

BOARD OF EDUCATION
TOWN OF PHILLIPSBURG SCHOOL DISTRICT
COUNTY OF WARREN
STATE OF NEW JERSEY

REPORT OF ADMINISTRATIVE FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE

JUNE 30, 2015

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

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REPORT OF INDEPENDENT AUDITORS

Honorable President and
Members of the Board of Education
Town of Phillipsburg School District
County of Warren, 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, the basic financial statements of the Board of Education of the Town of Phillipsburg School District in the County of Warren for the year ended June 30, 2015, and have issued our report thereon dated November 6, 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 Town of Phillipsburg 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.

A handwritten signature in black ink, appearing to read 'Anthony Ardito'.

Date: November 6, 2015

Licensed Public School Accountant No. 2369
ARDITO & CO., LLP

ADMINISTRATIVE FINDINGS-FINANCIAL, COMPLIANCE AND PERFORMANCE

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the Treasurer of School Moneys, the activities of the Board of Education, 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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
William A. Bauer	Board Secretary/School Business Administrator	\$250,000
Maureen H. Broennle	Assistant Board Secretary/School Business Administrator	\$25,000
William A. Bauer	Treasurer of School Moneys	\$200,000

There is a Public Employees' Faithful Performance Blanket Position Bond with the School Alliance Insurance Fund covering all other employees with coverage of \$400,000.

Financial Planning, Accounting and Reporting

Examination of Claims

The State purchase order system is fully operational in that purchase orders are issued for the financial transactions of the Board.

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

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.

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

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

The Board, at present, processes the payroll through an approved off-site computer system.

Reserve for Encumbrances 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. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

Classification of Expenditures

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

Board Secretary's/Treasurer's Records

The financial records, books of accounts and minutes maintained by the Secretary were in excellent condition.

The Treasurer's records were examined and were found to be in agreement with the records of the Secretary.

Elementary and Secondary Education Act (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 Title I and VI of the Elementary and Secondary Education Act, as amended.

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Schedule A and Schedule B located on pages 12 and 14 of this report.

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 contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

Finding :

The district draws down federal grant award amounts before program costs are incurred.

Recommendation:

That the district draws down federal award cash payments on a "reimbursement basis" and maintains detailed cost records to support the reimbursement.

T.P.A.F. Reimbursement

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

The amount of the expenditure charged to the current year's Final Report(s) 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 however exceptions were noted. The district plans to submit corrections and request a refund from the State of New Jersey.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

Effective April 17, 2000, N.J.S.A. 18A:18A (Public School Contracts Law) was revised by P.L.1999,c.440 (originally known as Assembly Bill No. 3519). Rules and regulations pertaining to the amended law are to be promulgated by the Division of Local Government Services, with consultation from the Commissioner of Education.

N.J.S.A. 18A:18A-3 is amended to read as follows:

- a. When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in the contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the board of education without public advertising for bids and bidding therefore, except that the board of education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. (pending before the Legislature as section 15 of this bill) of section 9 of P.L.1971,c.198(C.40A:11-9) the board of education may establish that the bid threshold may be up to \$36,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. Commencing in the fifth year after the year in which P.L.1999,c.440 takes effect, and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the board of education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.18A:18A-2(pending before the Legislature as section 50 of this bill), and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made.

Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection a. of N.J.S.18A:18A-5 may be awarded for a period not exceeding 12 consecutive months.

N.J.S.A.18A:18A-4 (as amended) states, "Every contract or agreement for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the Board of Education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law.

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 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.

Within the state budgeting structure and general ledger accounting system, payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies are not accumulated by category type. As such, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The results of our examination indicated that no individual payments, contracts or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provisions 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.

Within the state budgeting structure and general ledger accounting system, payments are not accumulated for purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal, however, that the following purchases were made through the use of State contracts:

General School Supplies
Computers and Related Accessories

School Food Service

The financial transactions and statistical records of the school food services fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test check basis.

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 vouchers were properly computed and filed timely. No exceptions 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. 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 return a profit of at least \$200,000. The operating results provision has been met.

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.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food 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.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education. No exceptions were noted.

