

VERNON TOWNSHIP BOARD OF EDUCATION
COUNTY OF SUSSEX
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015

VERNON TOWNSHIP BOARD OF EDUCATION
COUNTY OF SUSSEX
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
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November 20, 2015

The Honorable President and Members
of the Board of Education
Vernon Township Board of Education
County of Sussex, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Board of Education of the Vernon Township Board of Education 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 recommendations, if any.

This report is intended for the information of the Vernon Township 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.

NISIVOCCIA LLP


Raymond G. Sarinelli
Licensed Public School Accountant #864
Certified Public Accountant

VERNON TOWNSHIP BOARD OF EDUCATION
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

There is a Blanket Employee Dishonesty Bond with the School Alliance Insurance Fund covering all other employees with multiple coverage of \$500,000.

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Nesta Jones	Treasurer	\$ 500,000
Steven A. Kepnes	Business Administrator	500,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less 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.6:23-3.1(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

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 Administrators and the Chief School Administrator. Payrolls were delivered to the Treasurer of School Monies with a warrant to her order for the full amount of the payroll.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents and business administrators) to the NJ Department of Treasury was filed by the March 15 due date.

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.

VERNON TOWNSHIP BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015

Financial Planning, Accounting and Reporting (Cont'd)

Classification of Expenditures – General and Administrative

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, we reviewed administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A-23A-8.2. As a result of the procedures performed, we found no errors and no additional procedures were deemed necessary to test the propriety of expenditure classification.

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 noted no exceptions.

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 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 and Title II of the No Child Left Behind Consolidated Grant.

Other Special Federal and/or State Projects

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

The 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.

T.P.A.F. Reimbursement

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

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

The 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.

VERNON TOWNSHIP BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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 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 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.

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

VERNON TOWNSHIP BOARD OF EDUCATION
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)

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-check basis. Food Service accounting records maintained by the District's central administration office were reconciled with the records maintained by the food service contractor.

Cash receipts and bank records were reviewed for timely deposit.

The District contracts with a food service management company (FSMC), and program deposits and expenditures were made 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 generate a profit. The operating results provision has been met. The District has a Type 2 SOC1 report (Service Organization Controls Report) of the food service management company on file as required by state requirements.

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.

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 exceed three months average expenditures.

Time sheets were reviewed and labor costs verified on a test basis. Payroll records were maintained on all School Food Services employees. No exceptions were noted.

The number of meals/milks claimed for reimbursement was verified against sales. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement vouchers 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/milk claimed as served did not exceed the number of valid applications on file, multiplied by the number of operating days, on a school by school basis. The free and reduced price meal/milk policy is uniformly administered throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review.

Food Distribution Program commodities were received and a separate inventory was maintained on a first-in, first-out basis.

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

VERNON TOWNSHIP BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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. Based on these procedures, we have no comments except as noted herein.

Application for State School Aid

Our audit procedures included a test of enrollments reported in the October 15, 2014 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, bilingual education, and low income. 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 with only minor exceptions. The information that was included on the workpapers was verified on a test basis with only a minor exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District did maintain workpapers on the prescribed State forms or their equivalent.

The District has adequate written procedures for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2014-2015 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report 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. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

Our procedures included a review of the SDA grant agreements for consistency with recording of the revenue and awarding of contracts for eligible facilities construction. Based on these procedures, we have no comments except as noted herein.

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 ensure that the maximum is not exceeded.

The regulations also require that all travel be preapproved by the Board of Education and that the approval must be itemized by event, event total cost, and individuals attending. Overall compliance was noted.

Management Suggestions:

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:

VERNON TOWNSHIP BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
 (Continued)

Single Audit (Cont'd)

- 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.

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.

Continuing Disclosure Requirements

In connection with the issuance of bonds by a school district, the District agrees to the continuing 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 requirement 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.

Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding SEMI eligible students and supporting documentation for disbursements in the Cedar Mountain Student Activities account have been resolved.

