

SPARTA TOWNSHIP SCHOOL DISTRICT
COUNTY OF SUSSEX
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015

SPARTA TOWNSHIP SCHOOL DISTRICT
COUNTY OF SUSSEX
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
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The Honorable President and Members
of the Board of Education
Sparta Township School District
County of Sussex, NJ

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Board of Education of the Sparta Township School District in the County of Sussex for the fiscal 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 letter does not affect our report dated November 20, 2015, on the financial statements of the Board.

We will review the status of the comments during our next audit engagement. We have already discussed these comments and suggestions with various management personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the suggestions and recommendations.

This report is intended for the information of the Sparta Township School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Nisivoccia, LLP

NISIVOCCIA, LLP

November 20, 2015
Mount Arlington, New Jersey

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

SPARTA TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015

Scope of Audit

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

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

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Kerry A. Keane	Treasurer	\$ 500,000
Linda A. Alvarez	Business Administrator/Board Secretary	500,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were different than estimated costs. The Board made a proper adjustment to the billings to sending districts for the change in per pupil costs in accordance with N.J.A.C. 6:20-3.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

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

Payroll Account and Position Control Roster

The net salaries of 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. Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the General Fund.

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

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendent, and business administrator) to the NJ Department of Treasury was filed in a timely manner.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made on a test basis as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable.

SPARTA TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Classification of General and Administrative Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6:23-2.2(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, we reviewed administrative coding classifications to determine overall reliability and compliance with N.J.A.C 6A:23A-24. As a result of the procedures performed, no errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classifications.

Board Secretary's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Board Secretary's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted herein.

Treasurer's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Treasurer's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted herein.

No Child Left Behind (N.C.L.B.)

The N.C.L.B. financial exhibits are contained herein within the Special Revenue Section of the District's CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I, Title II and Title III of the No Child Left Behind Act.

The study of compliance for the N.C.L.B. grants did not indicate any area of noncompliance.

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.

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.

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.

The T.P.A.F. Reimbursement to the State for Federal Salary Expenditures was remitted to the State of New Jersey prior to the required deadline of October 1, 2015. The reimbursement form was reviewed and no exceptions were noted.

SPARTA TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
 (Continued)

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 states:

a. "When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a 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. of section 9 of P.L.1971, c. 198 the Board of Education may establish that the bid threshold may be up to \$25,000. 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.A. 18A:18A-2, 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"

N.J.S.A. 18A:18A-4 states, "Every contract 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, the bid threshold in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$26,000 and with a qualified purchasing agent the threshold may be up to \$36,000. 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 contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Attorney'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. General compliance was noted.

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 provision of N.J.S.A. 18A:18A-4.

SPARTA TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

School Purchasing Programs (Cont'd)

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

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.

School Food Service

The financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test basis. The food service accounting records maintained by the District's central administration office were reconciled with the records maintained by the food service management contractor.

The number of meals claimed for reimbursement was compared to sales and meal count records. Reimbursement claims were submitted/certified in a timely manner.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications 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 district. The required verification procedures for free and reduced price applications were completed and available for review.

The District utilizes a food service management company (FSMC) for its food service operations and deposited and expended program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. The accounting records maintained by the District were reconciled with those maintained by the FSMC, and the District has a copy of the FSMC's SOC1 Type 2 (Service Organization Control Report) on file as required by State statutes. The FSMC's contract includes an operating results provision which guarantees the program will generate a profit and the provision has been met.

Cash receipts and bank records were reviewed for timely deposit. No exceptions were noted.

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 nonprofit status of the School Food Service Fund. Net cash resources did not exceed three months average expenditures.

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

Time sheets and payroll records were reviewed on a test basis. Payroll records were maintained on all School Food Services employees authorized by the board of education. No exceptions were noted.

SPARTA TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
 (Continued)

School Food Service (Cont'd)

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

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

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the records of the Student Activities Fund for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records.

Finding:

We noted a few instances at the Alpine and Mohawk Avenue Schools where vouchers containing all required approval signatures were not prepared for payments. Also, there were a few instances at the Alpine School where invoices were not being obtained for all cash disbursements and we noted several instances at the Alpine and Mohawk Avenue Schools and High School Athletics, where a signature certifying the receipt of goods or services was not obtained for certain payments. Finally, deposits were not always made on a timely basis at the High School.

