained on a first-in, first-out basis. In previous years, the State had provided a report of U.S.D.A. commodities offered and accepted for the school year.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section G.

Student Activity Funds

The recordkeeping of the various student activities funds were reviewed for the 2014-2015 school year. The records were maintained in generally good condition.

Application for State School Aid

Our audit included procedures to test information reported in the October 15, 2014 Application for State School Aid (ASSA) for on-roll, private schools for the handicapped and low-income. We also performed a review of District procedures relating to its completion. The information contained in the ASSA was compared to the District workpapers without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The district maintained workpapers on the prescribed state form or their equivalent.

The district's written procedures appear to be adequate 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. 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. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

SUMMARY OF RECOMMENDATION(S)

None

Follow-up on Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations including findings. Corrective action had been taken on all prior year findings.

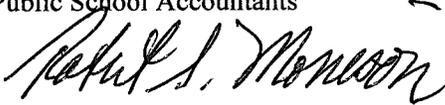
ACKNOWLEDGMENT

During the course of our audit, we received the complete cooperation of all the officials of the school district. Every effort was made by the staff to assist us in the completion of our engagement. We greatly appreciate the professionalism of the staff and the courtesies extended to us.

Respectfully submitted,



HODULIK & MORRISON, P.A.
Certified Public Accountants
Public School Accountants



Robert S. Morrison, CPA
Certified Public Accountant
Public School Accountant #871

MORRIS SCHOOL DISTRICT
 COSTS OF EDUCATION PER PUPIL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(MEMORANDUM ONLY)

Costs of Education:	
Instruction:	
Regular Programs	\$ 27,021,640
Special Education	6,501,517
Other Instructional Programs	<u>2,867,286</u>
Total Instruction	36,390,443
Total Undistributed Expenditures*	<u>60,427,965</u>
Total Costs of Education	96,818,408
Average Daily Enrollment	<u>5,239</u>
Costs of Education Per Pupil	<u><u>\$ 18,480</u></u>

Note: The above calculation excludes capital outlay expenditures, including the costs of instructional equipment.

* Includes \$2,794,477 of "on-behalf" payments by State of New Jersey for TPAF social security and \$5,501,344 of "on-behalf" payments for TPAF post retirement medical contribution and TPAF pension contribution.

NET CASH RESOURCE SCHEDULE

Net cash resources did/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.	\$ 616
B-4		Due from Other Gov'ts	206,867
B-4		Accounts Receivable	18,340
B-4		Investments	
CAFR		Current Liabilities	
B-4		Less Accounts Payable	(163,219)
B-4		Less Accruals	
B-4		Less Due to Other Funds	(149,227)
B-4		Less Deferred Revenue	
		Net Cash Resources	<u>\$ (86,623) (A)</u>

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	1,950,021	
B-5	Less Depreciation	(35,281)	
	Adj. Tot. Oper. Exp.	<u>\$ 1,914,740</u>	(B)

Average Monthly Operating Expense:

	B / 10	<u>\$ 191,474</u>	(C)
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Three times monthly Average:

	3 X C	<u>\$ 574,422</u>	(D)
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TOTAL IN BOX A		\$ (86,623)	
LESS TOTAL IN BOX D		\$ 574,422	
NET		<u>\$ (661,045)</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

SCHEDULE OF MEAL COUNT ACTIVITY

MORRIS SCHOOL DISTRICT
 FOOD SERVICE FUND
 NUMBER OF MEALS SERVED AND (OVER)/UNDER CLAIM - FEDERAL
 ENTERPRISE FUNDS
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	106,869	106,869	106,869	-0-	0.300	\$ -0-
	Reduced	27,978	27,978	27,978	-0-	2.600	-0-
	Free	198,299	198,299	198,299	-0-	3.000	-0-
	Total	<u>333,146</u>	<u>333,146</u>	<u>333,146</u>	<u>-0-</u>		<u>\$ -0-</u>
National School Lunch:	HHFKA - PB Lunch Only	<u>333,146</u>	<u>333,146</u>	<u>333,146</u>	<u>-0-</u>	0.060	<u>\$ -0-</u>
School Breakfast: (Severe Need Rates)	Paid	1,640	1,640	1,640	-0-	0.280	\$ -0-
	Reduced	2,623	2,623	2,623	-0-	1.630	-0-
	Free	147,402	147,402	147,402	-0-	1.930	-0-
	Total	<u>151,665</u>	<u>151,665</u>	<u>151,665</u>	<u>-0-</u>		<u>\$ -0-</u>