USDA Food Distribution commodities were received and a separate inventory was maintained on a first-in, first-out basis. No exceptions noted.

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

Athletic Association

A cash receipts and disbursements records were maintained in very good condition.

All receipts appear to be promptly deposited in the bank.

Payment authorizations, invoices and other supporting data were presented and available for audit.

Receipts and disbursements for Athletic activities are presented on Exhibit H-6 in the Comprehensive Annual Financial Report. Receipts and disbursements are budgeted and expended in the general fund and are presented on Exhibits H-6 for informational purposes only.

Certain expenditures for the operation of Maloney Stadium are included in the General Accounts of the Board of Education and are not reflected in the Statement of Receipts and Disbursements for the Athletic Association.

High School Activities Fund

A cash receipts and disbursements records were maintained in very good condition.

All receipts appear to be promptly deposited in the bank.

Payment authorizations, invoices and other supporting data were presented and available for audit.

Middle School Activities Fund

A cash receipts and disbursements records were maintained in very good condition.

All receipts appear to be promptly deposited in the bank.

Payment authorizations, invoices and other supporting data were presented and available for audit.

School Based Youth Services

A cash receipts and disbursements records were maintained in very good condition.

All receipts appear to be promptly deposited in the bank.

Payment authorizations, invoices and other supporting data were presented and available for audit.

The account was closed October 31, 2015.

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 (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed state forms or their equivalent.

The District has adequate 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 without 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. 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.

Follow-up on Prior Years' Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. There were no prior year findings.

Current Year Recommendations

1. That the district draws down federal award cash payments on a "reimbursement basis" and maintains detailed cost records to support the reimbursement.

Acknowledgement

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 FOOD SERVICE NET CASH RESOURCES

TOWN OF PHILLIPSBURG SCHOOL DISTRICT

FOOD SERVICE FUND
SCHEDULE OF NET CASH RESOURCES
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Total Operating Expenditures		\$ 1,846,919
Three (3) Month Average		<u>554,076</u>
<u>Total Net Resources:</u>		
Cash	\$ 623,918	
Accounts Receivable	204,940	
Interfund Payable	(272,305)	
Accounts Payable	<u>(66,190)</u>	<u>490,363</u>
Net Resources Over/(Under) Three Month Average Expenditures		<u>\$ (63,713)</u>

SCHEDULE OF MEAL COUNT ACTIVITY

TOWN OF PHILLIPSBURG SCHOOL DISTRICT

FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM

ENTERPRISE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<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	89,124	89,124	-0-	-0-	-0-
	Reduced	27,496	27,496	-0-	-0-	-0-
	Free	<u>252,976</u>	<u>252,976</u>	<u>-0-</u>	-0-	<u>-0-</u>
	TOTAL	<u>369,596</u>	<u>369,596</u>	<u>-0-</u>		<u>-0-</u>
School Breakfast Program	Paid	1,970	1,970	-0-	-0-	-0-
	Reduced	375	375	-0-	-0-	-0-
	Free	<u>1,906</u>	<u>1,906</u>	<u>-0-</u>	-0-	<u>-0-</u>
	TOTAL	<u>4,251</u>	<u>4,251</u>	<u>-0-</u>		<u>-0-</u>
Severe Needs Breakfast	Paid	59,268	59,268	-0-	-0-	-0-
	Reduced	16,498	16,498	-0-	-0-	-0-
	Free	<u>172,260</u>	<u>172,260</u>	<u>-0-</u>	-0-	<u>-0-</u>
	TOTAL	<u>248,026</u>	<u>248,026</u>	<u>-0-</u>		<u>-0-</u>
After School Snack Program	Free	<u>16,378</u>	<u>16,378</u>	-0-	-0-	-0-
	TOTAL	<u>16,378</u>	<u>16,378</u>	<u>-0-</u>		<u>-0-</u>
TOTAL NET OVERCLAIM						<u>-0-</u>