Recommendation:

It is recommended that the Alpine and Mohawk Avenue Schools prepares a voucher with all required approval signatures for each payment, all cash disbursements for the Alpine School are supported by an invoice or bill and the Alpine and Mohawk Avenue Schools and High School Athletics, obtain a signature certifying receipt of goods or services prior to the release of each payment and deposits to the High School account are consistently made on a timely basis.

Management's Response:

The District will ensure that vouchers containing all required approval signatures are prepared for each payment from the Alpine and Mohawk Schools, all cash disbursements for the Alpine School are supported by an invoice or bill and a signature certifying receipt of goods or services is obtained for each payment from the Alpine and Mohawk Avenue Schools and High School Athletics, prior to payment and deposits to the High School account are consistently made on a timely basis.

Application for State School Aid

Our audit procedures included a test of enrollments and related services reported in the October 15, 2014 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low income and bilingual students. We also performed a review of the District procedures related to its completion. The information reported on the A.S.S.A. was compared to the District work papers without exception. The information included on the work papers was verified on a test basis 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 written procedures for the recording of student enrollment data.

SPARTA TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2014-15 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with a few errors. 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.

Finding:

We noted that the District did not properly report on the DRTRS the Special Needs Private students and the Special Needs Public students were either misclassified under Regular Special Education or not included on the DRTRS report.

Recommendation:

It is recommended that students be properly reported on the DRTRS report.

Management's Response:

District will ensure that students are properly reported on the DRTRS report.

Facilities and Capital Assets

Our procedures included a review of the SDA grant agreements for consistency with recording SDA 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.

Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal policy and procedure pertaining to travel and expense reimbursement for its employees and board members. The regulations require the District to establish a maximum travel amount for the year and to account separately that the maximum is not exceeded. The regulations also require that all travel be preapproved by the Board of Education and Superintendent and that a brief report detailing the key issues addressed at the travel event must be submitted after the travel event has occurred.

Our review of the travel policies and records revealed that the District is in compliance with the travel regulations.

SPARTA TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

Management Suggestions

Deferred Compensation Plans

The District has a fiduciary responsibility to its employees related to the deferred compensation plans offered by the District. The District should consider a periodic review of the benefits, features, costs, and performance of its deferred compensation plans and make that information available to employees to assist employees in making suitable choices for investing their retirement funds while fulfilling the District's fiduciary responsibilities.

Independent Contractors vs. Employees

The District should consider reviewing the status of "Independent Contractors" utilized by the District with Internal Revenue Service guidelines for determination of employment status. The IRS has been reviewing employers, including governments, to determine compliance. A proactive approach may help to minimize or eliminate potential penalties related to incorrect employment status determination.

Continuing Disclosure Requirements

In connection with the issuance of bonds by a school district, the District agrees to the continuing disclosure of certain information to the Electronic Municipal Market Access ("EMMA") website under the auspices of the Municipal Securities Rulemaking Board. The District should ensure that all continuing disclosure requirements with respect to the District's bond issuances are met. These requirements include filing of certain financial information such as audit reports, budgets and certain operating data.

Miscellaneous

Single Audit

Effective for the fiscal year ended June 30, 2016, there will be significant changes to the Single Audit. These changes include the following:

- An increase in the single audit threshold
- Low risk auditee criteria
- Type A and B threshold
- Coverage requirements for major programs tested for both low risk and non-low risk auditees.

Additionally, the cost principles and administrative requirements such as A-87 have been consolidated under the *OMB Uniform Guidance: Cost Principles, Audit and Administrative Requirements for Federal Awards*. This guidance was effective December 26, 2014 for all new federal awards and for any additional funding for existing awards made after December 26, 2014.

SPARTA TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

Miscellaneous (Cont'd)

Governmental Accounting Standards Board Statements:

The next Governmental Accounting Standards Board ("GASB") statement which will have a significant impact on the District will be GASB#75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, will be effective for the fiscal year ending June 30, 2018. This standard replaces GASB#45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. It is similar to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* GASB#68 in that successful implementation of this standard will require the provision of certain key financial and non-financial information from the New Jersey Division of Pensions.

Status of Prior Year's Findings/Recommendations

The prior year recommendation regarding all reconciling items in the payroll agency account be carefully reviewed and cleared in a timely manner was resolved during the current year. The prior year recommendation regarding the use of vouchers and obtaining signatures certifying receipt of goods in the various student activities accounts was not completely resolved and has been included in the current year findings/recommendations.

