

BOARD OF EDUCATION
TOWNSHIP OF PITTSBORO SCHOOL DISTRICT
COUNTY OF SALEM
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015

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NIGHTLINGER, COLAVITA & VOLPA

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November 30, 2015

REPORT OF INDEPENDENT AUDITORS

Honorable President and
Members of the Board of Education
Township of Pittsgrove School District
County of Salem, New Jersey 08318

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 Board of Education of the Township of Pittsgrove School District in the County of Salem for the year ended June 30, 2015, and have issued our report thereon dated November 30, 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 Pittsgrove Township Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and District personnel entrusted with duties formally under the auspices of the Treasurer of School Monies, the activities of the Board of Education, and 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 Exhibit J-20, Insurance Schedule, contained in the District's 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>
Suzanne Fox	School Business Administrator/ Board Secretary	\$ 250,000

There is a Public Employees' Faithful Performance Blanket Position Bond with Selective Insurance Company covering all employees with coverage of \$100,000.

Tuition Charges

There were charges representing payments from parents of students not residing in the school district.

In addition, a comparison of tentative tuition charges and actual certified tuition charges was made. The Board appeared to make proper adjustment to the billings of sending districts for the adjustments in per pupil costs in accordance with **N.J.A.C. 6A:23A-17.1(f)3**.

District Internal Control Policies

District boards of education and administration are responsible for developing internal controls policies and procedures and maintaining a strong internal control environment. NJAC 6A:23A-6.4 requires that the district's internal control policies include specific requirements at NJAC 6A:23A-6.5 through 6.13.

Internal Control Policies were found in accordance with NJAC 6A:23A-6.5 through 6.13, with the exception of Segregation of Duties (NJAC 6A:23A-6.5).

Financial Planning, Accounting, and Reporting

Examination of Claims

An examination of claims paid during the period under review indicated that they appeared proper with respect to certification and itemization.

Unemployment Compensation Insurance Trust Fund

The Board has adopted the percentage method and maintains an Unemployment Compensation Insurance Trust Fund.

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

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

Payrolls were delivered to the secretary of the board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, 2015 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, 2015.

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 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 .0% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

A. **General Classification Findings** - NONE

B. **Administrative Classification Findings** - NONE

Obligations of Federal Grant Awards and Requests for Reimbursement of Expenditures Against Those Federal Grants Awards

No exceptions were noted.

Certification of Income Tax Compliance

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (Superintendent and Business Administrator) to the N.J. Department of Treasury appeared to be filed by the March 15 due date.

Board Secretary's Records

The financial records and board minutes of the Board Secretary were in satisfactory condition.

Acknowledgment of the Board's receipt of the Board Secretary's and Treasurer's monthly financial reports was included in the monthly minutes.

Purchase orders were found to be charged to the appropriate line item accounts in accordance with the State prescribed **Uniform Minimum Chart of Accounts (2R2) for New Jersey Public Schools**.

Monthly financial certifications of the Board Secretary and Board of Education for positive line item account status certification (**N.J.A.C. 6:20-2.13**) were approved monthly.

Treasurer's Records – Board Secretary's Office

Board Secretary personnel performed cash reconciliations for the general operating account, payroll account and payroll agency account per **N.J.S.A. 18A:17-9**.

Cash receipts appeared to be deposited promptly.

The Treasury records were in agreement with the records of the Board Secretary.

The Treasury reports were filed in a timely manner.

Finding 2015-1

The bank reconciliations, as of June 30, 2015, contained old outstanding checks and other reconciling items that were not cleared from the records.

Recommendation

Procedures to analyze and complete the year-end bank reconciliations should be reviewed and revised, in order to assure that obsolete and miscellaneous items are removed from the records through proper disposition.

Financial Planning, Accounting and Reporting (Cont'd)

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 (NCLB)

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

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

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.

TPAF Reimbursement to the State for Federal Salary Expenditures

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 and no exceptions were noted.

Financial Planning, Accounting and Reporting (Cont'd)

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-1 et seq. (Public School Contracts Law), the associated rules and related information on the statute, and school contracts in general are available on the website: http://www.state.nj.us/dca/divisions/dlgs/programs/ps_contracts.html.

The current statute is posted on the New Jersey Legislature website at: http://lis.njleg.state.nj.us/cgi-bin/om_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headingswithhits=on&infobase=statutes.nfo&softpage=TOC_Frame_pg42

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 for 2014-15.

The District 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.