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

	<u>2015-2016 Application for State School Aid</u>						<u>Sample for Verification</u>				<u>On Roll-Related Services</u>			<u>Private Schools for Handicapped</u>				<u>Private Schools-Related Services</u>						
	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		Sample for Verifi-	Sample Verified	Sample Errors	Reported on A.S.S.A. as Private School	Sample for Verifi-	Sample Verified	Sample Errors	Sample for Verifi-	Sample Verified	Sample Errors		
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	cation											
Full Day Preschool 3 Yr.	116		116				9		9															
Full Day Preschool 4 Yr.	114		114				9		9															
Full Day Kindergarten	239		239				19		19															
One	190		190				15		15															
Two	202		202				16		16															
Three	171		171				14		14															
Four	161		161				13		13															
Five	144		144				12		12															
Six	140		140				11		11															
Seven	159		159				13		13															
Eight	132		132				11		11															
Nine	351		351				28		28															
Ten	397		397				32		32															
Eleven	341		341				27		27															
Twelve	321	1	321	1			26		26															
Subtotal	3,178	1	3,178	1	0	0	255	0	255	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Sp. Ed. - Elementary	201		201				16		16															
Sp. Ed. - Middle School	120		120				10		10						1		1	1						
Sp. Ed. - High School	224	2	224	2			18		18						11		11	11						
Subtotal	545	2	545	2	0	0	44	0	44	0	0	0	0	0	12	0	12	12	0	0	0	0	0	
Totals	3,723	3	3,723	3	0	0	299	0	299	0	0	0	0	0	12	0	12	12	0	0	0	0	0	
Percentage Error					<u>0.00%</u>	<u>0.00%</u>				<u>0.00%</u>	<u>0.00%</u>			<u>0.00%</u>				<u>0.00%</u>				<u>0.00%</u>		

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

	<u>Low Income</u>			<u>Sample for Verification</u>			<u>Bilingual Education</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	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Full Day Kindergarten	176	176		28	28		Bilingual Students	0	0	0	0	0
One	136	136		21	21							
Two	150	150		23	23		Percentage Error		0.00%			0.00%
Three	116	116		18	18							
Four	115	115		18	18							
Five	100	100		16	16							
Six	94	94		15	15							
Seven	106	106		17	17							
Eight	89	89		14	14							
Nine	84	84		13	13							
Ten	84	84		13	13							
Eleven	79	79		12	12							
Twelve	51	51		8	8							
Sp. Ed. - Elementary	164	164		26	26							
Sp. Ed. - Middle School	91	91		14	14							
Sp. Ed. - High School	103	103		16	16							
Totals	1,738	1,738	0	272	272	0						
Percentage Error			0.00%			0.00%						

	<u>Transportation</u>					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg.-Public Schools	101	101		68	68	
Transported-Non-Public	21	21		14	14	
Special Needs-Public	19	19		16	16	
Totals	141	141	0	98	98	0
Percentage Error					0.00%	

