

**KEARNY BOARD OF EDUCATION
INDEPENDENT AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2015**

**KEARNY BOARD OF EDUCATION
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLosi, CPA
KATHLEEN WANG, CPA
ROBERT AMPONSAH, CPA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

INDEPENDENT AUDITOR'S MANAGEMENT REPORT

Honorable President and Members
of the Board of Trustees
Kearny Board of Education
Kearny, 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 basic financial statements of the Kearny Board of Education as of and 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 Office of School Finance, Department of Education, State of New Jersey and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information and use of management, the Board of Trustees, others within the District and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.

LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants

Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 20, 2015

**KEARNY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Scope of Audit

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

Fire insurance coverage was carried in the amounts as detailed on the Insurance Schedule contained in the District's Comprehensive Annual Financial Report (the "CAFR").

Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32, 18A:13-13)

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Michael DeVita	School Business Administrator/ Board Secretary	\$400,000
Michael J. Lamprecht, Sr.	Treasurer of School Monies	400,000

There is a Public Employees' Faithful Performance Blanket Position Bond with Selective Insurance covering all other employees with multiple coverage of \$500,000.

Financial Planning Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review indicated that the required signatures, certifications and supporting documentation were obtained on the respective purchase orders and/or vouchers other than certain isolated, immaterial instances.

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 payroll taxes were deposited in the Payroll Agency Account.

All payrolls tested were certified by the President of the Board, the School Business Administrator/Board Secretary and Chief School Administrator.

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

**KEARNY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Financial Planning Accounting and Reporting (Continued)

Payroll Account (Continued)

The District filed the required certification (ECERTI) of compliance with requirements for income tax on compensation of administrators with the NJ Department of Treasury by the March 15 due date.

The Board has implemented and maintains a personnel tracking and accounting (position control) system.

Finding – Our audit noted that at June 30, 2015 there appears to be excess funds in the payroll agency bank account.

Recommendation – The District review their payroll agency deduction balances, and any excess funds be transferred to the General Fund.

Reserve for Encumbrances and 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. 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:23-16.2(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.

Board Secretary's and Treasurer's Records

The Treasurer's records and Board Secretary's records were in agreement.

Acknowledgment of the Board's receipt of the monthly financial reports was included in the official minutes of the Board.

Finding – Our audit revealed that budget account 11-190-100-320 was overexpended due to an audit adjustment which was made to expense a prior year prepayment. This was an isolated instance and no recommendation is warranted.

Finding – The District transferred \$13,695 into Facilities Acquisition and Construction Services accounts without obtaining approval from the County.

Recommendation – All budget transfers into Facilities Acquisition and Construction Services accounts be approved by the County Superintendent.

**KEARNY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Financial Planning Accounting and Reporting (Continued)

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 projects under Title I, Title II and Title III of the Elementary and Secondary Education Act, as amended.

The New Jersey Department of Education, Office of Fiscal Accountability and Compliance (OFAC) completed a fiscal audit of federal funds disbursed by the Kearny Board of Education. The funding sources reviewed included NCLB Title I for the period September 1, 2012 through August 31, 2013. The District completed and approved a corrective action plan to address the findings noted in the OFAC report.

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Exhibit K-3 and Exhibit K-4 located in the CAFR.

Our audit indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

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

T.P.A.F. Reimbursements

Our audit procedures included a test of the semi-monthly 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.

Tuition Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditures charged to the current year's final reports for all Federal awards for the 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 sixty day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were 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 (as amended) 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 District has designated the School Business Administrator to be the Qualified Purchasing Agent and has approved by resolution the bid threshold of \$36,000.

The district 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 Solicitor's opinion should be sought before a commitment is made.

**KEARNY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

School Purchasing Programs (continued)

Contracts and Agreements Requiring Advertisement for Bids (continued)

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.

Based on the results of our examination, we did not note any individual payments, contracts, or agreements 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 provision 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.

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. Our examination did reveal, however, that purchases were made through the use of State contracts.

Finding – Our audit of expenditures noted that in certain instances purchase orders were issued subsequent to the goods or services being received/rendered.

Recommendation – Purchase orders be issued prior to the ordering of goods and/or services.

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.

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 NJSA 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC contract were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will have a profit of at least \$70,000. The operating results provision has been met.

Expenditures should be 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.

The number of meals claimed for reimbursement was verified against sales and meal count records. As part of the claims review process the edit check worksheet was completed. Reimbursement claims were submitted in a timely manner.

