

**Borough of Edgewater School District  
County of Bergen**

Auditors' Management Report On  
Administrative Findings – Financial,  
Compliance and Performance

Year Ended June 30, 2016

**Borough of Edgewater School District  
County of Bergen**

Table of Contents

Year Ended June 30, 2016

	<u>Page</u>
Independent Auditors' Report.....	1
Scope of Audit .....	2
Administrative Practices and Procedures	
Insurance .....	2
Official Bonds.....	2
Tuition Charges .....	2
Financial Planning, Accounting and Reporting	
Examination of Claims.....	2
Payroll Account.....	3
Reserve for Encumbrances and Accounts Payable .....	3
Classification of Expenditures .....	3
Board Secretary's Records.....	4
Treasurer's Records .....	4
Elementary and Secondary Education Act (E.S.E.A.)/Improving America's Schools Act as reauthorized by the No Child Left Behind Act of 2001 .....	4
Other Special Federal and/or State Projects .....	4
TPAF Reimbursement .....	6
TPAF Reimbursement to the State for Federal Salary Expenditures.....	6
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids.....	6
School Food Service.....	7
Student Body Activities .....	8
Application for State School Aid .....	8
Pupil Transportation.....	9
Travel Expense and Reimbursement Policy .....	9
Facilities and Capital Assets.....	9
Status of Prior Year Findings/Recommendations .....	9
Schedule of Meal Count Activity Food Service Fund	
Application for State School Aid Summary.....	10
Excess Surplus Calculation .....	13
Schedule of Meal Count Activity (Not Applicable) .....	N/A
Summary of Recommendations .....	14
Acknowledgement .....	14

## Independent Auditors' Report

**Honorable President and Members  
of the Board of Education  
Borough of Edgewater School District  
County of Bergen, New Jersey**

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Board of Education of the Borough of Edgewater School District in the County of Bergen for the fiscal year ended June 30, 2016, and have issued our report thereon dated December 1, 2016

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents. This letter does not affect our report dated December 1, 2016 on the financial statements of the Board.

We will review the status of the comments, if any, during our next audit engagement. We have already discussed any comments and suggestions with various management personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended for the information of the Borough of Edgewater School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Livingston, New Jersey  
December 1, 2016



John Lauria, RMA, PSA  
Licensed Public School Accountant #208700

# Borough of Edgewater School District

## Administrative Findings – Financial, Compliance and Performance

Year Ended June 30, 2016

### Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the Treasurer, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

### Administrative Practices and Procedures

#### Insurance

Multi-peril insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the District's CAFR.

#### Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Sheri Biondi	Treasurer	\$200,000
Gary Gremboweic	Board Secretary/School Business Administrator	200,000

The District has a crime insurance package with the New Jersey School Boards Insurance Group which includes Public Employees' Dishonesty with Faithful Performance and Theft, Disappearance and Destruction coverage of \$100,000 for those employees not separately bonded.

#### Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The District will make any necessary adjustments to billings to sending districts for the change in the per pupil costs in accordance with N.J.A.C. 6A:23-3.1(f)3 if the actual costs are different than the estimated costs.

#### Electronic Communications

The Board has a policy concerning electronic communication between employees and students.

#### 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 on a test basis, during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation except as noted below:

Finding 2016-1:

Purchase orders were created after the invoice date.

It is recommended that:

Purchase orders be properly prepared prior to ordering of goods or services.

## Borough of Edgewater School District

### Administrative Findings – Financial, Compliance and Performance

Year Ended June 30, 2016

#### Payroll Account

The net salaries of employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

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

Salary withholdings were promptly remitted to the proper agencies during the current fiscal year except for the following:

##### Finding 2016-2:

There was no detail listing of the payroll agency's withholdings prepared.

##### Finding 2016-3:

The required E-Certificate of Compliance with requirements for income tax on compensation of administrators was not filed.

It is recommended that:

Detail listings of payroll deductions and disbursements be prepared on a monthly basis.

The E-Certificate of Compliance be prepared.

#### Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30th for proper classification of orders as reserve for encumbrances and accounts payable.

#### Classification of Expenditures

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

##### Finding 2016-4:

It was noted that capital expenses related to the generator were misclassified and charged to capital outlay. An adjustment was made to reclassify them to the capital projects fund.

It is recommended that:

Capital projects costs be properly classified.

## Borough of Edgewater School District

### Administrative Findings – Financial, Compliance and Performance

Year Ended June 30, 2016

#### Board Secretary's Records

Our review of the financial and accounting records maintained by the Board Secretary disclosed the following:

Finding 2016-5:  
Political Disclosure Forms were not maintained.

Finding 2016-6:  
Internal Revenue Service Form 1099 Misc. were not issued for those vendors who received in excess of \$600.00.

