

**BOROUGH OF JAMESBURG
SCHOOL DISTRICT
COUNTY OF MIDDLESEX, NEW JERSEY**

**AUDITORS MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS –
FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED
JUNE 30, 2016**

HODULIK & MORRISON, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS
PUBLIC SCHOOL ACCOUNTANTS
HIGHLAND PARK, N.J.

**BOROUGH OF JAMESBURG BOARD OF EDUCATION
MIDDLESEX COUNTY, NEW JERSEY**

**AUDITORS MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's 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 - 3
Payroll Account	3
Reserve for Encumbrances and Accounts Payable	3
Classification of Expenditures	3
Unemployment Compensation Insurance Trust Fund	4
Investment of Idle Funds	4
Board Secretary's Records	4
Treasurer's Records	4
Elementary and Secondary Education Act (E.S.E.A.), Improving America's Schools Act (I.A.S.A.) as reauthorized by the No Child Left Behind Act of 2001	4
Other Special Federal and/or State Projects	4 - 5
T.P.A.F. Reimbursement	5
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids	5 - 6
State of New Jersey Health Benefits	6
T.P.A.F. Reimbursement to the State for Federal Salary Expenditures	6
School Food Service Fund	7
Student Activity Funds	8
Application for State School Aid	8
Pupil Transportation	9
Capital Assets	9
Internal Control Documentation	9
Summary of Recommendations	10
Status of Prior Year Findings	10
Acknowledgment	10
Costs of Education Per Pupil	11
Net Cash Resource Schedule	N/A
Schedule of Meal Count Activity	A/A
Schedule of Audited Enrollments	12 - 14
Excess Surplus Calculation	15 - 16

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Borough of Jamesburg School District
County of Middlesex, 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 Board of Education of the Borough of Jamesburg School District, County of Middlesex, New Jersey, as of and for the year ended June 30, 2016, and have issued our report thereon dated November 18, 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 report is intended for the information of the Borough of Jamesburg 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.



HODULIK & MORRISON, P.A.
Certified Public Accountants
Public School Accountants



Robert S. Morrison
Certified Public Accountant
Public School Accountant #841

Highland Park, New Jersey
November 18, 2016

ADMINISTRATIVE FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING

SCOPE OF AUDIT

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

The audit did not and could not determine the character of services rendered for which payment had been made nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the approval of such claims. Revenues and receipts were established and verified as to sources and amount only insofar as the records permitted.

ADMINISTRATIVE PRACTICES AND PROCEDURES

Insurance

Insurance coverage was carried in the amounts as detailed on Exhibit J-20 of the District's CAFR. The details of the various additional insurance coverages by the Board are also presented on this Exhibit. No attempt was made to determine the adequacy of coverage as part of this report. Adequacy of coverage is the responsibility of the Board of Education.

Official Bonds

The following positions were covered by Surety Bonds:

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Denise Jawdzik	Treasurer of School Moneys	\$ 200,000.00

The surety bond coverage for the Treasurer of School Moneys exceeded the minimum requirement as promulgated by the Department of Education.

Examination of Claims

Claims were examined for the period under review and were found to be in good order. No discrepancies were noted with respect to signatures, certifications or supporting documentation. During the current school year, efforts were initiated to reduce the instances of confirming orders. "Confirming orders" is an accounting euphemism used to describe a departure from Board Policy relating to purchasing, wherein a Board employee commits Board funds by placing orders for goods or services prior to preparing a requisition for formal reviews by the Business Office for availability of funds and by administrative officials for need. The existence of confirming orders increases the risks that budget line-items could be overexpended, or that employees could be making unauthorized purchases that result in violations of the School Contracts Law. Closer inspection of the exceptions identified in our tests for the 2015-16 school year indicated that in most instances, the confirming orders were placed by employees with budget line-item responsibilities who were cognizant of available balances. While these conditions serve to mitigate the risks to the Board associated with confirming orders, their existence remains a violation of Board Policy and the provisions of the school accountability regulations of the New Jersey Administrative Code.

Finding: 2016-1:

Although the frequency of violations decreased during the current period, some purchases were made without the use of the requisition system.

Recommendation:

That requisitions be prepared, reviewed and approved for contemplated procurements in every instance.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING

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 Board Secretary/School Business Administrator. Tests were made of these records with no exceptions noted.

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

During the year under examination, the Board Secretary continued to perform procedures to allow for the formal proof of payroll account transactional activity on a monthly basis. This record was found to be suitable to allow for the identification of funds on hand.

