

HUDSON COUNTY SCHOOLS OF TECHNOLOGY

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

JUNE 30, 2015

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

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Hudson County Schools of Technology
County of Hudson, New Jersey

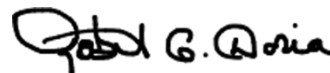
We have audited, in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Hudson County Schools of Technology in the County of Hudson for the year ended June 30, 2015, and have issued our report dated December 1, 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 Hudson County Schools of Technology's management, the New Jersey Department of Education and federal and state audit agencies. However, this report is a matter of public record and its distribution is not limited.



DONOHUE, GIRONDA, DORIA
& TOMKINS, LLC



ROBERT. G. DORIA
Certified Public Accountant
Public School Accountant
License No. CS 00778

Bayonne, New Jersey
December 1, 2015

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

SCOPE OF AUDIT

The Audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, the activities of the Hudson Schools of Technology, the records of 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

Adequacy of insurance coverage is the responsibility of the Board of Education.

<u>NAME</u>	<u>POSITION</u>	<u>AMOUNT OF BONDS</u>
Joseph M. Muniz	Board Secretary	\$150,000
Nicholas Fargo	Business Administrator	\$150,000
All Employees	All Employee Blanket Position	\$100,000

The Board also has an errors and omissions policy with the New Jersey School Boards Insurance Association Insurance Group with coverage of \$16,000,000 total for all fees and claims.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING

Examination of Claims

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

Payroll Accounts

The net salaries of all employees of the Board were deposited in the Net 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 Superintendent and were certified by the President of the Board and the Board Secretary/Business Administrator.

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

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

Reserve for Encumbrances and Accounts Payable

A review of outstanding purchase orders was made as of June 30, 2015 for proper classification of orders as reserve for encumbrances and accounts payable. No discrepancies were noted.

Travel

Finding:

The School did update travel reimbursement policies as required under the terms of the grant agreement and included the policy requirements but has not adhered to the stated policy. In addition, the School did not adopt a resolution authorizing the maximum travel expenditure amount for the fiscal year ended June 30, 2015.

Recommendation:

The School should annually adopt a resolution authorizing the maximum travel expenditures, as well as maintain separate accounting, to ensure proper reimbursement under the terms of the grant agreement.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-16.2(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, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. As a result of the procedures performed, a transaction error rate of less than 1% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

A. General Classification Findings - No findings were noted

B. Administrative Classification Findings – No findings were noted

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

Board Secretary's Records/Business Administrator

Our review of the financial and accounting records maintained by the Board Secretary/Business Administrator disclosed the following findings:

Finding:

The cash reconciliations of the District contain numerous dated outstanding checks.

Recommendations:

Any check which has not cleared the bank for over 90 days should be investigated and proper disposition made.

Finding:

The total accounts receivable from other districts in the Transportation Consortium Fund increased by over \$1.1 million dollars for the year ended June 30, 2015. This increase poses a cash flow issue for all other funds of the District.

Recommendations:

The District needs to monitor each member of the consortiums account to insure proper billings and payments have been made in a timely manner.

Elementary and Secondary School 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. 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 Titles I and VI of the Elementary and Secondary School Education Act as amended.

The study of compliance for E.S.E.A. indicated no noncompliance and/or questionable costs.

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 K-Section of the CAFR.

Our audit of the federal and the state funds, on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project 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.

The study of compliance for the special projects indicated the following areas of noncompliance and/or questioned costs.

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

Workforce Investment Grants

Finding:

All grant contracts and programs are not being reconciled to the general ledger. Cash drawdowns need to be submitted on a regular basis.

Recommendations:

Monthly reconciliations be prepared for all grant contacts and programs and timely drawdowns submitted.

Finding:

Career Development Center (CDC) allocates administration and direct labor charges to the WIA grants as well as some New Jersey Department of Labor grants. Additionally, the County of Hudson, through the Division of Family Development reimburses CDC for certain employees time used in processing Hudson County DFD TANF programs.

Recommendations:

CDC needs to update its payroll allocation worksheet each year prior to the first drawdown and implement any changes to its funding sources as the fiscal year progresses. There should be a formal cost plan prepared annually.

