

**BOARD OF EDUCATION**

**HARMONY TOWNSHIP 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**

**TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
<b>Independent Auditors' Report</b>	1
<b>Scope of Audit</b>	2
<b>Administrative Practices and Procedures</b>	
Insurance	2
Official Bonds	2
Tuition Charges	N/A
<b>Financial Planning, Accounting and Reporting</b>	
Examination of Claims	2
Payroll Account and Position Control Roster	2
Reserve for Encumbrances and Accounts Payable	3
Obligations of federal grant awards and requests for reimbursement of expenditures against those federal grant awards	
Classification of Expenditures	3
Board Secretary's Records	3
Treasurer's Records	3
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	4
Other Special Federal and/or State Projects	4
T.P.A.F. Reimbursement	5
DEPA Accounting	N/A
<b>School Purchasing Programs</b>	
Contracts and Agreements Requiring Advertisement for Bids	5-6
<b>School Food Service</b>	7
<b>Student Body Activities</b>	7
<b>Application for State School Aid</b>	8
<b>Pupil Transportation</b>	8
<b>Facilities and Capital Assets</b>	8
<b>Follow-up on Prior Year Findings</b>	8
<b>Recommendations</b>	9
<b>Acknowledgment</b>	9
<b>Schedule of Net Cash Resources</b>	N/A
<b>Schedule of Meal Count Activity</b>	N/A
<b>Schedule of Audited Enrollments</b>	10-11
<b>Schedule of Federal Awards</b>	12
<b>Schedule of State Financial Assistance</b>	13
<b>Schedule of Excess Surplus</b>	14-15





## **ARDITO & Co., LLP**

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### **REPORT OF INDEPENDENT AUDITORS**

Honorable President and  
Members of the Board of Education  
Harmony Township 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 Harmony Township School District in the County of Warren for the year ended June 30, 2015, and have issued our report thereon dated November 16, 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 Harmony Township 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 green ink, appearing to read 'Anthony Ardito'.

Date: November 16, 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>
Alicia M. Schauer	Board Secretary/School Business Administrator	\$35,000
Randy Wilson	Treasurer	\$170,000

**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 fair condition.

The Treasurer's records were examined and were not found to be in agreement with the records of the Secretary

#### **Finding :**

The board secretary report for June 30, 2015 differed from the treasurer's report by \$90,678.89 for the General Fund and \$8,516.67 for the Special Revenue Fund for a total of \$99,195.56. District checks dated June 30, 2015 for \$99,195.56 were issued after the treasurer bank reconciliations were completed.

#### **Recommendation:**

That the board secretary report cash balances are in agreement with the Treasurer's bank reconciliation reports on a monthly basis.

#### **Finding :**

Tax levy and state aid receivable accounts were not reconciled to the underlying detail. Receivables and revenues were understated by \$6,437,247. Proposed audit entries were approved to record the appropriate tax levy and state aid receivables and revenues.

#### **Recommendation:**

Balance sheet balances should be reconciled to the underlying detail on a monthly basis.



**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 13 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 :**

Cash draw down for IDEA, IDEA preschool, and Title II performed before funds were expended. The district generated grant receipts without related expenditures in the amount of \$25,822, which increased district cash by the same amount.

**Recommendation:**

Federal grants should be drawn down on a reimbursement basis, with adequate expenditure detail to support the cash draw down.

**Finding :**

Final budgeted appropriations for Special Revenue Grant Funds were entered incorrectly on the board secretary report. Amounts budgeted were greater than the current year allocation increased for prior years unspent carry over amounts (prior year deferred revenue) enabling a \$7,711 overexpenditure in Title I and REAP grants to occur. Proposed audit entries were approved to reclassify the over-expenditures to the general fund.

**Recommendation:**

The final grant appropriation budget (adjusted budget column in the board secretary report) should equal the current year grant allocation, plus prior year unspent balances (prior year deferred revenue), and prior year encumbrances.

**Finding :**

Title II funds for the prior period were unspent or unencumbered as of June 30, 2015 in the amount of \$2,484. Since the grant was drawn down and cash collected, the unspent Federal funds are to be returned to the State of New Jersey.

**Recommendation:**

The unspent Title II funds should be promptly remitted to the State of New Jersey

## **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.

### **Finding :**

The reimbursement form and subsequent payment to the State of New Jersey was overstated by \$1,086.81 creating an overpayment to the State. The final budgeted appropriations for teachers salaries and benefits (FICA and Pension) were higher than the total grant(s), which allowed an incorrect calculation of FICA and Pension to be reimbursed to the State. The higher incorrect salary amount was used for the calculation, which exceeded the grant budget.