SCHEDULE OF MEAL COUNT ACTIVITY

MORRIS SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDER CLAIM - STATE
ENTERPRISE FUNDS
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>
State Reimbursement National School Lunch: (Regular Rate)	Paid	106,869	106,869	106,869	-0-	0.040	\$ -0-
	Reduced	27,978	27,978	27,978	-0-	0.055	-0-
	Free	<u>198,299</u>	<u>198,299</u>	<u>198,299</u>	<u>-0-</u>	0.055	<u>-0-</u>
Total		<u>333,146</u>	<u>333,146</u>	<u>333,146</u>	<u>-0-</u>		<u>\$ -0-</u>

SCHEDULE OF AUDITED ENROLLMENTS

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

	2015-2016 Application for State School Aid						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		Reported on A.S.S.A. 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	131		131		0	0	8		8		0		-			
Full Day Preschool	9		9		0	0	1		1		0		-			
Full Day Kindergarten	339		339		0	0	20		20		0		-			
One	358		358		0	0	21		21		0		-			
Two	352		352		0	0	21		21		0		-			
Three	315		315		0	0	19		19		0		-			
Four	316		316		0	0	19		19		0		-			
Five	335		335		0	0	20		20		0		-			
Six	330		330		0	0	20		20		0		-			
Seven	310		310		0	0	19		19		0		-			
Eight	345		345		0	0	21		21		0		-			
Nine	392		392		0	0	23		23		0		-			
Ten	403		403		0	0	24		24		0		-			
Eleven	367		367		0	0	21		21		0		-			
Twelve	312	1	312	1	0	0	19		19		0		-			
Subtotals	4,614	1	4,614	1	0	0	276		276		0	0				
Special Ed - Elementary	255		255		0		15		15				11	8	8	0
Special Ed - Middle School	159		159		0		9		9				11	8	8	0
Special Ed - High School	197	12	197	12	0		12		12				47	36	36	0
Subtotals	611	12	611	12	0	0	36	0	36	0	0	0	69	52	52	0
Totals	5,225	13	5,225	13	0	0	312		312		0	0	69	52	52	0
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%

SCHEDULE OF AUDITED ENROLLMENTS

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

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	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 Bilingual Education	Reported on Workpapers As Bilingual Education	Sample Errors	Sample Selected from Work papers	Verified to Test Score and Register	Sample Errors
Pre K												
Kindergarten	137	137	0	22	22	0	64	64	0	30	30	0
One	150	150	0	24	24	0	65	65	0	30	30	0
Two	131	131	0	21	21	0	65	65	0	30	30	0
Three	119	119	0	19	19	0	38	38	0	17	17	0
Four	112	112	0	18	18	0	22	22	0	10	10	0
Five	101	101	0	16	16	0	15	15	0	7	7	0
Six	103	103	0	17	17	0	17	17	0	8	8	0
Seven	91	91	0	15	15	0	8	8	0	4	4	0
Eight	122	122	0	20	20	0	16	16	0	8	8	0
Nine	99	99	0	17	17	0	39	39	0	18	18	0
Ten	112	112	0	19	19	0	32	32	0	14	14	0
Eleven	100	100	0	17	17	0	23	23	0	11	11	0
Twelve	64	64	0	10	10	0	10	10	0	5	5	0
Subtotals	1441	1441	0	235	235	0	414	414	0	192	192	0
Sp Ed - Elementary	118	118	0	19	19	0	6	6	0	5	5	0
Sp Ed - Middle School	65	65	0	10	10	0	0	0	0	0	0	0
Sp Ed - High School	62	62	0	8	8	0	1	1	0	0	0	0
Subtotals	245	245	0	37	37	0	7	7	0	5	5	0
Totals	1686	1686	0	272	272	0	421	421	0	197	197	0
Percentage Error			0.00%			0.00%			0.00%			0.00%