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.

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

The reimbursements to the State for the amount of the expenditure charged to the current year's Financial Report 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 and no exceptions noted.

SCHOOL PURCHASING PROGRAMS

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2010 and thereafter, the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:39-3(a) are \$36,000 (with a Qualified Purchasing Agent) and \$26,000 (without a Qualified Purchasing Agent). The law regulating bidding for public school transportation contracts under N.J.S.A. 18A:39-3 is currently \$17,500.

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

The results of our examination indicated that no individual payments, contracts or agreements were made for the performance of any work or goods or services, 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 amended.

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

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. No exceptions were noted.

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

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

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 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 system. The required verification procedures for free and reduced price applications were completed and available for review.

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

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

STUDENT BODY ACTIVITIES

Our audit of the Student Activity Funds found minor discrepancies with regards to balances.

APPLICATION FOR STATE SCHOOL AID

Our audit procedures included a test of information reported in the October 15, 2015 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's work papers. The information that was included in the work papers was also verified. The results of our procedures are presented in the Schedule of Audited Enrollment.

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

The Board written procedures appear to be adequate for the recording of student enrollment data.

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 in the DRTRS was verified to the DRTRS Eligibility Summary Report. 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. No following exceptions were noted:

Finding:

The District did not maintain a capital assets subsidiary ledger. A complete update of the District's capital assets needs to be undertaken. Including those purchased with grant funds.

Recommendations:

The District should perform a periodic asset valuation and properly maintain a capital assets subsidiary ledger.

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

FOLLOW-UP ON PRIOR YEAR FINDINGS

In accordance with *Government Auditing Standards*, our procedures included a review of the prior year's recommendations. Corrective action had been taken on all prior findings except for the following:

- Travel reimbursement procedures
- Capital asset ledger and valuation update

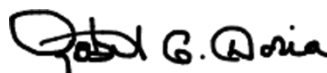
ACKNOWLEDGMENT

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.

This report is intended for the information of the Hudson County Schools of Technology's management, the New Jersey Department of Education and federal and state audit agencies. However, this report is a matter of public record and its distribution is not limited.



DONAHUE, GIRONDA, DORIA
& TOMKINS, LLC



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December 1, 2015

HUDSON COUNTY SCHOOL OF TECHNOLOGY
SCHEDULE OF MEAL COUNT ACTIVITY
ENTERPRISE FUND
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDER CLAIM
FOR FISCAL YEAR ENDED JUNE 30, 2015

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE</u>	<u>(OVER)/ UNDER CLAIM</u>
National School Lunch (High Rate)	Paid	23,810	23,810	23,810	-	0.400	\$ -
	Reduced	22,068	22,068	22,068	-	2.665	-
	Free	<u>76,303</u>	<u>76,303</u>	<u>76,303</u>	<u>-</u>	3.065	<u>-</u>
	Total	<u>122,181</u>	<u>122,181</u>	<u>122,181</u>	<u>-</u>		<u>\$ -</u>
School Breakfast (Severe Needs Rate)	Paid	8,477	8,477	8,477	-	0.280	\$ -
	Reduced	11,620	11,620	11,620	-	1.590	-
	Free	<u>47,873</u>	<u>47,873</u>	<u>47,873</u>	<u>-</u>	1.890	<u>-</u>
	Total	<u>67,970</u>	<u>67,970</u>	<u>67,970</u>	<u>-</u>		<u>\$ -</u>
Total Net (Over)/Under Claim					<u>-</u>		<u>\$ -</u>

NET CASH RESOURCE SCHEDULE

Net cash resources did/did not exceed three months of expenditures
Proprietary Funds - Food Service
FYE 2015

		Food Service		
		B - 4/5		
<u>Net Cash Resources:</u>				
CAFR	*	Current Assets		
B-4		Cash & Cash Equiv.	\$ -	
B-4		Due from Other Gov'ts	37,438	
B-4		Accounts Receivable	-	
B-4		Investments	-	
CAFR		Current Liabilities		
B-4		Less Accounts Payable	-	
B-4		Less Accruals	-	
B-4		Less Due to Other Funds	73,341	
B-4		Less Deferred Revenue	-	
		Net Cash Resources	<u><u>\$ (35,903.00)</u></u>	(A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	1,066,714	
B-5	Less Depreciation	<u>(15,000)</u>	
	Adj. Tot. Oper. Exp.	<u><u>\$ 1,051,714.00</u></u>	(B)

