

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

ANDOVER REGIONAL SCHOOL DISTRICT
COUNTY OF SUSSEX
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2015
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November 22, 2015

The Honorable President and Members
of the Board of Education
Andover Regional School District
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 Andover Regional School District in the County of Sussex for the fiscal year ended June 30, 2015, and have issued our report thereon dated November 22, 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 22, 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 recommendation.

This report is intended for the information of the Andover Regional 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

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

ANDOVER REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2015

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, the activities of the Board of Education, 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>
Marie A. Goble	Treasurer of School Monies	\$ 350,000
Terry-Lee VanAuken	Business Administrator/Board Secretary	350,000

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 decrease in per pupil costs in accordance with N.J.A.C.6A:23A-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 indicated several discrepancies with respect to signatures, certification or supporting documentation.

Finding

During our review of disbursements it was noted that there were several instances where invoices were paid before obtaining the proper receipt of goods signature.

Recommendation

It is recommended that all invoices receive a receipt of goods signature prior to the release of funds.

Management Response

The Business Administrator will ensure that a receipt of goods signature is obtained for all invoices prior to the release of funds.

ANDOVER REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2015

Financial Planning, Accounting and Reporting (Cont'd)

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.

All payrolls tested were approved by the Superintendent and certified by the President of the Board and the School Business Administrator and the Superintendent.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholdings due to the General Fund.

The required certification (E-Cert1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents and business administrator) to the New Jersey Department of Treasury was filed by the March 15th due date.

Finding

During our review of the payroll and unemployment accounts it was noted that unemployment withholdings and subsequent payments did not properly run through the unemployment account.

Recommendation

It is recommended that the Business Administrator ensure that unemployment withholdings are properly run through the unemployment trust account.

Management Response

The Business Administrator will ensure that unemployment withholdings are properly run through the unemployment trust account.

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.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting as a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. 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.

ANDOVER REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2015

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 detailed below.

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.

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.

Finding

During our review of federal grants, it was noted that funds were requested by the District before the funds were expended for the Title II, Part A Grant and the IDEA Basic grant. Funds requested in regards to these grants are to be requested on the reimbursement basis.

Recommendation

It is recommended that greater care be taken in reviewing reimbursement requests for federal grants to ensure that only funds which have been expended are requested for reimbursement.

Management's Response

The Business Administrator will reconcile all reimbursement requests to actual funds expended before submitting a reimbursement request.

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.

ANDOVER REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2015
 (Continued)

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.

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 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 \$17,500 (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.

ANDOVER REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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YEAR ENDED JUNE 30, 2015
(Continued)

School Purchasing Programs (Cont'd)

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

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.

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 and meal count records were reviewed on a test basis. The financial accounts 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 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 break even. The operating results provision has been met.

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 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.

ANDOVER REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2015
 (Continued)

School Food Service (Cont'd)

The number of meals 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 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 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. No exceptions were noted.

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

The District has a Type 2 SOCI report (Service Organization Controls Report) of the food service management company on file as required by state requirements.

Management Suggestion

It was noted during our review of the Food Service Fund that the Fund would have operated at a deficit had the General Fund not subsidized the Food Service Fund with an operating transfer. It is our suggestion the District continue to monitor the Food Service so that it does not operate at a deficit.

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.

Application for State School Aid

Our audit procedures included a test of information reported on the October 15, 2014 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low income and limited english proficiency. We also performed a review of the District procedures. The information on the A.S.S.A. was compared to the District workpapers with minor exceptions. The information that was included on the workpapers was verified on a test basis with only 3 errors in the on roll register. As the errors are minor, no formal recommendation is judged to be warranted. 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.

ANDOVER REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2015
 (Continued)

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 on a test basis with a one net 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 procedures pertaining to travel and expense reimbursements for its employee 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 the Superintendent and that the approval must be itemized by event, event total cost, and individuals attending.

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:

- 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.

ANDOVER REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2015
(Continued)

Securities Exchange Commission's ("SEC") Municipalities Continuing Disclosure Cooperation Initiative

The District self-reported under the SEC's Municipalities Continuing Disclosure Cooperative Initiative as the District had failed to provide its most current annual information for the fiscal year ended June 30, 2010 and June 30, 2009. In addition, the District has previously failed to file annual budget information in a timely manner. As the District has since filed the budget and annual information as required, no formal recommendation is warranted.

Status of Prior Year's Findings/Recommendations

The prior audit finding regarding the operating deficit and over-expenditures has been corrected. However, prior audit finding regarding reimbursement requests for the No Child Left Behind Grant has not been resolved and is included in this report.

ANDOVER REGIONAL 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 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	4		4					4		4		
Half Day Preschool 4 Years Old	2		2					2		2		
Full Day Kindergarten	41		41					41		41		
Grade One	45		45					45		45		
Grade Two	47		47					47		47		
Grade Three	46		46					46		46		
Grade Four	46		46					46		46		
Grade Five	53		53					53		53		
Grade Six	54		54					54		54		
Grade Seven	39		39					39		39		
Grade Eight	80		80					80		80		
Subtotal	457		457					457		457		
Special Education:												
Elementary	64		63		(1)			64		63		(1)
Middle	39		39					39		39		
Subtotal	103	0	102	0	(1)			103		102		(1)
Totals	560	0	559	0	(1)	-0-		560	0	559	0	(1) -0-
Percentage Error					(0.18%)	0.00%						-(0.18%) 0.00%