SPARTA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF MEAL COUNT ACTIVITY
FOOD SERVICE FUND
NUMBER OF MEALS SERVED
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(MEMORANDUM ONLY)

NOT APPLICABLE

SPARTA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF NET CASH RESOURCES
FOOD SERVICE FUND
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(MEMORANDUM ONLY)

NOT APPLICABLE

SPARTA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

	2015-2016 Application for State School Aid						Sample for Verification					
	Reported on Revised ASSA On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool 3 Years Old	6		6				6		6			
Half Day Preschool 4 Years Old	19		19				19		19			
Half Day Kindergarten	124		124				124		124			
Grade One	193		193				193		193			
Grade Two	201		201				201		201			
Grade Three	198		198				198		198			
Grade Four	229		229				229		229			
Grade Five	216		216				216		216			
Grade Six	241		241				241		241			
Grade Seven	227		227				227		227			
Grade Eight	227		227				227		227			
Grade Nine	226		226				226		226			
Grade Ten	242		242				242		242			
Grade Eleven	281	2	281	2			281	2	281	2		
Grade Twelve	250		250				250		250			
Subtotal	2,880	2	2,880	2			2,880	2	2,880	2		
Special Education:												
Elementary	160		160				16		16			
Middle	124		124				13		13			
High	137	5	137	5			14		14			
Subtotal	421	5	421	5			43	-	43	-		
Totals	3,301	7	3,301	7	- 0 -	- 0 -	2,923	2	2,923	2	- 0 -	- 0 -
Percentage Error					0.00%	0.00%					0.00%	0.00%

SPARTA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

	Private Schools for Disabled					Resident Low Income						
	Reported on ASSA as Private Schools	Reported on Workpapers as Private Schools	Errors	Sample for Verification	Sample Verified	Sample Errors	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool												
Half Day Kindergarten							10	10		1	1	
Grade One							12	12		1	1	
Grade Two							4	4				
Grade Three							5	5		1	1	
Grade Four							9	9		1	1	
Grade Five							6	6		1	1	
Grade Six							7	7		1	1	
Grade Seven							12	12		1	1	
Grade Eight							7	7		1	1	
Grade Nine							11	11		1	1	
Grade Ten							5	5				
Grade Eleven							10	10		1	1	
Grade Twelve							11	11		1	1	
Subtotal							109	109		11	11	
Special Education:												
Elementary School	5	5		2	2		16	16		4	4	
Middle School	6	6		3	3		15	15		3	3	
High School	13.5	13.5		4	4		12.5	12.5		2	2	
Subtotal	24.5	24.5		9	9		43.5	43.5		9	9	
Totals	24.5	24.5	- 0 -	9	9	- 0 -	153	153	- 0 -	20	20	- 0 -
Percentage Error			0.00%			0.00%			0.00%			0.00%

SPARTA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

	Resident LEP Low Income					
	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Errors
Grade One	2	2		1	1	
Grade Eight	1	1		1	1	
Grade Twelve	1	1				
Subtotal	<u>4</u>	<u>4</u>		<u>2</u>	<u>2</u>	
Special Education:						
Elementary School	1	1		1	1	
Middle School	1	1				
Subtotal	<u>2</u>	<u>2</u>		<u>1</u>	<u>1</u>	
Totals	<u>6</u>	<u>6</u>	<u>- 0 -</u>	<u>3</u>	<u>3</u>	<u>- 0 -</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

SPARTA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

	Resident LEP Not Low Income					
	Reported on ASSA as LEP Not Low Income	Reported on Workpapers as LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Grade One	4	4		2	2	
Grade Three	4	4		1	1	
Subtotal	<u>8</u>	<u>8</u>		<u>3</u>	<u>3</u>	
Totals	<u>8</u>	<u>8</u>	<u>- 0 -</u>	<u>3</u>	<u>3</u>	<u>- 0 -</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

SPARTA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	2,407	2,409	(2)	15	16	1
Regular - Special Education	399	399		10	9	(1)
Transported - Non Public	362	365	(3)	10	10	
AIL - Non Public	43	46	(3)	5	5	
Totals	<u>3,211</u>	<u>3,219</u>	<u>(8)</u>	<u>40</u>	<u>40</u>	<u>- 0 -</u>
Percentage Error			<u>-0.25%</u>			<u>0.00%</u>