It is recommended that:

Internal Revenue Service Form 1099 Misc. be issued to all required vendors.

#### Treasurer's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Treasurer's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. There were no exceptions noted.

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

Finding 2016-7:  
Revenue received did not agree with the expenditures reported for the Federal and State Grants Programs.

It is recommended that:

Drawdowns of grant funds be in agreement with actual expenditures made.

#### Other Special Federal and/or State Projects

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

Based on 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.

## Borough of Edgewater School District

### Administrative Findings – Financial, Compliance and Performance

Year Ended June 30, 2016

The New Jersey State Department of Education -Office of the Fiscal Accountability and Compliance reviewed the funding services included under ESEA and the IDEA program for the period July 2014 through November 30, 2015. As required, those areas of non-compliance and recommendations are reported below:

1. Title I participation letter stating both entrance and exit criteria was not developed.
2. No evidence that the district's parental involvement was reviewed for the 2015-2016 school year for Title I.
3. District did not provide school level Title I parental involvement policies.
4. District's Title I schools provide academic interventions through pullout programs.
5. District did not provide evidence of holding consultation meetings with nonpublic schools.
6. The district did not conduct meetings within 20 calendar days of receipt of a written request for evaluation for IDEA special education students.
7. Meetings were not consistently held with required participants for students eligible for special education.
8. The district did not consistently conduct all required sections of the functional assessment as a component of initial evaluations for special education and speech language students.
9. The district did not consistently document in the IEP's of students removed from the general education center for more than 20% of the school day.
10. District does not have a policy for the provision of accommodation and modification or an alternate assessment for students with disabilities.

The actions required by the State were:

1. District has submitted a revised copy of the Title I participation letter.
2. District must supply a revised parental involvement policy and that the policy was developed with the input of the parent/guardian of Title I students.
3. District should engage parents in the development and review of policies and provide technical assistance.
4. District must give consideration to revising its Title I Program to provide services for language arts and mathematics that does not remove students from their core courses.
5. District must retain signed/certified receipts of its correspondence to non public schools.
6. District must conduct training for child study team members and develop an oversight mechanism to ensure compliance within 20 days from receipt of written request.
7. District must ensure meetings are conducted with required participants and that documentation of participation is maintained in student records.

## Borough of Edgewater School District

### Administrative Findings – Financial, Compliance and Performance

Year Ended June 30, 2016

8. District must ensure all components of the functional assessment are conducted as part of all initial evaluation for special education participants.
9. District must ensure when determining the educational placement of a child with disability, the IEP team considers the general education class first and that all required decisions are documented in the IEP.
10. District must revise policies and procedures to ensure students with disabilities participate in district wide assessments.

A Corrective Action Plan has been submitted by the district.

#### TPAF Reimbursement

Our audit procedures included a test of the bimonthly reimbursements filed with the Department of Education for District employees who are members of the Teachers' Pension and Annuity Fund. Reimbursement requests were not made in a timely manner.

#### TPAF Reimbursement to the State for Federal Salary Expenditures

There were no salaries charged to the current year's Final 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.

#### School Purchasing Programs

##### Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 states:

- a. Commencing in the fifth year after the year in which P.L. 1999, c. 440 takes effect and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made ...."

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the Board of Education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law ...."

Effective July 1, 2015 and thereafter, the bid thresholds in accordance with N.J.S.A. 18A:18A-2 (as amended) and 18A:39-3 are \$40,000 and \$29,000 without a Qualified Purchasing Agent respectively. The law requiring bidding for Student Transportation contracts under N.J.S.A. 18A:39-3 is currently \$18,800.

In accordance with N.J.S.A. 18A:18A-3, the Board passed a resolution designating the School Business Administrator as the purchasing agent and increasing the threshold to \$40,000. The quote threshold is fifteen percent (15%) of the bid threshold or \$6,000.



## Borough of Edgewater School District

### Administrative Findings – Financial, Compliance and Performance

Year Ended June 30, 2016

#### School Purchasing Programs (continued)

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Attorney's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. The following comment is noted:

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

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

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.

Finding 2016-8:

Quote documentation was not provided for purchases over the quote threshold.

It is recommended that:

Quote documentation be obtained and filed when purchases exceed the statutory thresholds.

#### School Food Service

The school food service program was not selected as a major federal and/or state program. However, the program expenditures exceeded \$100,000 in federal and/or state support. Accordingly, we inquired of the school management, or appropriate school food service personnel, as to whether the SFA had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

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 basis.

Cash receipts and bank records were reviewed for timely deposit. The District utilized a food service management company and deposited and expended program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified on a test basis, Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

Provisions of the F.S.M.C. contract were reviewed and audited. The F.S.M.C. contract includes an operating results provision that the food service program will return a profit of at least \$5,000. The operating results provision has been met.