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. Unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services rendered as of June 30.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A: 23-2.2(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: 23-8.2. As a result of the procedures performed we found no discrepancies in the classification of expenditures and no additional procedures were deemed necessary to test the propriety of the expenditure classification.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (CONT'D.)

Unemployment Compensation Insurance Trust Fund

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. Exhibit "H-2" sets forth the activity of this fund for the period under review. Total revenues from all sources amounted to \$47,100.34, including a Board contribution of \$40,000, and expenditures were \$26,784.77. Funds available at June 30, 2016 to pay future claims amounted to \$128,154.64.

Investment of Idle Funds

During the year ended June 30, 2016, the Board had all of the idle funds in its governmental fund types invested in interest bearing accounts. The existing practices allow the Board to maximize investment income without exposing Board funds to market related risks to investment principal.

Board Secretary's Records

The minutes maintained by the Board Secretary were in good condition.

The financial and accounting records maintained by the Board Secretary were found to be in good condition. General Ledger were properly maintained, and supporting documentation for all journal entries was available for auditor review.

Treasurer of School Monies' Records

The Treasurer of School Monies performed the required bank reconciliations and accordingly, the bank reconciliations (cash balances) were compared/agreed to the Board Secretary/Business Administrators financial records. No exceptions were 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 (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, II and III of the Elementary and Secondary Education Act as amended and reauthorized.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Exhibit E-1 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. For the 215-16 School Year, the threshold for expenditures of federal awards was increased from its prior amount of \$500,000 to \$750,000. Based upon this change, a "federal single-audit" for major federal grant programs was not required. However, audit scrutiny of these programs was nevertheless included in the scope of the audit procedures performed to the activities of the Special Revenue Fund.

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.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (CONT'D.)

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.

SCHOOL PURCHASING PROGRAMS

Contracts and Agreements Requiring Advertisement for Bids

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

"a. When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500.00, the contract may be awarded by a purchasing agent when so authorized by resolution of the board of education without public advertising for bids and bidding therefore, except that the board of education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotes. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A: 11-9) the board of education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by general delegation of the power to negotiate and award such contracts pursuant to this section."

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

"Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection a. of N.J.S.18A:18A-5 may be awarded for a period not exceeding 12 consecutive months."

N.J.S.A. 18A:18A-4 states, Every contract or agreement for the 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:18A-3(a) are \$40,000.00 (with a Qualified Purchasing Agent) and \$29,000.00 (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 \$18,800 for 2015-16.

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

SCHOOL PURCHASING PROGRAMS (CONT'D)

Contracts and Agreements Requiring Advertisement for Bids (Cont'd.)

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 results of the 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.

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.

State approved contracts were issued for vendors throughout the year for state contracts that were awarded over the bid threshold as required under Administrative Code section 5:34-7.29.

State of New Jersey Health Benefits

The Jamesburg Board of Education is enrolled in the New Jersey State Health Benefits Plan (the "Plan") and, as permitted by the Plan, has opted to defer two monthly premium payments. The decision to defer payments was made prior to the 2014-15 fiscal year. While the Plan may permit a payment deferral, generally accepted accounting principles require expenditure/expense recognition for premium costs in the period that a legal liability for such payments is incurred. At June 30, 2015, the District's budgetary basis financial statements did not reflect one month of deferred health benefit costs. During the current school year, The District was able to "catch up" by including a budget charge to eliminate the one-month of costs that had been deferred. As of June 30, 2016, all health care costs for the year then ended have been recorded by the District on both the budgetary and GAAP bases of accounting.

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

The amount of the expenditure 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 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.

School Food Service Fund

The school food service program was not selected as a major federal or state program. However, the program expenditures exceeded \$100,000 in federal support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether a) the SFA had any Child Nutrition Program reimbursement overclaims or underclaims and b) the SFA's expenditures of school service revenues were limited to allowable direct and indirect costs. No exceptions were noted, and no indirect costs were charged.

The financial transactions and statistical records of the school food services were maintained in satisfactory condition. The financial accounts and eligibility applications were reviewed on a test check basis.

Cash receipts and bank records were reviewed for timely deposit.

The number of meals claimed for reimbursement was verified against sales and meal count records. Reimbursement claims were submitted/certified in a timely manner. No exceptions noted for items tested.

The district utilizes a food service management company and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. No exceptions noted for items tested.