**KEARNY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

School Food Service (Continued)

Applications for free and reduced priced meals were reviewed for completeness and accuracy. The number of free and reduced priced meals claimed as served did not exceed 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 priced meals policy is uniformly administered throughout the School System. The required verification procedures for free applications were completed and available for review.

Food Distribution Program commodities were received and a single inventory was maintained on first-in, first-out basis. Exhibits reflecting Child Nutrition Program operations are included in the CAFR on Exhibits B-4, B-5 and B-6.

Student Activity Funds/Athletic Association

The Board has a policy, which establishes the regulation of student activity funds.

Cash receipts and disbursement records were properly maintained. Supporting documentation was available for the cash disbursements tested.

Finding – Our audit of the student activity accounts revealed that two signatures were not always obtained on checks disbursed from Garfield School, Kearny High School and the High School Athletic accounts.

Recommendation – Two signatures be obtained on all checks disbursed from Garfield School, Kearny High School and the High School Athletic accounts.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2014 Application for State School Aid (ASSA) for on-roll, private schools for the handicapped, bilingual 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 without exception. The information that was included on the application was verified with an isolated exception noted. The results are presented in the Schedule of Audited Enrollments.

The district maintained workpapers on the prescribed State forms or their equivalent.

The district 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 2014-2015 District Report of Transported Resident Students (DRTRS) with immaterial exceptions noted. 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.

**KEARNY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Facilities and Capital Assets

The District's capital asset records were updated and in agreement with financial reports.

Miscellaneous

The School District complied with continuing disclosure agreements made in relation to the District's outstanding bond issuances.

Suggestions to Management

- Consideration be given to integrate the capital assets with the financial accounting software system.
- Prior year unearned revenue and due to grantor balances be reviewed and cleared of record.

**KEARNY BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Program</u>	<u>Meals Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>
National School Lunch (Regular Rate)	Paid	126,670	51,724	51,724	
	Reduced	47,621	18,917	18,917	
	Free	<u>276,341</u>	<u>110,303</u>	<u>110,303</u>	
		<u>450,632</u>	<u>180,944</u>	<u>180,944</u>	-
School Breakfast (Severe Rate)	Paid	8,828	3,240	3,240	
	Reduced	4,727	1,731	1,731	
	Free	<u>40,426</u>	<u>15,343</u>	<u>15,343</u>	
		<u>53,981</u>	<u>20,314</u>	<u>20,314</u>	-

**KEARNY BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
CALCULATION OF NET CASH RESOURCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Current Assets	
Cash and Cash Equivalents	\$ 454,397
Due from Other Governments	72,562
Current Liabilities	
Less:	
Accounts Payable	(18,299)
Due To Other Funds	(100,000)
Net Cash Resources	<u>\$ 408,660</u>
<u>Adjusted Total Operating Expense:</u>	
Total Operating Expenses	\$ 2,144,004
Less Depreciation	(15,270)
Adjusted Total Operating Expense	<u>\$ 2,128,734</u>
<u>Average Monthly Operating Expense:</u>	<u>\$ 212,873</u>
<u>Three Times Monthly Average:</u>	<u>\$ 638,620</u>
Total Net Cash Resources	\$ 408,660
Three Times Monthly Average	(638,620)
Amount Below Allowable Net Cash Resources	<u>\$ (229,960)</u>