SPARTA TOWNSHIP SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2015

EXCESS SURPLUS CALCULATION

Section 1 - REGULAR DISTRICT

2014-2015 Total General Fund Expenditures per the CAFR	<u>\$ 65,145,858</u> (B)	
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -0-</u> (B1a)	
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ -0-</u> (B1b)	
Decreased by:		
On-Behalf TPAF Pension and Social Security	<u>\$ 5,410,581</u> (B2a)	
Assets Acquired Under Capital Leases	<u>\$ 524,618</u> (B2b)	
Adjusted 2014-2015 General Fund Expenditures [(B) + (B1's) - (B2's)]	<u>\$ 59,210,659</u> (B3)	
2% of Adjusted 2014-2015 General Fund Expenditures [(B3) times .02]	<u>\$ 1,184,213</u> (B4)	
Enter Greater or (B4) or \$250,000	<u>\$ 1,184,213</u> (B5)	
Increased by: Allowable Adjustments	<u>\$ 13,003</u> (K)	
Maximum Unassigned Fund Balance [(B5) + (K)]		<u><u>\$ 1,197,216</u></u> (M)

Section 2

Total General Fund - Fund Balances @ 6/30/2015 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 4,305,772</u> (C)	
Decreased by:		
Year-end Encumbrances	<u>\$ 231,916</u> (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C2)	
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 750,000</u> (C3)	
Other Restricted Fund Balances	<u>\$ 1,376,640</u> (C4)	
Assigned Fund Balance:		
Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C5)	
Total Unassigned Fund Balance [(C1) - (C1) - (C2) - (C3) - (C4) - (C5)]		<u><u>\$ 1,947,216</u></u> (U1)

Section 3

Restricted Fund Balance - Excess Surplus [(U1 - (M)) IF NEGATIVE, ENTER \$ - 0 -	<u><u>\$ 750,000</u></u> (E)
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SPARTA TOWNSHIP SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

EXCESS SURPLUS CALCULATION

Recapitulation of Excess Surplus as of June 30, 2015

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 750,000 (C3)
Restricted Excess Surplus [(E)]	<u>\$ 750,000 (E)</u>
Total [(C3) + (E) + (F)]	<u><u>\$ 1,500,000 (D)</u></u>

Detail of Allowable Adjustments

Impact Aid	<u>\$ -0- (H)</u>
Sale and Lease-Back	<u>\$ -0- (I)</u>
Extraordinary Aid	<u>\$ -0- (J1)</u>
Additional Nonpublic School Transportation Aid	<u>\$ 13,003 (J1)</u>
Total Adjustments [(H) + (I) + (J1) + (J2)]	<u><u>\$ 13,003 (K)</u></u>

Detail of Other Restricted Fund Balance

Statutory Restrictions	<u>\$ -0-</u>
Approved Unspent Separate Proposal	<u>\$ -0-</u>
Sale/Lease-Back Reserve	<u>\$ -0-</u>
Capital Reserve	<u>\$ 1,001,640</u>
Maintenance Reserve	<u>\$ 375,000</u>
Tuition Reserve	<u>\$ -0-</u>
Other State/Governmental Mandated Reserve	<u>\$ -0-</u>
Other Restricted Fund Balance not Noted Above	<u>\$ -0-</u>
Total Other Restricted Fund Balance	<u><u>\$ 1,376,640 (C4)</u></u>

SPARTA TOWNSHIP SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2015

It is recommended that:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Program

None

4. School Food Service

None

5. Student Body Activities

The Alpine and Mohawk Avenue Schools prepares a voucher with all required approval signatures for each payment, all cash disbursements for the Alpine School are supported by an invoice or bill and the Alpine and Mohawk Avenue Schools and High School Athletics, obtain a signature certifying receipt of goods or services prior to the release of each payment and deposits to the High School account are consistently made on a timely basis.

6. Application for State School Aid

It is recommended that students be properly reported on the DRTRS report.

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Status of Prior Year's Findings/Recommendations

The prior year recommendation regarding all reconciling items in the payroll agency account be carefully reviewed and cleared in a timely manner was resolved during the current year. The prior year recommendation regarding the use of vouchers and obtaining signatures certifying receipt of goods in the various student activities accounts was not completely resolved and has been included in the current year findings/recommendations.