### **Recommendation:**

That total teacher salary and related benefits do not exceed the grant appropriation budget; That the reimbursement form be prepared to adjust salaries so that adjusted salaries plus calculated benefits (reimbursement to the state) do not exceed the grant appropriation budget.

## **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.

## **Contracts and Agreements Requiring Advertisement for Bids - (Continued)**

- 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 not reveal the purchases made through the use of State contracts.

## **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 break even. 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.

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.

## **Student Body Activities**

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.

## **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. 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 agreement 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. Based on our review, the District complied with these procedures.

## **Follow-up on Prior Years' Findings**

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. No findings were noted in the prior year.

## **Summary of Recommendations**

1. That the board secretary report cash balances are in agreement with the Treasurer's bank reconciliation reports on a monthly basis.
2. Balance sheet balances should be reconciled to the underlying detail on a monthly basis.
3. Federal grants should be drawn down on a reimbursement basis, with adequate expenditure detail to support the cash draw down.
4. The final grant appropriation budget (adjusted budget column in the board secretary report) should equal the current year grant allocation, plus prior year unspent balances (prior year deferred revenue), and prior year encumbrances.
5. The unspent Title II funds should be promptly remitted to the State of New Jersey.
6. That total teacher salary and related benefits do not exceed the grant appropriation budget; That the TPAF Fica/Pension reimbursement form be prepared to adjust salaries so that adjusted salaries plus calculated benefits (reimbursement to the state) do not exceed the grant appropriation budget.

## **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.

HARMONY TOWNSHIP 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- cation		Sample Sample Errors		Reported on A.S.S.A. as Private School	Sample for Verifi- cation	Sample Verified	Sample Errors	Sample for Verifi- cation	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Pre-School (3 Yrs)	6		6				3		3															
Half Day Pre-School (4 Yrs)	10		10				5		5															
Full Day Kindergarten	17		17				9		9															
One	29		29				15		15															
Two	20		20				10		10															
Three	25		25				13		13															
Four	21		21				11		11															
Five	22		22				11		11															
Six	20		20				10		10															
Seven	29		29				16		16															
Eight	27		27				14		14															
<b>Subtotal</b>	<b>226</b>	<b>0</b>	<b>226</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>117</b>	<b>0</b>	<b>117</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Sp Ed. Elementary	19		19				10		10															
Sp Ed. Middle	7		7				4		4															
Sp Ed. High School																								
<b>Subtotal</b>	<b>26</b>	<b>0</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14</b>	<b>0</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Totals</b>	<b>252</b>	<b>0</b>	<b>252</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>131</b>	<b>0</b>	<b>131</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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>

HARMONY TOWNSHIP 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	4	4		4	4		Bilingual Students	0	0	0	0	0
One	4	4		4	4		Percentage Error			<u>0.00%</u>		<u>0.00%</u>
Two	6	6		6	6							
Three	5	5		5	5							
Four	4	4		4	4							
Five	4	4		4	4							
Six	1	1		1	1							
Seven	0	0		0	0							
Eight	4	4		4	4							
Sp Ed. Elementary	5	5		5	5							
Sp Ed. Middle	1	1		1	1							
<b>Totals</b>	<b>38</b>	<b>38</b>	<b>0</b>	<b>38</b>	<b>38</b>	<b>0</b>						
Percentage Error			<u>0.00%</u>			<u>0.00%</u>						

	<u>Transportation</u>					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg.-Public Schools	226	226		118	118	
Transported-Non-Public	11	11		6	6	
Special Needs-Public	14	14		7	7	
<b>Totals</b>	<b>251</b>	<b>251</b>	<b>0</b>	<b>131</b>	<b>131</b>	<b>0</b>
Percentage Error					<u>0.00%</u>	