**KEARNY BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2014
SCHEDULE OF AUDITED ENROLLMENTS**

	2015-2016 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on		Reported on		Errors		Sample		Verified per		Errors per		Reported on	Sample		
	A.S.S.A.		Workpapers				Selected from		Register		Registers		A.S.S.A. as	from		
	On Roll		On Roll		Full		Workpapers		On Roll		On Roll		Private	Work-	Sample	Sample
Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Schools	papers	Verified	Errors	
Half Day Preschool 4 yrs	211.0	-	211.0	-	-	-	33.0	-	33.0	-	-	-	-	-	-	-
Full Day Kindergarten	394.0	-	394.0	-	-	-	117.0	-	117.0	-	-	-	-	-	-	-
Grade 1	395.0	-	395.0	-	-	-	80.0	-	80.0	-	-	-	-	-	-	-
Grade 2	393.0	-	393.0	-	-	-	63.0	-	63.0	-	-	-	-	-	-	-
Grade 3	392.0	-	392.0	-	-	-	70.0	-	70.0	-	-	-	-	-	-	-
Grade 4	408.0	-	408.0	-	-	-	68.0	-	68.0	-	-	-	-	-	-	-
Grade 5	375.0	-	375.0	-	-	-	141.0	-	141.0	-	-	-	-	-	-	-
Grade 6	352.0	-	352.0	-	-	-	78.0	-	78.0	-	-	-	-	-	-	-
Grade 7	359.0	-	359.0	-	-	-	359.0	-	359.0	-	-	-	-	-	-	-
Grade 8	374.0	-	374.0	-	-	-	374.0	-	374.0	-	-	-	-	-	-	-
Grade 9	400.0	-	400.0	-	-	-	400.0	-	400.0	-	-	-	-	-	-	-
Grade 10	396.0	-	396.0	-	-	-	396.0	-	396.0	-	-	-	-	-	-	-
Grade 11	331.0	-	331.0	-	-	-	331.0	-	331.0	-	-	-	-	-	-	-
Grade 12	355.0	-	355.0	-	-	-	355.0	-	355.0	-	-	-	-	-	-	-
Subtotal	5,135.0	-	5,135.0	-	-	-	2,865.0	-	2,865.0	-	-	-	-	-	-	-
Special Ed - Elementary	331.0	-	331.0	-	-	-	51.0	-	51.0	-	-	-	34.0	26.0	26.0	-
Special Ed - Middle	200.0	-	200.0	-	-	-	132.0	-	132.0	-	-	-	9.0	7.0	7.0	-
Special Ed - High	249.0	-	249.0	-	-	-	249.0	-	249.0	-	-	-	23.0	16.0	16.0	-
Subtotal	780.0	-	780.0	-	-	-	432.0	-	432.0	-	-	-	66.0	49.0	49.0	-
Totals	5,915.0	-	5,915.0	-	-	-	3,297.0	-	3,297.0	-	-	-	66.0	49.0	49.0	-
Percentage Error					<u>0.00%</u>	<u>0.00%</u>										<u>0.00%</u>

**KEARNY BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2014
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident Low Income			Sample for Verification			Resident LEP Free/Low Income			Sample for Verification		
	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 LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Worpapers	Verified to Test Application and Register	Errors
	Full Day Kindergarten	207.0	207.0	-	8.0	8.0	-	16.0	16.0	-	5.0	5.0
Grade 1	217.0	217.0	-	10.0	10.0	-	15.0	15.0	-	5.0	5.0	-
Grade 2	227.0	227.0	-	12.0	11.0	(1.0)	11.0	11.0	-	4.0	4.0	-
Grade 3	210.0	210.0	-	10.0	10.0	-	12.0	12.0	-	4.0	4.0	-
Grade 4	216.0	216.0	-	11.0	11.0	-	9.0	9.0	-	3.0	3.0	-
Grade 5	211.0	211.0	-	9.0	9.0	-	14.0	14.0	-	4.0	4.0	-
Grade 6	195.0	195.0	-	9.0	9.0	-	4.0	4.0	-	2.0	2.0	-
Grade 7	193.0	193.0	-	9.0	9.0	-	7.0	7.0	-	3.0	3.0	-
Grade 8	157.0	157.0	-	8.0	8.0	-	10.0	10.0	-	3.0	3.0	-
Grade 9	164.0	164.0	-	7.0	7.0	-	11.0	11.0	-	3.0	3.0	-
Grade 10	159.0	159.0	-	8.0	8.0	-	16.0	16.0	-	5.0	5.0	-
Grade 11	110.0	110.0	-	6.0	6.0	-	13.0	13.0	-	5.0	5.0	-
Grade 12	116.0	116.0	-	6.0	6.0	-	5.0	5.0	-	3.0	3.0	-
Subtotal	2,382.0	2,382.0	-	113.0	112.0	(1.0)	143.0	143.0	-	49.0	49.0	-
Special Ed - Elementary	198.0	198.0	-	9.0	9.0	-	2.0	2.0	-	2.0	2.0	-
Special Ed - Middle	114.0	114.0	-	6.0	6.0	-	1.0	1.0	-	1.0	1.0	-
Special Ed - High	129.0	129.0	-	7.0	7.0	-	1.0	1.0	-	-	-	-
Subtotal	441.0	441.0	-	22.0	22.0	-	4.0	4.0	-	3.0	3.0	-
Totals	2,823.0	2,823.0	-	135.0	134.0	(1.0)	147.0	147.0	-	52.0	52.0	-
Percentage Error			0.00%			-0.74%			0.00%			0.00%