Expenses were separately recorded as food, labor, benefits and other costs. Vendor invoices were reviewed and costs verified. All billings were fully itemized, and audit tests revealed no exceptions to the terms of the contract. Inventory records were maintained current and properly applied in determining the cost of food and supplies used. No exceptions noted. We noted that District records of expenses incurred did not reflect the itemization contained in the contractor billings.

The cash disbursement records reflected expenditures for program and 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 exceed three months average expenditures. This matter was discussed with the SBA who advised us that: a) the food service costs do not reflect any costs for maintenance, custodial services and supervision of the cafeteria facilities, and b) the District intended to utilize the resultant favorable net position to replace existing cafeteria equipment that is nearing the end of its useful life, and did so in July, 2016.

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/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 policy procedures for free and reduced price applications were completed and available for review. No exceptions noted.

U.S.D.A. commodities were received and single inventory records were maintained on a first-in, first-out basis.

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

Student Activity Funds

During our review of the Student Activity Funds the following matters were noted:

I. JFK School Fund:

- a) There were only four disbursements made from the fund during the year. Of these, two were done electronically. We are unaware of any authority to make electronic funds transfers having been conferred by the Board to this account. The remaining two disbursements were by check, but the bank was not returning cancelled checks or providing photocopies of the front and back or all cleared checks as part of its monthly statements. Accordingly, the audit was unable to determine that the payees indicated in the School Fund records matches the individuals or entities that ultimately received the funds.
- b) Disbursement are required to be evidenced by "Approval Forms" which require three signatures. The requisite signatures were missing for three of the four disbursements.

2. Grace Breckwedel School:

- a) There were approximately thirty disbursements made from this account during 2015-16. All were by check. However, once again, the bank did not return cancelled checks and copies of those checks were not provided as part of the bank statements.
- b) Approval forms were used and properly executed in most instances. Four minor exceptions were noted.

Upon the completion of our audit of the student activities accounts, the above matters were discussed with the SBA. It was pointed out to us that the depository unilaterally ceased returning cancelled checks or copies thereof, and will charge additional fees to provide these documents. However, based upon the mutual agreement that this documentation is essential to the audit of the Student Activity Accounts, the SBA has contacted the depository and requested that cancelled checks or copies thereof be included in the monthly statements going forward. Additionally, both the depository and the JFK School staff were advised that electronic payments from the account are not permitted by Board Policy. These actions, if adhered to, should eliminate the deficiencies noted above relating to audit evidence of payees.

Recommendation:

That, for the JFK School Account, evidence of disbursement approvals be obtained before disbursements are made.

Application for State School Aid

Our audit procedures included tests 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 workpapers without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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

Pupil Transportation

Our procedures included a test of on-roll status reported in the 2015-16 District Report of Resident Transported Students (DRTRS). The information included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

Capital Assets

For the school year ended June 30, 2015, the District had engaged an outside firm to prepare an inventory listing of Capital Assets, and beginning asset values and accumulated depreciation for the current year reflect those amounts. During 2015-16, the District made improvements to the JFK School's roof and HVAC system, and acquired small amounts of equipment. These items must be added to the asset register, useful lives must be recorded, and depreciation scheduled. Absent a currently maintained fixed asset register, the District will be required to contract annually for a fixed asset inventory and valuation update.

Internal Control Documentation

The School District is continuing the process of documenting its internal controls. This course of action is commendable and will also serve the purpose of meeting certain requirements as set forth by the Statement on Auditing Standards 112. We suggest the School District continue its process and also consider utilizing the framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) for its documentation, which includes the five components of internal controls, as follows: Control Environment; Risk Assessment; Control Activities; Information and Communication; and Monitoring. In addition, we suggest the documentation should also include the internal controls that exist over grant compliance. While the process of internal control documentation can be arduous, it can serve to mitigate the loss of institutional knowledge that often accompanies changes in managerial personnel, as existing policies, procedures and responsibilities are clearly defined for replacement staff.

Summary of Recommendations:

2016-1 That requisitions be prepared, reviewed and approved for contemplated procurements in every instance.

2016-2 That, for the JFK School Account, evidence of disbursement approvals be obtained before disbursements are made.

Follow-Up on Prior Years' Findings

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations including findings. Corrective action had been taken on all prior year audit findings with the exception of the following, which is repeated in this year's recommendations noted as current year findings:

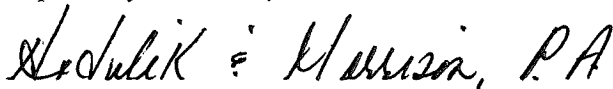
2015-2 That vouchers with approval signatures be required for all student activity account disbursements.