Town of Phillipsburg School District

Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2015

Schedule A

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA No.	Grant or State Project Number	Program or Award Amount	Grant Period		Balance At June 30, 2014	Carryover/ Walkover Amount	Cash Received	Budgetary Expenditures	Adjust.	Repayment of Prior Years' Balances	Balance at June 30, 2015			Cumulative Total Expenditures	
				From	To							Accounts Receivable	Deferred Revenue	Due to Grantor		
U.S. Department of Education																
General Fund:																
Impact Aid	84.041	N/A	28,325	7/1/14	6/30/15			28,325	(28,325)							28,325
Medical Assistance Aid	93.778	N/A	151,680	7/1/14	6/30/15			151,680	(151,680)							151,680
Total General Fund						-	-	180,005	(180,005)	-	-	-	-	-	-	180,005
U.S. Department of Education																
Passed-through State Department of Education:																
Special Revenue Fund:																
TITLE I	84.010A	NCLB-1785	1,149,707	7/1/14	6/30/15			360,332	(1,134,130)		\$ (789,375)	\$ 15,577				1,134,130
TITLE I	84.010A	NCLB-1785	1,181,919	7/1/13	6/30/14	(1,004,371)		1,005,222	(851)							1,181,919
Title I Part A Cluster						(1,004,371)	-	1,365,554	(1,134,981)	-	-	(789,375)	15,577	-	-	2,316,049
TITLE II (A)	84.367A	NCLB-1785	155,388	7/1/14	6/30/15			47,704	(55,171)		(107,684)	100,217				55,171
TITLE II (A)	84.367A	NCLB-1785	155,040	7/1/13	6/30/14	(12,437)		117,141	(104,704)							155,040
Total Title II A						(12,437)	-	164,845	(159,875)	-	-	(107,684)	100,217	-	-	210,211
TITLE II (D)	84.318X	NCLB-1785	2,396	9/1/10	8/31/11	1,239						1,239				1,157
Total Title II D						1,239	-	-	-	-	-	1,239	-	-	-	1,157
TITLE III	84.365	NCLB-1785	27,873	7/1/14	6/30/15			9,548	(24,764)		(18,325)	3,109				24,764
TITLE III	84.365	NCLB-1785	30,380	7/1/13	6/30/14	(29,541)		29,542	(1)							30,380
Total Title III						(29,541)	-	39,090	(24,765)	-	-	(18,325)	3,109	-	-	55,144
TITLE III Immigrant	84.365	NCLB-1785	14,313	9/1/11	8/31/12	799						799				13,514
Vocational - Secondary	84.048A	PERK410015	45,963	7/1/14	6/30/15			17,479	(13,838)		(28,484)	32,125				13,838
Vocational - Secondary	84.048A	PERK410014	42,929	7/1/13	6/30/14	(31,879)		55,093	(23,214)							42,929
Total Vocational						(31,879)	-	72,572	(37,052)	-	-	(28,484)	32,125	-	-	56,767
I.D.E.A. Part B, Basic Regular	84.027	FT4100	907,026	7/1/14	6/30/15			907,026	(845,907)			61,119				845,907
I.D.E.A. Part B, Basic Regular	84.027	FT4100	713,301	7/1/13	6/30/14	(203,941)		263,215	(59,274)							713,301
I.D.E.A. Part B, Preschool	84.173A	FT4100	16,306	7/1/14	6/30/15			16,306	(12,997)			3,309				12,997
I.D.E.A. Part B, Preschool	84.173A	FT4100	14,563	7/1/13	6/30/14	(2,655)		7,799	(5,144)							14,563
Special Education Cluster						(206,596)	-	1,194,346	(923,322)	-	-	-	64,428	-	-	1,586,768
U.S. Department of Ed. 21st Century	84.287C	11000059	250,000	9/1/14	8/31/15			245,022	(250,662)		(4,978)	250,000				264,490
U.S. Department of Ed. 21st Century	84.287C	11000059	300,000	9/1/13	8/31/14	238,574		47,598	(250,662)			35,510				264,490
Total 21st Century						238,574	-	292,620	(250,662)	-	-	(4,978)	285,510	-	-	264,490