	Transportation					
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Special Ed. - Public	110.0	130.0	20.0	38.0	38.0	-
Special Needs - Public	73.0	53.0	(20.0)	15.0	15.0	-
	183.0	183.0	-	53.0	53.0	-
Percentage Error			0.00%			0.00%

**KEARNY BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2014
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Worpapers	Sample Verified to Register	Errors
Full Day Kindergarten	8.0	8.0	-	6.0	6.0	-
Grade 1	4.0	4.0	-	3.0	3.0	-
Grade 2	1.0	1.0	-	1.0	1.0	-
Grade 3	4.0	4.0	-	3.0	3.0	-
Grade 4	4.0	4.0	-	3.0	3.0	-
Grade 5	9.0	9.0	-	6.0	6.0	-
Grade 6	-	-	-	-	-	-
Grade 7	8.0	8.0	-	6.0	6.0	-
Grade 8	3.0	3.0	-	1.0	1.0	-
Grade 9	6.0	6.0	-	4.0	4.0	-
Grade 10	11.0	11.0	-	8.0	8.0	-
Grade 11	4.0	4.0	-	3.0	3.0	-
Grade 12	5.0	5.0	-	4.0	4.0	-
Adult School	-	-	-	-	-	-
Subtotal	67.0	67.0	-	48.0	48.0	-
Special Ed - Elementary	1.0	1.0	-	-	-	-
Special Ed - Middle	1.0	1.0	-	1.0	1.0	-
Special Ed - High	-	-	-	-	-	-
Subtotal	2.0	2.0	-	1.0	1.0	-
Total	69.0	69.0	-	49.0	49.0	-

Percentage Error

0.00%

0.00%

**KEARNY BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

2014-2015 Total General Fund Expenditures per the CAFR (Budgetary Basis)	\$	86,676,669
Increased by:		
Transfer to Special Revenue Fund - Preschool Education Aid		503,015
Transfer to Food Service Fund		<u>508,262</u>
		87,687,946
Decreased by:		
On-Behalf TPAF Pension & Social Security		<u>(8,253,012)</u>
Adjusted 2014-2015 General Fund Expenditures	\$	<u>79,434,934</u>
2% of Adjusted 2014-2015 General Fund Expenditures		
Allowable Adjustment - Extraordinary Aid Not Budgeted in 2014-2015	\$	<u>1,588,699</u> <u>99,166</u>
Maximum Unreserved/Undesignated Fund Balance	\$	1,687,865
Total General Fund - Budgetary Fund Balance at June 30, 2015	\$	12,506,135
Decreased by:		
Encumbrances		619,145
Prepays		111,116
Restricted Fund Balances		
Adult Education Programs		52,264
Capital Reserve		8,413,359
Excess Surplus Designated for Subsequent Year's Budget		1,002,249
Assigned Fund Balance - Designated for SEMI/ARRA		62,762
Assigned Fund Balance - Designated for Subsequent Year's Budget		<u>557,375</u>
		<u>10,818,270</u>
Total Unassigned Fund Balance		<u>1,687,865</u>
Fund Balance - Excess Surplus	\$	<u>0</u>
<u>Analysis of Excess Surplus</u>		
Restricted for:		
Excess Surplus Designated for Subsequent Year's Budget	\$	<u>1,002,249</u>

**KEARNY BOARD OF EDUCATION
RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

- * 1. The District review their payroll agency deduction balances, and any excess funds be transferred to the General Fund.
- 2. All budget transfers into Facilities Acquisition and Construction Services accounts be approved by the County Superintendent.

III. School Purchasing Program

It is recommended that purchase orders be issued prior to the ordering of goods and/or services.

IV. School Food Service

There are none.

V. Student Body Activities/Athletics

- * It is recommended that two signatures be obtained on all checks disbursed from Garfield School, Kearny High School and the High School Athletic accounts.

VI. Application for State School Aid

There are none.

VII. Pupil Transportation

There are none.

VIII. Facilities and Capital Assets

There are none.

X. Status of Prior Years' Audit Findings/Recommendations

A review was performed on all prior years' recommendations and corrective action was taken on all, except for the above recommendations denoted with an asterisk (*).

Respectfully submitted,



Gary J. Vinci
Certified Public Accountant
Public School Accountant