VERNON TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUND - FOOD SERVICE
SCHEDULE OF NET CASH RESOURCES
FISCAL YEAR ENDED JUNE 30, 2015

Current Assets: *	
Cash and Cash Equivalents	\$ 221,269
Intergovernmental Accounts Receivable	28,254
Current Liabilities: *	
Accounts Payable	<u>(79,750)</u>
Net Cash Resources	<u>\$ 169,773 (A)</u>
<u>Net Adjusted Total Operating Expense:</u>	
Total Operating Expenses	\$ 1,044,813
Less: Depreciation Expense	<u>(13,503)</u>
Adjusted Total Operating Expenses	<u>\$ 1,031,310 (B)</u>
<u>Average Monthly Operating Expenses:</u>	
(B) / 10	<u>\$ 103,131 (C)</u>
<u>Three Times Monthly Average Operating Expenses:</u>	
3 x (C)	<u>\$ 309,393 (D)</u>
Net Cash Resources	\$ 169,773 (A)
Less: Three Times Monthly Average Operating Expenses	<u>(309,393) (D)</u>
Exceed / (Does not Exceed)	<u>\$ (139,620) **</u>

* Inventories and unearned revenue related to donated commodities are not included in net cash resources.

** Net cash resources do not exceed three times monthly average operating expenses.

VERNON TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF MEAL COUNTY ACTIVITY
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDER CLAIM
ENTERPRISE FUND
FISCAL YEAR ENDED JUNE 30, 2015

<u>Program</u>	<u>Meal Category</u>	<u>Meal Claimed</u>	<u>Meal Tested</u>	<u>Meal Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over) Underclaim</u>
National School Lunch (Regular Rate)	Paid	115,357	58,233	58,233	-0-	0.028	-0-
	Reduced	24,250	5,081	5,081	-0-	2.530	-0-
	Free	53,267	18,279	18,279	-0-	2.930	-0-
		<u>192,874</u>	<u>81,593</u>	<u>81,593</u>	<u>-0-</u>		<u>-0-</u>
School Breakfast Program	Paid	9,022	2,712	2,712	-0-	0.028	-0-
	Reduced	1,179	374	374	-0-	1.320	-0-
	Free	4,433	1,134	1,134	-0-	1.620	-0-
		<u>14,634</u>	<u>4,220</u>	<u>4,220</u>	<u>-0-</u>		<u>-0-</u>
Special Milk Program	Paid	318	108	108	-0-	0.230	-0-
	Free	171	50	50	-0-	0.251	-0-
		<u>489</u>	<u>158</u>	<u>158</u>	<u>-0-</u>		<u>-0-</u>
TOTAL NET (OVER) / UNDERCLAIM							<u>\$ -0-</u>

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

	2014-2015 Application for State School Aid						Sample for Verification					
	Reported on 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	10		10				2		2			
Half Day Preschool 4 Years Old	27		27				3		3			
Full Day Kindergarten	183		183				18		18			
Grade One	203		203				20		20			
Grade Two	231		231				23		23			
Grade Three	214		214				21		21			
Grade Four	204		204				20		20			
Grade Five	223		223				22		22			
Grade Six	219		219				22		22			
Grade Seven	200		200				20		20			
Grade Eight	234		234				23		23			
Grade Nine	204		204				20		20			
Grade Ten	238		238				24		24			
Grade Eleven	239	1	239	1			24		24			
Grade Twelve	240		240				24		24			
Subtotal	2,869	1	2,869	1			286		286			
Special Education:												
Elementary	193		193				197		197			
Middle	144		144				138		138			
High	169	1	169	1			169		169			
Subtotal	506	1	506	1			504		504			
Totals	3,375	2	3,375	2	-0-	-0-	790	-0-	790	-0-	-0-	-0-
Percentage Error					0.00%	0.00%					0.00%	0.00%

VERNON 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	Sample for Verficiation	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
Full Day Kindergarten					38	38		3	3	
Grade One					39	39		3	3	
Grade Two					70	70		7	7	
Grade Three					55	55		5	5	
Grade Four					43	43		4	4	
Grade Five					50	50		4	4	
Grade Six					49	49		4	4	
Grade Seven					42	42		3	3	
Grade Eight					38	38		3	3	
Grade Nine					33	33		3	3	
Grade Ten					36	36		3	3	
Grade Eleven					36	36		3	3	
Grade Twelve					21	21		1	1	
Subtotal					550	550		46	46	
Special Education:										
Elementary School	3	1	1		87	87		2	2	
Middle School	9	2	2		39	39		1	1	
High School	16	2	2		50	50		1	1	
Subtotal	28	5	5		176	176		4	4	
Totals	28	5	5	-0-	726	726	-0-	50	50	-0-
Percentage Error				-0-%			-0-%			-0-%