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<u>Transportation</u>							<u>Reported</u>	<u>Recalculated</u>
Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors			
Reg. - Public Schools	2005	2005	234	234	0	Reg. Avg. Mileage - Regular Including Grade PK Students (Part A)	3.8	3.8
Special Ed. - Public Schools	5	5	1	1	0	Reg. Avg. Mileage - Regular Excluding Grade PK Students (Part B)	3.8	3.8
Transported Non-Public Schools	317	317	37	37	0	Spec. Avg. - Special Ed. With Special Needs	6.5	6.5
Special Needs- Public Schools	161	161	19	19	0			
Totals	2488	2488	0	291	291	0		
Percentage Error					0.00%			

SCHEDULE OF AUDITED ENROLLMENTS

**MORRIS SCHOOL DISTRICT
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. NOT Low Income</u>	<u>Reported on Workpapers NOT Low Income</u>	<u>Sample Errors</u>	<u>Sample Selected from Work papers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Pre K				0	0	
Kindergarten	4	4	0	5	5	
One	4	4	0	6	6	
Two	4	4	0	6	6	
Three	4	4	0	3	3	
Four	1	1	0	2	2	
Five	1	1	0	3	3	
Six	2	2	0	1	1	
Seven	1	1	0	2	2	
Eight	2	2	0	1	1	
Nine	22	22	0	5	5	
Ten	4	4	0	3	3	
Eleven	4	4	0	2	2	
Twelve	1	1	0	1	1	
Subtotals	<u>54</u>	<u>54</u>	<u>0</u>	<u>40</u>	<u>40</u>	<u>0</u>
Sp Ed - Elementary	0	0	0	0	0	
Sp Ed - Middle School	0	0	0	0	0	
Sp Ed - High School	1	1	0	0	0	
Subtotals	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals	<u>55</u>	<u>55</u>	<u>0</u>	<u>40</u>	<u>40</u>	<u>0</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

EXCESS SURPLUS CALCULATION

REGULAR DISTRICT/CHARTER SCHOOL

SECTION 1

A. 2% Calculation of Excess Surplus

2014-2015 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>97,651,283</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	\$ <u>857,790</u> (B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ <u>8,079,649</u> (B1b)
Transfer from General Fund to SRF for PreK-Regular	\$ _____ (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$ _____ (B1d)
Decreased by:	
On-Behalf TPAF Pension & Social Security	\$ <u>8,295,821</u> (B2a)
Assets Acquired Under Capital Leases	\$ <u>73,744</u> (B2b)
Adjusted 2014-15 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ <u>98,219,157</u> (B3)
2% of Adjusted 2014-15 General Fund Expenditures [(B3) times .02]	\$ <u>1,964,383</u> (B4)
Enter Greater of (B4) or \$250,000	\$ <u>1,964,383</u> (B5)
Increased by: Allowable Adjustment*	\$ <u>65,600</u> (K)
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]	\$ <u>2,029,983</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6/30/2015 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>23,631,619</u> (C)
Decreased by:	
Year-end Encumbrances	\$ <u>356,771</u> (C1)
Legally Restricted -Designated for Subsequent Year's Expenditures	\$ _____ (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>5,011,332</u> (C3)
Other Restricted Fund Balances****	\$ <u>10,155,265</u> (C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ <u>638,016</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ <u>7,470,235</u> (U1)

SECTION 3

Restricted Fund Balance-Excess Surplus ***[(U1-(M)] IF NEGATIVE ENTER -0- \$ 5,440,252 (E)

Recapitulation of Excess Surplus as of June 30, 2015

Reserved Excess Surplus-Designated for Subsequent Year's Expenditures**	\$ <u>5,011,332</u> (C3)
Reserved Excess Surplus***[(E)]	\$ <u>5,440,252</u> (E)
Total [(C3) + (E)]	\$ <u><u>10,451,584</u></u> (D)

Footnotes:

* This adjustment line (as detailed below) is to be utilized when applicable for: Impact Aid, Sale and Leaseback (Refer to 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	\$ <u>3,098</u> (H)
Sale & Lease-back	\$ _____ (I)
Extraordinary Aid	\$ <u>0</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>62,502</u> (J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____ (J3)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)]	 \$ <u>65,600</u> (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 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 Administration and Finance prior to September 30.

Detail of Other Reserved Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$ _____
Sale/lease-back reserve	\$ _____
Capital reserve	\$ <u>8,064,027</u>
Maintenance reserve	\$ <u>2,091,238</u>
Emergency reserve	\$ _____
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 Restricted Fund Balance not noted above]****	\$ _____
 Total Other Restricted Fund Balance	 \$ <u>10,155,265</u> (C4)