HARMONY TOWNSHIP 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	Budget Expend.	Adjust.	Repayment of Prior Years' Balances	Balance at June 30, 2015			Cumulative Total Expenditures	
				From	To							Accounts Receivable	Deferred Revenue	Due to Grantor		
<b>U.S. Department of Education Passed- Through State Department of Education: Special Revenue Fund:</b>																
Title I	84.010	NCLB204015	\$ 14,487	7/1/14	6/30/15	\$ (3,392)		\$ 18,140	\$ (14,748)			-	-		\$ 14,748	
Title I (A)	84.367B	NCLB204015	6,644	7/1/14	6/30/15	1,510		8,672	(2,792)			\$ (3,258)	\$ 8,164	\$ 2,484	2,792	
Small Rural School Achievement Prog.	84.358B	S358A143004	25,131	7/1/14	6/30/15	(24,884)		26,849	(27,096)			(25,131)	-		27,096	
I.D.E.A. Part B, Basic Regular	84.027	FT-1785-15	73,949	7/1/14	6/30/15	(58,408)		138,442	(54,000)			-	26,034		54,000	
I.D.E.A. Part B, Preschool	84.173	FT-1785-15	2,487	7/1/14	6/30/15	(2,620)		5,107	-			-	2,487		-	
Total Special Education Cluster						(61,028)	-	143,549	(54,000)	-	-	-	28,521	-	54,000	
<b>Total Special Revenue Fund</b>						<b>(87,794)</b>		<b>197,210</b>	<b>(98,636)</b>			<b>(28,389)</b>	<b>36,685</b>	<b>2,484</b>	<b>98,636</b>	
<b>U.S. Department of Agriculture Passed- Through State Department of Education: Enterprise Fund: Child Nutrition Cluster:</b>																
Food Distribution Program	10.555	N/A		7/1/13	6/30/14	1,254			(1,254)						1,254	
Food Distribution Program	10.555	N/A	\$ 8,146	7/1/14	6/30/15			8,146	(6,667)				1,479		6,667	
National School Lunch Program	10.555	N/A		7/1/13	6/30/14	(982)		982								
National School Lunch Program	10.555	N/A	17,844	7/1/14	6/30/15			16,972	(17,844)			(872)			17,844	
Special Milk Program	10.556	N/A		7/1/13	6/30/14	(13)		13								
Special Milk Program	10.556	N/A	337	7/1/14	6/30/15			313	(337)			(24)			337	
<b>Total Enterprise Fund</b>						<b>259</b>		<b>26,426</b>	<b>(26,102)</b>			<b>(896)</b>	<b>1,479</b>	<b>-</b>	<b>26,102</b>	
<b>TOTAL FEDERAL ASSISTANCE</b>						<b>\$ (87,535)</b>		<b>\$ 223,636</b>	<b>\$ (124,738)</b>			<b>-</b>	<b>\$ (29,285)</b>	<b>\$ 38,164</b>	<b>2,484</b>	<b>\$ 124,738</b>

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.  
Note: This Schedule was not subject to an audit in accordance with OMB Circular A-133.

HARMONY TOWNSHIP 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	CARRY- OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2015			MEMO		
										(ACCTS. RECEIV.)	DEFER. REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.	
<b>State Department of Education</b>															
<b>General Fund:</b>															
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	\$ 103,351			\$ 103,351	\$ (103,351)								*
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	217,130			217,130	(217,130)								*
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	31,409			31,409	(31,409)								*
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	3,320			3,320	(3,320)								*
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	3,320			3,320	(3,320)								*
Non-Public Transportation Aid	15-100-034-5120-068	7/1/14-6/30/15	1,444				(1,444)			\$ (1,444)					*
Non-Public Transportation Aid	14-100-034-5120-068	7/1/13-6/30/14	2,873	\$ (2,873)		2,873									*
Extra-ordinary Aid	15-495-034-5120-044	7/1/14-6/30/15	11,917			-	(11,917)			(11,917)					*
Extra-ordinary Aid	14-495-034-5120-044	7/1/13-6/30/14	9,579	(9,480)		9,579	(99)								*
On-behalf TPAF Pension Contrib.	15-495-034-5094-006	7/1/14-6/30/15	101,805			101,805	(101,805)								*
Reimbursed TPAF Soc.Secur.Contrib.	15-495-034-5094-003	7/1/14-6/30/15	152,612			152,124	(152,612)			(488)					*
<b>Total General Fund</b>				(12,353)		624,911	(626,407)			(13,849)					*
<b>Capital Projects Fund:</b>															
SDA Grant - Walk-In Freezer	SP#2040-030-09-0ZYV	7/1/09-6/30/10	31,825	(31,825)		31,825									*
SDA Grant - Replace Phone System	SP#2040-030-09-0ZJV	7/1/09-6/30/10	11,199	(11,199)		11,199									*
SDA Grant - Roof Replacement	SP#2040-030-09-0ZJT	7/1/09-6/30/10	145,795	(145,795)		145,795									*
<b>Total Capital Projects Fund</b>				(188,819)		188,819									*
<b>State Department of Agriculture:</b>															
<b>Enterprise Fund:</b>															
Nat.School Lunch Prog.(State Share)	15-100-010-3350-023	7/1/14-6/30/15	865			822	(865)			(43)					*
Nat.School Lunch Prog.(State Share)	14-100-010-3350-023	7/1/13-6/30/14	957	(46)		46									*
<b>Total Enterprise Fund</b>				(46)		868	(865)			(43)					*
<b>Total State Financial Assistance</b>				\$ (201,218)		\$ 814,598	\$ (627,272)			\$ (13,892)					*