CONTINUED

Town of Phillipsburg School District

Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2015

Schedule A

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA No.	Grant or State Project Number	Program or Award Amount	Grant Period		Balance At June 30, 2014	Carryover/ Walkover Amount	Cash Received	Budgetary Expenditures	Adjust.	Repayment of Prior Years' Balances	Balance at June 30, 2015			Cumulative Total Expenditures
				From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Labor															
Passed-through State Department of Labor															
Special Revenue Fund:															
Morris County Freeholders:															
Workforce Investment Act-Youth Program	17.259	014107	128,804	7/1/14	6/30/15			22,946				(105,858)	128,804		
Workforce Investment Act-Youth Program	17.259	014107	106,000	7/1/13	6/30/14	49,892		48,360				(7,748)	106,000		13,018
Workforce Investment Act-Youth Program	17.259	014107	106,000	7/1/12	6/30/13	92,982			(92,513)				469		103,000
Total Workforce Investment Act						142,874	-	71,306	(92,513)	-	-	(113,606)	235,273	-	116,018
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
Race to the Top - Phase 3	84.395	N/A	84,340	9/1/11	11/30/15	-			(15,000)			(15,103)	103		84,237
Total Race to the Top						-	-	-	(15,000)	-	-	(15,103)	103	-	84,237
Total Special Revenue Fund						(901,338)	-	3,200,333	(2,638,170)	-	-	(1,077,555)	738,380	-	4,704,355
U.S. Department of Agriculture															
Enterprise Fund:															
Child Nutrition Cluster:															
Food Distribution Program	10.555	N/A		7/1/13	6/30/14	2,477			(2,477)						2,477
Food Distribution Program	10.555	N/A	49,351	7/1/14	6/30/15			49,351	(43,489)				5,862		43,489
School Breakfast Program	10.553	N/A		7/1/13	6/30/14	(18,532)			18,532						
School Breakfast Program	10.553	N/A	375,559	7/1/14	6/30/15			311,161	(375,559)			(64,398)			375,559
National School Lunch Program	10.555	N/A		7/1/13	6/30/14	(36,185)		36,185							
National School Lunch Program	10.555	N/A	879,331	7/1/14	6/30/15			743,451	(879,331)			(135,880)			879,331
Total Child Nutrition Cluster						(52,240)	-	1,158,680	(1,300,856)	-	-	(200,278)	5,862	-	1,300,856
After School Snacks Area Eligible	10.558	N/A		7/1/13	6/30/14	(880)		880							
After School Snacks Area Eligible	10.558	N/A	13,430	7/1/14	6/30/15			11,660	(13,430)			(1,770)			13,430
Total After School Snacks						(880)	-	12,540	(13,430)	-	-	(1,770)	-	-	13,430
Total Enterprise Fund						(53,120)	-	1,171,220	(1,314,286)	-	-	(202,048)	5,862	-	1,314,286
TOTAL FEDERAL ASSISTANCE						\$ (954,458)	-	\$ 4,551,558	\$ (4,132,461)	-	-	\$ (1,279,603)	\$ 744,242	-	\$ 6,198,646