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 provisions of N.J.S.A. 18A:18A-4 as amended, with the exception of the following:

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 Computers and Supplies were purchased from vendors approved for state contract.

The review of contracts and agreements did not disclose any areas of statutory noncompliance.

Although a particular contract is exempt from the formal requirements of public advertising and competitive bidding, N.J.S.A. 18A:18A-37 requires that quotations be obtained, whenever practical, for any contract less than the bid threshold but 15% or more of that amount, except for contracts for professional services. All contracts and agreements, which are subject to quotations, shall be awarded on the basis of the lowest responsible quotation received, which is most advantageous to the Board of Education, price and other factors considered.

School Food Service

The financial transactions and statistical records of the School Food Service were maintained in satisfactory condition. The financial accounts, meal and milk count records and eligibility applications were reviewed on a test-check basis.

The number of meals/milks 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/certified in a timely manner.

Food Distribution commodities were received and a single inventory was maintained on a first-in, first-out basis by food-service employees under the supervision of the management service company, Sodexo.

Applications for free and reduced price meals and milks were reviewed for completeness and accuracy. The number of free and reduced price meals and free milks claimed as served for the entire school year 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 is uniformly administered throughout the school system. 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 examination did not and could not determine the quality, quantity or proper price of nonbid goods or services for which payments had been made. These details were necessarily covered by the approval of such claims. Revenues and receipts were established and verified as to the source and amount only insofar as the records permitted.

The Board of Education did not subsidize the Food Service Program in the 2014-15 school year.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all school food service employees authorized by the Board of Education.

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 District entered into a management service contract with Sodexo in accordance with N.J.S.A. 18A:17-34 and 19-1 through 19-4.I. Per AICPA Statement on Auditing Standards (SAS) #70, as amended by SAS # 88 and SSAE No. 16, a report on the Management Company's control structure, policies and procedures was received. An independent audit firm performed this audit. 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 shall receive an annual financial return of \$2,000. The FSMC complied with the operating results provision.

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

S.A.C.C. Account (School Age Childcare)

S.A.C.C. activity (representing miscellaneous childcare program fee revenues and payment of related operating expenditures) is reported as an enterprise fund.

The analysis of Receipts and Disbursements submitted for audit, as adjusted, reconciled with the bank at June 30, 2015. Deposits were generally traceable to the monthly bank statements and made on a timely basis. Expenditures were supported by invoices and other documentation. Receipts and disbursements were reconciled to the bank account.

The Board Policy should also be reviewed, in order to address the various issues related to requirements for continuation of participation.

Sufficient documentation is being sought to maintain a record of the proper status of child care services provided to each individual, along with the corresponding revenue charged in the SACC Enterprise Fund. As a result, internal control over billing and collection of SACC accounts receivable will be strengthened through on-going revision of procedures and related documentation.

Student Body Activities

Cash receipts and disbursements journals were maintained in good condition and reconciled to the monthly bank statements. Deposits were traceable to the bank and made on a timely basis. Expenditures were supported by invoices and other documentation.

Internal Service Funds

Cash receipts and disbursements journals were maintained in good condition and reconciled to the monthly bank statements. Deposits were traceable to the bank and made on a timely basis. Expenditures were supported by invoices and other documentation.

Finding 2015-2

Balances of accounts receivable, accounts payable and inventory, within the various Internal Service Funds of the District, did not appear to be adequately reviewed and analyzed for adjustment.

Recommendation:

Procedures to analyze and complete the year-end analysis of the various Internal Service Funds should be reviewed and revised, in order to assure that older accounts receivable, accounts payable and inventory are analyzed and accurate.

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, 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 workpapers was verified without exception.

Application for State School Aid (Cont'd)

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

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2014-15 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report, which would be presented in the Schedule of Audited Enrollments. There was a revision of the original numbers submitted for the DRTRS Report, however, the county did not reflect the revised numbers in their summary.

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. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities, Capital Assets and Capital Leases

The remaining balance of capital leases payable, as shown on the Statement of Net Position at June 30, 2015, is \$1,846,717.

In addition, there were three new capital leases approved after June 30, 2015 for Chrome Books, School Buses, Textbooks and Computer Equipment, in the total amount of \$936,546.

Our procedures included a review of the NJSDA grant agreements, if any, 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. As of June 30, 2015, \$65,849 remained unspent on two open projects.

Finding 2015-3

There exists a balance in NJSDA Grants receivable in the total amount of \$569,280 that relates to projects that are several years old.

Recommendation

Additional efforts should be made to request grant amounts receivable from the State of New Jersey, relating to SDA Grants.