## Borough of Edgewater School District

### Administrative Findings – Financial, Compliance and Performance

Year Ended June 30, 2016

#### School Food Service (continued)

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the nonprofit status of the School Food Service Fund. Net cash resources exceeded three months average expenditures.

Time sheets and payroll records provided to the District by the Food Service contractor were reviewed on a test basis. No exceptions were noted.

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 and 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 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.

Food Distribution Program commodities were received and a separate inventory was maintained on a first-in, first-out basis. No exceptions were noted.

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

#### Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the records of the Student Activities Fund for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

##### Finding 2016-9:

There were a few instances where disbursement checks were not recorded in the cash disbursement book of the George Washington School.

It is recommended that:

All disbursements be recorded in the cash disbursement ledger.

#### Application for State School Aid

Our audit procedures included a test of enrollments and related services reported in the October 15, 2015 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low income and bilingual students. 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.

## **Borough of Edgewater School District**

### **Administrative Findings – Financial, Compliance and Performance**

**Year Ended June 30, 2016**

#### Application for State School Aid (continued)

The District maintained work papers on the prescribed State forms or their equivalent.

The District's 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 2015-2016 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. Minor exceptions were noted in our review of transportation related purchases of goods and services.

#### Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal policy and procedure pertaining to travel and expense reimbursement for its employees and board members. The regulations require the District to establish a maximum travel amount for the year and to account for these expenses within a separate account in the budget to ensure that the maximum is not exceeded. The regulations also require that all travel be preapproved by the Board of Education and Superintendent and that the approval must be itemized by event, event total cost, and individuals attending.

Our review of the travel policies and records revealed that the District is in general compliance with the travel regulations.

#### 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.

#### Status of Prior Year Finding/Recommendations

A number of prior year audit findings and recommendations were not implemented during and are noted with an asterisk in the recommendations section.

**Borough Of Edgewater School District**

Schedule of Meal Count Activity Food Service Fund  
Number of Meals Served and (Over)/Underclaim  
Enterprise Fund

Year Ended June 30, 2016  
(Memorandum Only)

NOT APPLICABLE

**EDGEWATER SCHOOL DISTRICT**

**SCHEDULE OF AUDITED ENROLLMENTS**

**APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015**

	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 Private Schools	Sample for Veri- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool																
Full Day Preschool	56		56													
Full Day Kindergarten	129		129					26		26						
One	149		149					30		30						
Two	132		132					26		26						
Three	112		112					22		22						
Four	104		104					21		21						
Five	84		84					17		17						
Six	79		79					16		16						
Seven	69		69					14		14						
Eight	69		69					14		14						
Nine	48		48					10		10						
Ten	60		60					12		12						
Eleven	45		45					9		9						
Twelve	39		39					8		8						
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
<b>Subtotal</b>	<b>1,175</b>	<b>0</b>	<b>1,175</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>225</b>	<b>0</b>	<b>225</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Special Ed - Elementary	63		63					14		14			3	1	1	
Special Ed - Middle School	24		24					6		6			1	1	1	
Special Ed - High School	34		34					5		5			6	2	2	
<b>Subtotal</b>	<b>121</b>	<b>0</b>	<b>121</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25</b>	<b>0</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>4</b>	<b>4</b>	<b>0</b>
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
<b>Totals</b>	<b>1,296</b>	<b>0</b>	<b>1,296</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>250</b>	<b>0</b>	<b>250</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>4</b>	<b>4</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>

**SCHEDULE OF AUDITED ENROLLMENTS**

**EDGEWATER SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015**

	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
	Half Day Preschool											
Full Day Preschool	0	0		0	0							
Full Day Kindergarten	15	15		10	10		1	1		0	0	
One	22	22		10	10		3	3		0	0	
Two	24	24		10	10		5	5		0	0	
Three	24	24		12	12		3	3		0	0	
Four	38	38		9	9		2	2		0	0	
Five	20	20		10	10		2	2		0	0	
Six	24	24		9	9							
Seven	12	12		0	0							
Eight	17	17		0	0		1	1		0	0	
Nine	16	16		0	0		1	1		0	0	
Ten	16	16		0	0							
Eleven	11	11		0	0							
Twelve	15	15		0	0							
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	254	254	0	69	69	0	18	18	0	0	0	0
Special Ed - Elementary	21	21		10	10							
Special Ed - Middle	10	10		1	1							
Special Ed - High	15	15		0	0							
Subtotal	46	46	0	11	11	0	0	0	0	0	0	0
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	300	300	0	80	80	0	18	18	0	0	0	0
Percentage Error			0.00%			0.00%			0.00%			#DIV/0!