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

Town of Phillipsburg School District

Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ended June 30, 2015

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2014	WALKOVER/ CARRY- OVER AMOUNT	CASH RECEIVED	BUDGETARY EXPEND.	ADJUST.	REPAY. OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2015			MEMO		
										(ACCTS. RECEIV.)	INTERFUND PAYABLE/ DEFER. REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.	
STATE DEPARTMENT OF EDUCATION															
General Fund:															
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	\$ 25,057,290			\$ 25,057,290	\$ (25,057,290)							\$ 2,491,442	\$ 25,057,290
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	188,706			188,706	(188,706)							18,763	188,706
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	1,371,130			1,371,130	(1,371,130)							136,331	1,371,130
Adjustment Aid	15-495-034-5120-085	7/1/14-6/30/15	9,997,105			9,997,105	(9,997,105)							994,010	9,997,105
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	769,147			769,147	(769,147)							76,476	769,147
School Choice Aid	15-495-034-5120-084	7/1/14-6/30/15	4,657			4,657	(4,657)							463	4,657
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	24,360			24,360	(24,360)							2,422	24,360
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	24,360			24,360	(24,360)							2,422	24,360
Extraordinary Aid	15-495-034-5120-044	7/1/14-6/30/15	354,075				(354,075)			\$ (354,075)					354,075
Extraordinary Aid	14-495-034-5120-044	7/1/13-6/30/14		\$ (263,929)		263,929									
Non-Public Transportation Aid	15-100-034-5120-068	7/1/14-6/30/15	1,566				(1,566)			(1,566)					1,566
Non-Public Transportation Aid	14-100-034-5120-068	7/1/13-6/30/14	2,276	(2,276)		2,276									
Reimbursed TPAF Pension Contrib.	15-495-034-5094-006	7/1/14-6/30/15	1,584,625			1,584,625	(1,584,625)								1,584,625
Reimbursed TPAF Soc. Secur. Contrib.	15-495-034-5094-003	7/1/14-6/30/15	2,256,865			2,143,449	(2,256,865)			(113,416)					2,256,865
Total General Fund				(266,205)		41,431,034	(41,633,886)			(469,057)				3,722,329	41,633,886
Special Revenue Fund:															
Pre-School Education Aid	15-495-034-5120-086	7/1/14-6/30/15	4,471,549	892,619		4,471,549	(3,996,610)				\$ 1,367,558			447,155	3,996,610
N.J. Nonpublic Aid:															
Textbook Aid	15-100-034-5120-064	7/1/14-6/30/15	10,367	2,830		10,367	(6,715)					\$ 6,482			6,715
Auxiliary Services:															
Compensatory Education	15-100-034-512a-067	7/1/14-6/30/15	27,770	430		27,770	(15,923)		\$ (430)			11,847			15,923
Transportation	15-100-034-5120-068	7/1/14-6/30/15	3,332	1,640		3,332	(3,332)		(1,640)						3,332
Handicapped Services:															
Examination and Classification	15-100-034-512b-066	7/1/14-6/30/15	4,325	4,938		4,325	-		(4,938)				4,325		
Supplemental Instruction	15-100-034-512c-066	7/1/14-6/30/15	6,278			6,278	(6,278)								6,278
Corrective Speech	15-100-034-512a-066	7/1/14-6/30/15	6,185	6,006		6,185	-		(6,006)				6,185		
Nursing Services Aid	15-100-034-5120-070	7/1/14-6/30/15	20,393	-		20,393	(20,393)								20,393
Technology Initiative	15-100-034-5120-373	7/1/14-6/30/15	5,568	162		5,568	(5,434)						296		5,434
Character Ed	N/A	7/1/05-6/30/06		45								45			
N.J. Math Science Partnership	N/A	7/1/03-6/30/04		2,424								2,424			
N.J. Math Science Partnership	N/A	7/1/04-6/30/05		5,635								5,635			
Total Special Revenue Fund-Dept of Education				916,729		4,555,767	(4,054,685)		(13,014)		1,375,662	29,135		447,155	4,054,685
STATE DEPARTMENT OF CHILDREN AND FAMILIES															
Special Revenue Fund:															
School Based Youth Services	15BCWP	7/1/14-6/30/15	513,706			513,706	(312,443)				201,263				312,443
School Based Youth Services	14BCWP	7/1/13-6/30/14	513,706	188,744		513,706	(188,744)								513,706
Sch. Ba. Youth Svc-Jobs & More-Case Svcs	09WC7N	7/1/08-6/30/09	20,000	8,014							8,014				11,986
Total Special Revenue Fund-Dept of Human Services				196,758		513,706	(501,187)				209,277				838,135
STATE DEPARTMENT OF AGRICULTURE															
Special Revenue Fund:															
Curriculum for Agricultural Science Ed. (CASE)	N/A	7/1/13-6/30/14	5,000	5,000			(3,000)				2,000				3,000
Total Special Revenue Fund-Dept of Agriculture				5,000			(3,000)				2,000				3,000
Total Special Revenue Fund				1,118,487		5,069,473	(4,558,872)		(13,014)		1,586,939	29,135		447,155	4,895,820
STATE DEPARTMENT OF EDUCATION															
Debt Service Fund:															
Debt Service Aid Type 2	15-495-034-5120-017	7/1/14-6/30/15	127,337			127,337	(127,337)								127,337
Total Debt Service Fund						127,337	(127,337)								127,337
STATE DEPARTMENT OF AGRICULTURE															
Enterprise Fund:															
Nat. School Lunch Prog. (State Share)	14-100-010-3350-023	7/1/13-6/30/14		(770)		770					(2,892)				18,991
Nat. School Lunch Prog. (State Share)	15-100-010-3350-023	7/1/14-6/30/15	18,991			16,099	(18,991)								18,991
Total Enterprise Fund				(770)		16,869	(18,991)				(2,892)				18,991
TOTAL STATE FINANCIAL ASSISTANCE				\$ 851,512		\$ 46,644,713	\$ (46,339,086)		\$ (13,014)	\$ (471,949)	\$ 1,586,939	\$ 29,135		\$ 4,169,484	\$ 46,676,034

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

TOWN OF PHILLIPSBURG SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
June 30, 2015

SECTION 1

Calculation A: 2% Excess Surplus:

2014-2015 Total General Fund Expenditures Reported on Exhibit C-1	\$ <u>66,145,733</u>	(A)
Add: Transfer from Capital Reserve to Capital Projects	\$ <u>1,421,084</u>	(A1a)
Less: Expenditures Allocated to Restricted Federal Resources as Reported on Exhibit D-2	\$ <u>569,144</u>	(A1b)
2014-2015 Adjusted General Fund & Other State Expenditures [(A)-(A1)]		\$ <u>66,997,673</u> (A2)
Decreased by:		
On-Behalf TPAF Pension & Social Security		\$ <u>(6,357,082)</u> (A3)
Assets Acquired Under Capital Leases: General Fund 10 Assets Acquired Under Capital Leases reported on Exhibit C-1a	\$ _____	- (A4)
Add: General Fund & State Resources Portion of Fund 15 Assets Acquired under Capital Leases: Assets Acquired Under Capital Leases in Fund 15 reported on Exhibit C-1a	\$ _____	- (A5)
Combined General Fund Contribution & State Resources % of Fund 15 Resources Reported on Exhibit D-2	\$ _____	- (A6)
General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases [(A5)*(A6)]	\$ _____	- (A7)
Total Assets Acquired Under Capital Leases [(A4)+(A7)]		\$ _____ - (A8)
2014-2015 General Fund Expenditures [(A2)-(A3)-(A8)]		\$ <u>60,640,591</u> (A9)
2% of Adjusted 2014-2015 General Fund Expenditures [(A9) times .02]		\$ <u>1,212,812</u> (A10)
Enter Greater of (A10) or \$250,000		\$ <u>1,212,812</u> (A11)
Increased by: Allowable Adjustment *		\$ <u>293,966</u> (K)
Maximum Unreserved/Undesignated Fund Balance [(A11)+(K)]		\$ <u>1,506,778</u> (M)

TOWN OF PHILLIPSBURG SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
June 30, 2015

SECTION 2

Total General Fund – Fund Balances at June 30, 2015	\$ <u>11,593,675</u>	(C)
Decreased by:		
Year End Encumbrances	\$ <u>(1,144,860)</u>	(C1)
Legally Restricted – Designated for Subsequent Year’s Expenditures	\$ _____	(C2)
Legally Restricted - Excess Surplus – Designated for Subsequent Year’s Expen	\$ <u>(577,464)</u>	(C3)
Other Reserved Fund Balances****	\$ <u>(7,378,916)</u>	(C4)
Assigned Fund Balance - Unreserved – Designated for Subsequent Year’s Expe	\$ <u>(648,098)</u>	(C5)
Total Unreserved/Undesignated Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	 \$ <u>1,844,337</u>	 (U)

SECTION 3

Reserved Fund balance – Excess Surplus ***[(U)-(M)] IF NEGATIVE NONE REQUIRED	\$ <u>337,559</u>	(E)
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Recapitulation of Excess Surplus as of June 30, 2015

Reserved Excess Surplus – Designated for Subsequent Year’s Expenditures **	\$ <u>577,464</u>	(C3)
Reserved Excess Surplus *** [(E)]	\$ <u>337,559</u>	(E)
Total [(C3) + (E)]	\$ <u>915,023</u>	(D)

Detail of Allowable Adjustments

Impact Aid	\$ <u>8,325</u>	(H)
Sale & Lease-back	\$ <u>-</u>	(I)
Extraordinary Aid	\$ <u>284,075</u>	(J1)
Additional Nonpublic School Transportation Aid	\$ <u>1,566</u>	(J2)
Higher Expectations for Learning and Proficiency Aid	\$ <u>-</u>	(J3)
Total Adjustments (H)+(I)+(J1)+(J2)+(J3)	 \$ <u>293,966</u>	 (K)

TOWN OF PHILLIPSBURG SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
June 30, 2015

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$ -
Capital outlay for a school district with a capital outlay SGLA	\$ -
Sale/lease-back reserve	\$ -
Capital reserve (N-1)	\$ 5,128,916
Maintenance reserve (N-2)	\$ 750,000
Tuition reserve (N-3)	\$ 1,500,000
Other Reserved Fund Balance not noted above *****	\$ -
 Total Other Restricted Fund Balance	 <u>\$ 7,378,916</u> (C4)