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

	<u>Private Schools for Disabled</u>			<u>Resident Low Income</u>					
	<u>Reported on ASSA as Private Schools</u>	<u>Reported on Workpapers as Private Schools</u>	<u>Errors</u>	<u>Reported on ASSA as Low Income</u>	<u>Reported on Workpapers as Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Full Day Kindergarten				4	3	-1			
Grade One				5	6	1	1	1	
Grade Two				5	6	1			
Grade Three					3	3			
Grade Four				3	5	2			
Grade Five				8	6	-2	1	1	
Grade Six				2	4	2	1	1	
Grade Seven				3	3				
Grade Eight				3	8	5	1	1	
Subtotal				<u>43</u>	<u>44</u>	<u>1</u>	<u>4</u>	<u>4</u>	
Special Education:									
Elementary School				12	12		3	3	
Middle School				8	8		2	2	
High School				8	8		2	2	
Subtotal				<u>28</u>	<u>28</u>		<u>7</u>	<u>7</u>	
Totals				<u>71</u>	<u>72</u>	<u>1</u>	<u>11</u>	<u>11</u>	
Percentage Error			<u>0.00%</u>			<u>1.41%</u>			<u>0.00%</u>

ANDOVER REGIONAL 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	1	1		1	1	
Grade Five	1	1		1	1	
	2	2		2	2	
	2	2	-0-	2	2	-0-
			0.00%			0.00%

		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

NOT APPLICABLE IN CURRENT YEAR

ANDOVER REGIONAL 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	530	530		25	25	
Regular - Special Education	32	32		3	3	
Transported - Non Public	97	97		8	8	
AIL - Non Public	6	6		1	1	
Special Needs - Public	54.0	54.0		6	6	
Special Needs - Private	2	2		1	1	
Totals	<u>721.0</u>	<u>721.0</u>		<u>44</u>	<u>44</u>	
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	4.4	4.4
Average Mileage - Regular Excluding Grade PK Students	4.4	4.4
Average Mileage - Special Education with Special Needs	4.6	4.6

ANDOVER REGIONAL SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
YEAR ENDED JUNE 30, 2015

2% CALCULATION OF EXCESS SURPLUS

Section 1 - REGULAR DISTRICT

2014-2015 Total General Fund Expenditures per the CAFR	<u>\$ 15,894,815</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>\$ 971,437</u> (B2a)
Assets Acquired Under Capital Leases	<u>\$ 364,088</u> (B2b)
Adjusted 2014-2015 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 14,559,290</u> (B3)
2% of Adjusted 2014-2015 General Fund Expenditures [(B5) times .02]	<u>\$ 291,186</u> (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 291,186</u> (B5)
Increased by: Allowable Adjustment	<u>\$ 199,184</u> (K)
Maximum Unassigned Fund Balance [(B5)+(K)]	<u>\$ 490,370</u> (M)

Section 2

Total General Fund - Fund Balances @ 6/30/2015 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 1,018,088</u> (C)
Decreased by:	
Year-End Encumbrances	<u>\$ 254,804</u> (C1)
Legally Restricted:	
Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C2)
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C3)
Other Restricted Fund Balances	<u>\$ -0-</u> (C4)
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	<u>\$ 524,918</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	<u>\$ 238,366</u> (U1)

ANDOVER REGIONAL SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
YEAR ENDED JUNE 30, 2015

Section 3

Restricted Fund Balance-Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0-	\$	-0-	(E)
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Recapitulation of Excess Surplus as of June 30, 2015

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	\$	-0-	(C3)
---	----	-----	------

Restricted Excess Surplus [(E)]	\$	-0-	(E)
---------------------------------	----	-----	-----

Total [(C3)+(E)+(F)]	\$	-0-	(D)
----------------------	----	-----	-----

Detail of Allowable Adjustments

Impact Aid	\$	-0-	(H)
------------	----	-----	-----

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

Extraordinary Aid	\$	191,152	(J1)
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Additional Nonpublic School Transportation Aid	\$	8,032	(J2)
--	----	-------	------

Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)]	\$	199,184	(K)
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Detail of Other Reserved Fund Balance

Statutory Restrictions:

Approved Unspent Separate Proposal	\$	-0-	
------------------------------------	----	-----	--

Sale/Lease-Back Reserve	\$	-0-	
-------------------------	----	-----	--

Capital Reserve	\$	-0-	
-----------------	----	-----	--

Maintenance Reserve	\$	-0-	
---------------------	----	-----	--

Emergency Reserve	\$	-0-	
-------------------	----	-----	--

Tuition Reserve	\$	-0-	
-----------------	----	-----	--

Other State/Governmental Mandated Reserve	\$	-0-	
---	----	-----	--

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

Total Other Restricted Fund Balance	\$	-0-	
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ANDOVER REGIONAL SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
YEAR ENDED JUNE 30, 2015

It is recommended that:

1. Administrative Practices and Procedures
 - A. All invoices receive a receipt of goods signature prior to the release of funds.
 - B. The Business Administrator ensure that unemployment withholdings are properly run through the unemployment trust account.
2. Financial Planning, Accounting and Reporting

Greater care be taken in reviewing reimbursement requests for federal grants to ensure that only funds which have been expended are requested for reimbursement.
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. Miscellaneous

None
10. Status of Prior Year's Findings/Recommendations

The prior audit finding regarding the operating deficit and over-expenditures has been corrected. However, the prior audit finding regarding reimbursement requests for the No Child Left Behind Grant has been repeated and is included in this report.