	Transportation					
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
	Reg. - Public Schools, col. 1	852	852		212	212
Reg -SpEd, col. 4	58	58		2	2	0
Transported - Non-Public, col. 3	8	8		2	2	0
Special Ed Spec, col. 6	21	21		16	16	0
Totals	939	939	0	232	232	0
Percentage Error						0.00%

	Reported	Recalculated
Reg Avg. (Mileage) = Regular Including Grade PK students (Part A)	4.98	4.98
Reg Avg. (Mileage) = Regular Excluding Grade PK students (Part B)	5.02	5.02
Spec Avg. = Special Ed with Special Needs	5.80	5.80

**EDGEWATER SCHOOL DISTRICT**  
**APPLICATION FOR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 15, 2015**

	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 Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool						
Full Day Preschool						
Full Day Kindergarten	8	8		8	8	
One	13	13		13	13	
Two	7	7		7	7	
Three	5	5		5	5	
Four	1	1		1	1	
Five	2	2		2	2	
Six	2	2		2	2	
Seven	0	0		0	0	
Eight	1	1		1	1	
Nine	0	0		0	0	
Ten	1	1		1	1	
Eleven	1	1		1	1	
Twelve		0		0	0	
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	<u>41</u>	<u>41</u>	<u>0</u>	<u>41</u>	<u>41</u>	<u>0</u>
Special Ed - Elementary	1	1		1	1	
Special Ed - Middle	0	0				
Special Ed - High	1	1		1	1	
Subtotal	<u>2</u>	<u>2</u>	<u>0</u>	<u>2</u>	<u>2</u>	<u>0</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>43</u>	<u>43</u>	<u>0</u>	<u>43</u>	<u>43</u>	<u>0</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

## EXCESS SURPLUS CALCULATION

### 2% Calculation of Excess Surplus

2015-16 Total General Fund Expenditures per the CAFR	\$ 20,110,967	
Decreased by:		
On-Behalf of TPAF Pension and Social Security Assets Acquired Under Capital Leases	359,851	
	<hr/>	
Adjusted 2015-16 General Fund Expenditures	\$ 19,751,116	
2% of Adjusted 2015-16 General Fund Expenditures	\$ 395,022	
Increased by: Allowable Adjustment	68,642	
	<hr/>	
Maximum Unreserved/Undesignated Fund Balance		\$ 463,664
Total General Fund - Fund Balance at June 30, 2016	\$ 1,798,390	
Decreased by:		
Year End Encumbrances	7,768	
Excess Surplus - Designated for Subsequent Year's Expenditures	4,946	
Other Reserved Fund Balances	1,122,513	
Assigned - Designated for Subsequent's Year's Expenditures	<hr/>	
Total Unassigned Fund Balance		<hr/> 663,162
Restricted Fund Balance - Excess Surplus		<hr/> \$ 199,498

### Recapitulation of Excess Surplus as of June 30, 2016

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 4,946
Reserved Excess Surplus	<hr/> 199,498
Total	<hr/> \$ 204,444

### Detail of Allowable Adjustments

Extraordinary Aid	\$ 50,795
Additional Nonpublic School Transportation Aid	<hr/> 17,847
Total Adjustments	<hr/> \$ 68,642

### Detail of Other Reserved Fund Balance

Capital Reserve	\$ 1,022,513
Maintenance Reserve	<hr/> 100,000
	<hr/> \$ 1,122,513



## Borough of Edgewater School District

### Administrative Findings – Financial, Compliance and Performance

Year Ended June 30, 2016

It is recommended that:

- \* Purchase orders be prepared prior to ordering of goods or services.
- \* Detail listings of payroll deductions and disbursements be prepared on a monthly basis.
- \* Political Disclosure Forms be maintained.
- \* IRS Form 1099 Misc. be issued for all vendors receiving in excess of \$600.00.

Capital project costs be properly classified.

Drawdowns of grant funds be in agreement with actual expenditures made.

Quotes be obtained when those purchases exceed the statutory thresholds.

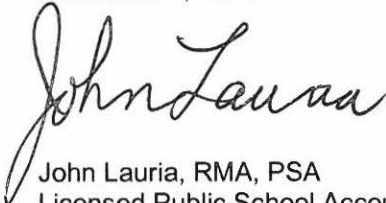
All disbursements be recorded in the cash disbursement journal and maintained at the George Washington School

- \* Repeated from prior year.

#### **Acknowledgment**

We received the complete cooperation of all the officials of the school district and greatly appreciate the courtesies extended to the member of the audit team.

Livingston, New Jersey  
December 1, 2016



John Lauria, RMA, PSA  
Licensed Public School Accountant #208700