Average Monthly Operating Expense:

B / 10	<u><u>\$ 105,171.40</u></u>	(C)
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Three times monthly Average:

3 X C	<u><u>\$ 315,514.20</u></u>	(D)
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TOTAL IN BOX A	\$ (35,903)
LESS TOTAL IN BOX D	315,514
NET	<u><u>\$ 279,611</u></u>

From above:

A is greater than D, cash exceeds 3 X average monthly operating expenses.

D is greater than A, cash does not exceed 3 X average monthly operating expenses.

* Inventories are not to be included in total current assets.

SOURCE - USDA resource management comprehensive review form

Hudson County Schools of Technology
 Application for State School Aid Summary
 Enrollment as of October 15, 2014

Schedule of Audited Enrollments

	2015-2016 Application for State School Aid						Sample of Verification						Private Schools for Disabled			
	Reported on ASSA On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on ASSA as Private Schools	Sample for Verification	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
One	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Two	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Three	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Four	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Five	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Six	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Seven	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eight	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eleven	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Twelve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Post Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult HS (15+ Credits)	371	-	371	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult HS (1-14 Credits)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	371	-	371	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Education-Elementary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Education-Middle	6	-	6	-	-	-	1	-	1	-	-	-	-	-	-	-
Special Education-Highschool	158	53	158	53	-	-	28	35	28	35	-	-	-	-	-	-
Subtotal	164	53	164	53	-	-	29	35	29	35	-	-	-	-	-	-
Co. Voc - Regular	1,646	293	1,646	293	-	-	268	293	268	293	-	-	-	-	-	-
Co. Voc. Ft. Post Sec	643	-	643	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS	2,824	346	2,824	346	-	-	297	328	297	328	-	-	-	-	-	-
					0.00%							0.00%				0.00%

**Hudson County Schools of Technology
Application for State School Aid Summary
Enrollment as of October 15, 2014**

	Resident Low Income			Sample of Verification			Resident LEP Low Income			Sample of Verification		
	Reported on ASSA Low Income	Reported on Workpapers Low Income	Errors	Sample Selected from Workpapers	Verified to Application & Registers	Sample Errors	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Application & Registers	Sample Errors
Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindegarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindegarten	-	-	-	-	-	-	-	-	-	-	-	-
One	-	-	-	-	-	-	-	-	-	-	-	-
Two	-	-	-	-	-	-	-	-	-	-	-	-
Three	-	-	-	-	-	-	-	-	-	-	-	-
Four	-	-	-	-	-	-	-	-	-	-	-	-
Five	-	-	-	-	-	-	-	-	-	-	-	-
Six	-	-	-	-	-	-	-	-	-	-	-	-
Seven	-	-	-	-	-	-	-	-	-	-	-	-
Eight	-	-	-	-	-	-	-	-	-	-	-	-
Nine	-	-	-	-	-	-	-	-	-	-	-	-
Ten	-	-	-	-	-	-	-	-	-	-	-	-
Eleven	-	-	-	-	-	-	-	-	-	-	-	-
Twelve	-	-	-	-	-	-	-	-	-	-	-	-
Post Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult HS (15+ Credits)	-	-	-	-	-	-	-	-	-	-	-	-
Adult HS (1-14 Credits)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
Special Education-Elementary			-	-	-	-			-	-	-	-
Special Education-Middle	1	1	-	1	1	-			-	-	-	-
Special Education-Highschool	99	99	-	32	32	-			-	-	-	-
Subtotal	100	100	-	33	33	-			-	-	-	-
Co. Voc - Regular	921	921	-	263	263	-	2	2	-	-	-	-
Co. Voc. Ft. Post Sec	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS	1,021	1,021	-	296	296	-	2	2	-	-	-	-
			0.00%			0.00%			0.00%			#DIV/0!