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

HARMONY TOWNSHIP SCHOOL DISTRICT

**ANALYSIS OF EXCESS GENERAL FUND FREE BALANCE**  
**June 30, 2015**

**THE CALCULATION OF THE 2% EXCESS AT JUNE 30, 2015 IS AS FOLLOWS**

B	2014-2015 GENERAL FUND EXPENDITURES (per the CAFR, Exhibit C-1)			
	TOTAL		\$6,469,411	
	<b>INCREASED BY:</b>			
B1a	TRANSFER TO FOOD SERVICE FUND			
B1b	TRANSFER FROM CAPITAL OUTLAY TO CAPITAL PROJECTS FUND			
B1c	TRANSFER FROM CAPITAL RESERVE TO CAPITAL PROJECTS FUND			
	<b>DECREASED BY:</b>			
B2a	ON-BEHALF TPAF PENSION/PRM & SOCIAL SECURITY		(416,032)	
B2b	ASSETS ACQUIRED UNDER CAPITAL LEASES			
			<u>-</u>	
B3	ADJUSTED 2014-2015 GENERAL FUND EXPENDITURES		<u>\$ 6,053,379</u>	
B4	GREATER OF .02 OF EXPENDITURES OR \$250,000		\$ 250,000	
K	INCREASED BY: ALLOWABLE ADJUSTMENT		<u>13,361</u>	
M	<b>MAXIMUM UNRESERVED/UNDESIGNATED FUND BALANCE</b>		<b>4.35%</b>	\$ 263,361
C	GENERAL FUND FUND BALANCE AT 6-30-2015 (per CAFR Budgetary Schedule C-1)		\$ 2,180,957	
	<b>DECREASED BY:</b>			
C1	YEAR END ENCUMBRANCES		-	
C2	LEGALLY RESTRICTED - DESIGNATED FOR SUBSEQUENT YEARS' EXPENDITURES			
C3	LEGALLY RESTRICTED - EXCESS SURPLUS - DESIGNATED FOR SUBSEQUENT YEARS' EXPENDITURES		(244,818)	
C4	OTHER RESERVED FUND BALANCES		(1,339,212)	
C5	ASSIGNED FUND BALANCE - UNRESERVED - DESIGNATED FOR SUBSEQUENT YEARS' EXPENDITURES		<u>(12,353)</u>	
U1	<b>TOTAL UNASSIGNED FUND BALANCE</b>		<b>9.66%</b>	584,574
				<u>-</u>
U2	<b>TOTAL UNRESERVED/UNDESIGNATED FUND BALANCE FOR EXCESS SURPLUS CALCULATION</b>			<u>584,574</u>
E	<b>EXCESS SURPLUS-RESERVED FUND BALANCE</b>			<u>\$ 321,213</u>
	(IF NEGATIVE, NO ADDITIONAL RESERVED AMOUNT)			

HARMONY TOWNSHIP SCHOOL DISTRICT  
**ANALYSIS OF EXCESS GENERAL FUND FREE BALANCE**  
 June 30, 2015

<b>RECAPITULATION OF EXCESS SURPLUS AS OF JUNE 30, 2015</b>		
C3	RESERVED EXCESS SURPLUS - DESIGNATED FOR SUBSEQUENT YEARS' EXPENDITURES	\$ 244,818
E	RESERVED EXCESS SURPLUS	321,213
	<b>TOTAL</b>	<u>\$ 566,031</u>
<b>DETAIL OF ALLOWABLE ADJUSTMENTS:</b>		
H	IMPACT AID	
I	SALE & LEASE-BACK	
J1	EXTRAORDINARY AID	\$ 11,917
J2	ADDITIONAL NON-PUBLIC SCHOOL TRANSPORTATION AID	1,444
K	TOTAL ADJUSTMENTS	<u>\$ 13,361</u>
<b>DETAIL OF OTHER RESTRICTED FUND BALANCE:</b>		
STATUTORY RESTRICTIONS:		
	APPROVED UNSPENT SEPARATE PROSAL	
	CAPITAL OUTLAY FOR A DISTRICT WITH A CAPITAL OUTLAY SGLA	
	SALE/LEASE-BACK RESERVE	
	CAPITAL RESERVE	\$ 629,212
	MAINTENANCE RESERVE	710,000
	TUITION RESERVE	
	OTHER STATE/GOV'T MANDATED RESERVES	
	OTHER RESERVES FUND BALANCE NOT NOTED ABOVE	-
C-4	<b>TOTAL OTHER RESTRICTED FUND BALANCE</b>	<u>\$ 1,339,212</u>