* * * * *

ACKNOWLEDGMENT

During the course of our audit, we received the complete cooperation of all the officials of the school district, and we greatly appreciate the courtesies extended to us.

Respectfully submitted,



HODULIK & MORRISON, P.A.
Certified Public Accountants
Public School Accountants



Robert S. Morrison
Certified Public Accountant
Public School Accountant #871

SCHEDULE OF COSTS OF EDUCATION PER PUPIL

JAMESBURG SCHOOL DISTRICT
COSTS OF EDUCATION PER PUPIL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(BUDGETARY BASIS - MEMORANDUM ONLY)

Costs of Education:	
Instruction:	
Regular Programs	\$ 2,381,256.81
Special Education	890,614.18
Other Instructional Programs	<u>172,261.74</u>
Total Instruction	3,444,132.73
Total Undistributed Expenditures*	<u>5,733,275.50</u>
Total Costs of Education	9,177,408.23
Average Daily Enrollment	<u>676.00</u>
Costs of Education Per Pupil	<u><u>\$ 13,576.05</u></u>

Note: The above calculation excludes capital outlay expenditures, including the costs of instructional equipment.

* Includes \$882,749.43 of "on-behalf" payments by State of New Jersey for T.P.A.F social security, T.P.A.F. for pension, and post-retirement health benefits. Excludes tuition costs for High School Students.

SCHEDULE OF AUDITED ENROLLMENTS

**JAMESBURG SCHOOL DISTRICT
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.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 Private Schools		Sample for Verification	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool 4 Years Old	39		39		0		10		10		0							
Full Day Kindergarten	83		83		0		32		32		0							
One	69		69		0		29		29		0							
Two	58		58		0		23		23		0							
Three	64		64		0		20		20		0							
Four	79		79		0		25		25		0							
Five	40		40		0		9		9		0							
Six	56		56		0		17		17		0							
Seven	55		55		0		20		20		0							
Eight	49		49		0		18		18		0							
Subtotal	592		592		0		203		203		0							
Special Ed - Elementary	49		49		0		18		18		0			2		2		0
Special Ed - Middle School	22		22		0		11		11		0			0		0		0
Special Ed - High School																		
Subtotal	71		71		0		29		29		0			2		2		0
Totals	663		663		0		232	(a)	232	(a)	0			2	(b)	2		0
Percentage Error					0.00%						0.00%							0.00%

SCHEDULE OF AUDITED ENROLLMENTS

**JAMESBURG SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENTS 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	Sample Selected from Workpapers	Verified to Application and Register	Reported on A.S.S.A. as Bilingual Education	Reported on Workpapers as Bilingual Education	Sample Selected from Workpapers	Verified to Test Score and Register
Full Day Kindergarten	47	46	27	27	27	27	18	18
One	37	37	25	25	21	21	12	12
Two	39	39	17	17	17	17	10	10
Three	38	38	16	16	12	12	7	7
Four	50	50	27	27	11	11	7	7
Five	21	21	8	8	0	0	0	0
Six	22	22	13	13	1	1	1	1
Seven	31	31	10	10	10	10	8	8
Eight	19	19	7	7	4	4	4	4
Subtotal	304	303	150	150	103	103	67	66
Special Ed - Elementary	34	33	17	17	5	5	5	5
Special Ed - Middle	16	16	3	3	0	0	0	0
Special Ed - High								
Subtotal	50	49	20	20	5	5	5	5
Co. Voc. - Regular								
Co. Voc. Ft. Post Sec.								
Totals	354	352	170	170	108	108	72	71
Percentage Error		0.56%						1.39%

Transportation

	Reported on DRTRS by DOE/county		Reported on DRTRS by District		Sample for Verification	
	Reported	Errors	Reported	Errors	Sample Selected from Workpapers	Verified to Application and Register
Reg. - Public Schools, col. 1	39	0	39	0	27	27
Reg - SpEd, col. 4	1	0	1	0	25	25
Transported - Non-Public, col. 3	32	0	32	0	17	17
Special Ed Spec, col. 6	21	0	21	0	16	16
Totals	93	0	93	0	75	75
Percentage Error		0.00%		0.00%		

Reg Avg. (Mileage) = Regular Including Grade PK students (Part A) 8.7
 Reg Avg. (Mileage) = Regular Excluding Grade PK students (Part B) If Applicable 12.4
 Spec Avg. = Special Ed with Special Needs 12.2