	Transportation						Reg Avg (Mileage) = Regular including Grade PK Students (Part A)	Reg Avg (Mileage) = Regular excluding Grade PK Students (Part B)	Special Avg = Special Ed w/ Special Needs	Reported	Recalculated
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors				n/a	n/a
Reg.-Public Schools	1,020	1,020	-	221	221	-			n/a	n/a	
Reg. - Special Education	165	165	-	33	33	-			6.4	6.4	
Transported - Non-Public	-	-	-	-	-	-			n/a	n/a	
Special Ed. Spec Trans.	-	-	-	-	-	-					
Courtesy	627	627	-	-	-	-					
TOTALS	1,812	1,812	-	254	254	-					
			0.00%			0.00%					

**Hudson County Schools of Technology
Application for State School Aid Summary
Enrollment as of October 15, 2014**

NOTE: Workpaper not applicable. No LEP not low income students enrolled.

	<u>Resident LEP NOT Low Income</u>			<u>Sample of Verification</u>		
	Reported on ASSA NOT LOW Income	Reported on Workpapers NOT LOW Income	Errors	Sample Selected from Workpapers	Verified per Applications & Registers	Errors
Half Day Preschool						
Full Day Preschool						
Half Day Kindegarten						
Full Day Kindegarten						-
One						-
Two						-
Three						-
Four						-
Five						-
Six						-
Seven						-
Eight						-
Nine						-
Ten						-
Eleven						-
Twelve						-
Post Graduate						
Adult HS (15+ Credits)						
Adult HS (1-14 Credits)						
Subtotal	-	-	-	-	-	-
Special Education-Elementary						
Special Education-Middle						
Special Education-Highschool			-			
Subtotal	-	-	-	-	-	-
Co. Voc - Regular						
Co. Voc. Ft. Post Sec						
TOTALS	-	-	-	-	-	-
			0.00%			0.00%

**Hudson County Schools of Technology
June 30, 2015**

EXCESS SURPLUS CALCULATION

VOCATIONAL DISTRICT

SECTION 1

A. 6% Calculation of Excess Surplus*

2014 - 2015 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ 50,830,809	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	-	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	-	(B1b)
Transfer from General Fund to SRF for PreK	-	(B1c)
Decreased by:		
On-Behalf TPAF Pension & Social Security	4,176,847	(B2a)
Assets Acquired Under Capital Leases	0	(B2b)
Adjusted 2014-15 General Fund Expenditures [(B)+(B1s)-(B2s)]	<u>46,653,962</u>	(B3)
6% of Adjusted 2014-15 General Fund Expenditures [(B3) times .06]*	<u>2,799,238</u>	(B4)
Enter Greater of (B4) or \$250,000	<u>2,799,238</u>	(B5)
Increased by: Allowable Adjustment	<u> </u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]		<u>\$ 2,799,238 (M)</u>

SECTION 2

Total General Fund - Fund Balances at June 30, 2015 (Per CAFR Budgetary Comparison Schedule C-1)	\$ 5,199,459	(C)
Decreased by:		
Reserved for Encumbrances	-	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	849,723	(C2)
Excess Surplus - Designated for Subsequent Year's Expenditures**	-	(C3)
Other Reserved Fund Balances - Capital Reserve****	-	(C4)
Unreserved - Designated for Subsequent Year's Expenditures	-	(C5)
Total Unreserved/Undesignated Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		<u>\$ 4,349,736 (U1)</u>

SECTION 3

Reserved Fund Balance - Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0-	<u>\$ 1,550,498</u>	(E)
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Recapitulation of Excess Surplus as of June 30, 2015

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures**	<u>\$ 849,723</u>	(C3)
Reserved Excess Surplus *** [(E)]	<u>1,550,498</u>	(E)
Total [(C3)+(E)]	<u>\$ 2,400,221</u>	(D)

Footnotes:

* Per The State of New Jersey, DOE's "Financial Accounting For New Jersey School Districts-Audit Guide" Section II-10.19, the applicable percentage of expenditures for a county vocation district is 6%, not 2%.