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

	Resident LEP Low Income					Resident LEP Not Low Income						
	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Errors	Reported on ASSA as LEP Not Low Income	Reported on Workpapers as LEP Not Low Income	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors		
Half Day Preschool 3 Years Old												
Half Day Preschool 4 Years Old												
Full Day Kindergarten												
Grade One		1	1	1	1							
Grade Two												
Grade Three		1	1	1	1	1	1	1	1			
Grade Four						1	1	1	1			
Grade Five		1	1	1	1							
Grade Six		2	2	1	1							
Grade Seven												
Grade Eight												
Grade Nine		1	1	1	1	1	1	1	1			
Grade Ten												
Grade Eleven												
Grade Twelve												
Subtotal	6	6	5	5		3	3	3	3			
Special Education:												
Elementary School	1	1				3	3	1	1			
Middle School												
High School												
Subtotal	1	1				3	3	1	1			
Totals	7	7	-0-	5	5	-0-	6	6	-0-	4	4	-0-
Percentage Error			0.00%			0.00%			0.00%			0.00%

VERNON TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

	Transportation					
	<u>Reported on DRTRS by DOE</u>	<u>Reported on DRTRS by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>
Regular - Public Schools	2,629	2,629		60	60	
Regular - Special Education	491.5	491.5		25	25	
Transported - Non Public	97	97		9	9	
AIL - Non Public	14	14		2	2	
Special Needs - Public	74.5	74.5		7	7	
Special Needs - Private	<u>23</u>	<u>23</u>		<u>3</u>	<u>3</u>	
Totals	<u>3,329</u>	<u>3,329</u>	<u>-0-</u>	<u>106</u>	<u>106</u>	<u>-0-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	<u>Reported</u>	<u>Recalculated</u>
Average Mileage - Regular Including Grade PK Students	6.2	6.2
Average Mileage - Regular Excluding Grade PK Students	6.2	6.2
Average Mileage - Special Education with Special Needs	15.8	15.8

VERNON TOWNSHIP BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2015

SECTION 3

Restricted Fund Balance - Excess Surplus [(U2)-(M)] IF NEGATIVE, ENTER -0- \$ 1,662,874 (E)

Recapitulation of Excess Surplus as of June 30, 2015

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures \$ 1,318,159 (C3)

Restricted Excess Surplus [(E)] \$ 1,662,874 (E)

Total [(C3)+(E)] \$ 2,981,033 (D)

Detail of Allowable Adjustments

Impact Aid \$ -0- (H)

Sale and Lease Back \$ -0- (I)

Extraordinary Aid \$ -0- (J1)

Additional Nonpublic School Transportation Aid \$ 27,101 (J2)

Current Year School Bus Advertising Revenue Recognized \$ -0- (J3)

Total Adjustments ((H)+(I)+(J1)+(J2)+(J3)) \$ 27,101 (K)

Detail of Other Restricted Fund Balance

Statutory Restrictions

Approved Unspent Separate Proposal \$ -0-

Sale/Lease-Back Reserve \$ -0-

Capital Reserve \$ 609,698

Maintenance Reserve \$ 55,275

Emergency Reserve \$ -0-

Tuition Reserve \$ -0-

School Bus Advertising 50% Fuel Offset Reserve – current year \$ -0-

School Bus Advertising 50% Fuel Offset Reserve – prior year \$ -0-

Other State/Governmental Mandated Reserve \$ -0-

Other Reserved Fund Balance not Noted Above \$ -0-

Total Other Restricted Fund Balance \$ 664,973 (C4)

VERNON TOWNSHIP BOARD OF EDUCATION
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
None
6. Application for State School Aid
None
7. Pupil Transportation
None
8. Facilities and Capital Assets
None
9. Travel Expense and Reimbursement Policy
None
10. Miscellaneous
None
11. Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding SEMI eligible students and supporting documentation for disbursements in the Cedar Mountain Student Activities account have been resolved.