SCHEDULE OF AUDITED ENROLLMENTS

**JAMESBURG 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 Bilingual Education	Reported on Workpapers as Bilingual Education	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Kindegarten						
Full Day Kindergarten	2	2		2	2	0
One	4	4		4	4	0
Two						
Three						
Four						
Five	2	2		2	2	0
Six						
Seven						
Eight						
Nine						
Ten						
Eleven						
Twelve						
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	<u>8</u>	<u>8</u>	<u>0</u>	<u>8</u>	<u>8</u>	<u>0</u>
Special Ed - Elementary						
Special Ed - Middle						
Special Ed - High						
Subtotal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>8</u>	<u>8</u>	<u>0</u>	<u>8</u>	<u>8</u>	<u>0</u>
Percentage Error			<u>0.00%</u>	(f)		<u>0.00%</u>

EXCESS SURPLUS CALCULATION

SECTION 1 - REGULAR DISTRICT

A. 2% Calculation of Excess Surplus

2015-2016 Total General Fund Expenditures per the CAFR "C-1"	\$ <u>13,144,081.52</u> (B)
Increased by Applicable Operating Transfers:	
Transfer from Capital Outlay to Capital Projects Fund	\$ <u>0.00</u> (B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ <u>225,666.00</u> (B1b)
Transfer from General Fund to SFR for Pre-K Regular	\$ <u>0.00</u> (B1c)
Transfer from General Fund to SFR for Pre-K Inclusion	\$ <u>0.00</u> (B1d)
Decreased by:	
On-Behalf TPAF Pension & Social Security	\$ <u>882,749.43</u> (B2a)
Assets Acquired Under Capital Leases	\$ _____ (B2b)
Adjusted 2015-16 General Fund Expenditures [(B)+(B1s)-B2s)]	<u>12,486,998.09</u> (B3)
2% of Adjusted 2015-2016 General Fund Expenditures [(B3) times .02]	\$ <u>249,739.96</u> (B4)
Enter Greater of (B4) or \$250,000	\$ <u>250,000.00</u> (B5)
Increased by: Allowable Adjustment*	\$ <u>47,650.00</u> (K)
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]	\$ <u>297,650.00</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6/30/16 (Per CAFR Budgetary Comparison schedule/statement)	\$ <u>1,692,683.26</u> (C)
Decreased by:	
Reserve for Encumbrances	\$ <u>31,000.82</u> (C1)
Legally Restricted -Designated for Subsequent Year's Expenditures	\$ _____ (C2)
Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>0.00</u> (C3)
Other Reserved Fund Balances****	\$ <u>1,285,312.44</u> (C4)
Assigned Unreserved Fund Balance - Designated for Subsequent Year's Expenditures	\$ <u>78,720.00</u> (C5)
Total Unreserved/Undesignated Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ <u>297,650.00</u> (U1)

SECTION 3

Restricted Fund Balance-Excess Surplus ***((U1-(M)) If negative enter -0-	\$ <u>0.00</u> (E)
<u>Recapitulation of Excess Surplus as of June 30, 2016</u>	
Reserved Excess Surplus-Designated for Subsequent Year's Expenditures**	\$ <u>0.00</u> (C3)
Reserved Excess Surplus*** (E)	\$ <u>0.00</u> (E)
Total Excess Surplus [(C3) +(E)]	\$ <u>0.00</u> (D)

Footnotes:

*Allowable adjustment to expenditures on line K must be 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 NJSA 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, 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 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 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4).

(I) Sale and Leaseback (Refer to 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 audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid, and Additional Non public School Transportation Aid

Detail of Allowable Adjustments

Impact Aid	\$ _____	(H)
Sale & Lease-back	\$ _____	(I)
Extraordinary Aid	\$ 40,777.00	(J1)
Additional Nonpublic School Transportation Aid	\$ 6,873.00	(J2)
Current year School Bus Advertising Rev. Recognized	\$ 0.00	(J3)
Family Crisis Transportation Aid	\$ _____	(J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)]	\$ 47,650.00	(K)

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

*** Amount 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 any 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 prior to September 30.

Detail of Other Reserved Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$ _____
Capital Outlay for a district with a capital outlay SGLA	\$ _____
Sale/lease-back reserve	\$ _____
Capital Reserve	\$ 954,456.92
Maintenance Reserve	\$ 255,815.00
Tuition Reserve	\$ _____
Emergency Reserve	\$ 75,040.52
Waiver Offset reserve	\$ _____
(Other Reserved Fund Balance not noted above)****	\$ _____
Total Other Reserved Fund Balance	\$ 1,285,312.44 (C4)