As part of the GASB 34 reporting format, fixed assets are recorded in accordance with GAAP, including a provision for depreciation expense.

Follow-up on Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Corrective action had been taken on all prior year recommendations.

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.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.

A handwritten signature in cursive script, appearing to read "Raymond Colavita".

Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915

SCHEDULE OF AUDITED ENROLLMENTS

PITTSBURGH TOWNSHIP BOARD OF EDUCATION
APPLICATION OR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

	2015-2016 APPLICATION FOR STATE SCHOOL AID						SAMPLE FOR VERIFICATION						PRIVATE SCHOOLS FOR DISABLED				
	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		Reported On A.S.S.A. as				
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Private Schools	Sample for Verification	Sample Verified	Sample Errors	
Half Day Preschool 4 Years Old	31		31					5		5							
Full Day Kindergarten	100		100					16		16							
One	111		111					18		18							
Two	91		91					14		14							
Three	91		91					14		14							
Four	101		101					16		16							
Five	108		108					17		17							
Six	99		99					16		16							
Seven	113		113					18		18							
Eight	121		121					19		19							
Nine	134	5	134	5		0		21	1	21	1						
Ten	129	6	129	6		0		20	1	20	1						
Eleven	103	14	103	14		0		16	2	16	2						
Twelve	99	16	99	16		0		16	3	16	3						
Post-Graduate																	
Adult H.S. (15+CR.)																	
Adult H.S. (1-14 CR.)																	
Subtotal	1,431	41	1,431	41		0		226	7	226	7	0	0	0	0	0	
Special Ed - Elementary	83		83					13		13			4	2	2		
Special Ed - Middle	73		73					12		12			1	1	1		
Special Ed - High	65	19	65	19				10	3	10	3		1	1	1		
Subtotal	221	19	221	19		0		35	3	35	3	0	0	6	4	4	
Totals	1,652	60	1,652	60		0		261	10	261	10	0	0	6	4	4	
Percentage Error								0.00%	0.0%					0.00%	0.00%		0.00%

SCHEDULE OF AUDITED ENROLLMENTS

**PITTSBURGH TOWNSHIP BOARD OF EDUCATION
APPLICATION OR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014**

	Resident Low Income			Sample for Verification			Resident LEP 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 Workpapers	Verified to Test Score and Register	Sample Errors
Full Day PS 4 Year Olds												
Full Day Kindergarten	36.0	36.0		14	14							
One	33.0	33.0		12	12							
Two	30.0	30.0		11	11							
Three	20.0	20.0		8	8							
Four	34.0	34.0		13	13							
Five	28.0	28.0		11	11							
Six	34.0	34.0		13	13							
Seven	28.0	28.0		11	11							
Eight	37.0	37.0		14	14							
Nine	34.0	34.0		13	13							
Ten	44.0	44.0		17	17							
Eleven	26.0	26.0		10	10							
Twelve	29.5	29.5		11	11							
Post Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	413.5	413.5	0	158	158	0	0	0	0	0	0	0
Special Ed - Elementary	40.0	40.0		15	15							
Special Ed - Middle	33.0	33.0		12	12							
Special Ed - High	36.0	36.0		14	14							
Subtotal	109.0	109.0	0	41	41	0	0	0	0	0	0	0
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	522.5	522.5	0	199	199	0	0	0	0	0	0	0
Percentage Error		0.00%			0.00%							

TRANSPORTATION

	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors		Reported	Re-Calculated
Reg. - Public Schools	901.0	901.0	0	199	200	(1)	Avg. Mileage - Regular Including Grade PK students	5.9	
Reg. - Special Ed.	154.5	154.5	0	34	33	1	Avg. Mileage - Regular Excluding Grade PK students	5.9	
AIL - Non-Public	53.0	53.0	0	12	12	0	Avg. Mileage - Special Ed with Special Needs	15.3	
Transported - Non-Public									
Special Needs - Public	46.5	46.5	0	10	10	0			
Totals	1,155.0	1,155.0	0	255.0	255.0	0			
Percentage Error		0.0%			.40%				

SCHEDULE OF AUDITED ENROLLMENTS

PITTSBURGH TOWNSHIP BOARD OF EDUCATION
APPLICATION OR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Report On</u> <u>A.S.S.A. as</u> <u>NOT Low</u> <u>Income</u>	<u>Report On</u> <u>Workpapers as</u> <u>NOT Low</u> <u>Income</u>	<u>Errors</u>	<u>Sample</u> <u>Selected From</u> <u>Workpapers</u>	<u>Verified to</u> <u>Application</u> <u>and Register</u>	<u>Sample</u> <u>Errors</u>
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 H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	0	0	0	0	0	0
Special Ed - Elementary						
Special Ed - Middle						
Special Ed - High						
Subtotal	0	0	0	0	0	0
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	0	0	0	0	0	0
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

TOWNSHIP OF PITTSBORO SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION

SECTION 1

A. 2% Calculation of Excess Surplus

2014-15 Total General Fund Expenditures per the CAFR		\$	<u>28,604,908</u>		(B)
Increased by:					
Transfer from Capital Outlay to Capital Projects Fund			<u> </u>		(B1a)
Transfer from Capital Reserve to Capital Projects Fund			<u> </u>		(B1b)
Transfer from General Fund to SRF for PreK-Regular			<u> </u>		(B1c)
Transfer from General Fund to SRF for PreK-Inclusion			<u> </u>		(B1d)
Decreased by:					
On-Behalf TPAF Pension & Social Security			<u>2,406,690</u>		(B2a)
Assets Acquired Under Capital Leases			<u> </u>		(B2b)
Adjusted 14-15 General Fund Expenditures [(B)+(B1s)-(B2s)]			<u>26,198,218</u>		(B3)
2% of Adjusted 2014-15 General Fund Expenditures					
[(B3) times .02]			<u>523,964</u>		(B4)
Enter Greater of (B4) or \$250,000			<u>523,964</u>		(B5)
Increased by: Allowable Adjustment*			<u>93,129</u>		(K)
Maximum Unassigned/Undesignated-Unreserved Fund Balance[(B5)+(K)]					\$ <u>617,093</u>

SECTION 2

Total General Fund - Fund Balances @ 6-30-15		\$	<u>852,339</u>		(C)
(Per CAFR Budgetary Comparison Schedule C-1)					
Decreased by:					
Year-end Encumbrances			<u>67,770</u>		(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures			<u> </u>		(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**			<u> </u>		(C3)
Other Restricted Fund Balances****			<u>2,731</u>		(C4)
Assigned Fund balance Unreserved - Designated for Subsequent Year's Expenditures			<u>338,000</u>		(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]					\$ <u>443,838</u>

SECTION 3

Restricted Fund Balance- Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0- \$

Recapitulation of Excess Surplus as of June 30, 2015

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures**			<u> </u>		-
Reserved Excess Surplus ***[(E)]			<u> </u>		-
Total Excess Surplus [(C3) + (E)]					\$ <u> </u>

TOWNSHIP OF PITTSBORO SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION

Footnotes:

- * Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:
 - (H) Federal Impact Aid. The passage of P.L. 2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, effective for the year ending June 30, 2015 the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve-General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
 - (I) Sale & Lease-Back (Refer to the Audit Program Section II, Chapter 10);
 - (J1) Extraordinary Aid;
 - (J2) Additional Nonpublic School Transportation Aid;
 - (J3) Recognized current year School Bus Advertising Revenue; and
 - (J4) Family Crisis Transportation Aid.

Notes to auditor: Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid, and Additional Nonpublic School Transportation Aid.

Detail of Allowable Adjustments

Impact Aid	\$	
Sale & Lease-Back		
Extraordinary Aid		80,428
Additional Nonpublic School Transportation Aid		12,701
Current Year School Bus Advertising Revenue Recognized		
Family Crisis Transportation Aid		
Total Adjustments [(H) + (I) + (J1) + (J2) + (J3) + (J4)]	\$	93,129

** This amount represents the June 30, 2015 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line **90031**.

*** Amounts must agree to the June 30, 2015 CAFR and must agree to Audit Summary Worksheet Line **90030**.

**** Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by an other type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Division of Finance and Regulatory Compliance prior to September 30.

Detail of Other Restricted Fund Balance

Statutory restrictions:		
Approved unspent separate proposal	\$	
Sale/lease-back reserve		
Capital reserve		2,731
Maintenance reserve		
Emergency Reserve		
Tuition reserve		
School Bus Advertising 50% Fuel Offset Reserve - Current Year		
School Bus Advertising 50% Fuel Offset Reserve - Prior Year		
Impact Aid General Fund Reserve (Sections 8007 and 8008)		
Impact Aid General Fund Reserve (Sections 8002 and 8003)		
Other state/government mandated reserve		
[Other Restricted Fund Balance not noted above] ****		
Total Other Restricted Fund Balance	\$	2,731

