

**BOARD OF EDUCATION**  
**LOPATCONG TOWNSHIP SCHOOL DISTRICT**  
**AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE**  
**FINDINGS, FINANCIAL, COMPLIANCE AND PERFORMANCE**  
**For the Year Ended June 30, 2016**

**LOPATCONG TOWNSHIP SCHOOL DISTRICT**  
**Auditors Management Report on Administrative Findings - Financial, Compliance**  
**and Performance**

	<u>Page</u>
Independent Auditors' Report	1
Scope of Audit	2
School Purchasing Program	
Contracts and Agreements Requiring Advertisement for Bids	2 - 4
Administrative Practices and Procedures	
Insurance	4
Official Bonds	4
Financial Planning, Accounting and Reporting	
Examination of Claims	4
Other Special Federal and/or State Projects	4
Payroll Account	5
Reserve for Encumbrances, Liability (Current) for Accounts Payable	5
Classification of Expenditures	5
Treasurer's Records	5
Board Secretary's Records	5
Unemployment Compensation Insurance Trust Fund	5
TPAF (Social Security) Reimbursement	5
School Food Service	
Food Service Fund	6
Application for State School Aid	7
Pupil Transportation	7
Schedule of Findings of Noncompliance	7
TPAF Reimbursement to the State	7
Other Matters	7
Application for State School Aid Summary/Enrollments	8 - 10
Excess Surplus Calculation	11 - 12
Suggestions	13
Recommendations	13
Status of Prior Year's Audit Findings and Recommendations	13
Acknowledgment	13

Federal Identification Number 22-6002048



Bedard, Kurowicki & Co.  
Certified Public Accountants, PC  
[www.bkc-cpa.com](http://www.bkc-cpa.com)

---

### Independent Auditors' Report

Honorable President and Members  
of the Board of Education  
Lopatcong Township School District  
County of Warren, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Lopatcong Township School District in the County of Warren for the year ended June 30, 2016, and have issued our report thereon dated December 2, 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 Lopatcong Township School District 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.

*Bedard, Kurowicki & Co.*  
**BEDARD, KUROWICKI & CO., CPA'S, PC**

A handwritten signature in black ink that reads "William Colantano".

William M. Colantano, Jr.  
Public School Accountant  
No. CS 0128

December 2, 2016  
Flemington, New Jersey

## LOPATCONG TOWNSHIP SCHOOL DISTRICT

June 30, 2016

### Scope of Audit

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

### School Purchasing Programs

#### Contracts and Agreements Requiring Advertisement for Bids

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

- A. “Any purchase, contract or agreement for the performance of any work or the furnishing or hiring of materials or supplies, the cost or price of which, together with any other sums expended or foreseeably to be expended for the performance of any work or services in connection with the same project or the furnishing of similar materials or supplies during the same fiscal year paid with or out of school funds, does not exceed the total sum of \$7,500 or the amount determined pursuant to Subsection B of this section, in the fiscal year or, in the case of purchases that are not annually recurring, in a period of one year may be made, negotiated and awarded by a contracting agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefore.”
- B. “Commencing January 1, 1983 and every two years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount set forth in Subsection A of this section in direct proportion to the rise or fall of the consumer price index for all urban consumers in the New York City and the Philadelphia area as reported by the United States Department of Labor. The Governor shall notify all Local School Districts of the adjustment. The adjustment shall become effective on July 1, of the year in which it is reported.”

N.J.S.A. 18A:18A:-4 States:

“Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of school funds, not included within the terms of N.J.S.A. 18A:18A-3, shall be made and awarded only by the Board of Education after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or calculated by the Governor pursuant to N.J.S.A. 18A:18A-3 except by contract or agreement.”

Effective April 17, 2000, N.J.S.A. 18A:18A (Public School Contracts Law) was revised by PL 1999 Ch. 440. The associated rules were drafted by the Department of Local Government Services of the State of New Jersey, with consultation from the Commissioner of Education of New Jersey.

Effective July 1, 2015 and thereafter, the bid thresholds in accordance with N.J.S.A. 18A:18A-3 (as amended) and 18A:39-3 is \$29,000 and \$18,800, respectively.

# LOPATCONG TOWNSHIP SCHOOL DISTRICT

June 30, 2016

## School Purchasing Programs (continued)

### Contracts and Agreements Requiring Advertisement for Bids (continued)

In accordance with 18A:18A-3a and NJAC 5:34-5 et seq. the Board of Education has appointed a "Qualified Purchasing Agent" which allows the Board of Education to increase the bid threshold and to grant the authorization to negotiate contracts below the bid threshold.

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

Our examination of the minutes indicated that contracts awarded included the following:

- Food service management service
- Contracted services
- Trash removal
- Child study team related services

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. Expenditures were reviewed, however, to determine whether any clear cut violations existed.

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 threshold 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 Chapter 114, PL 1977, therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal, however, that the following purchases were made through the use of State contracts:

- Technology equipment and supplies

**LOPATCONG TOWNSHIP SCHOOL DISTRICT**

**June 30, 2016**

School Purchasing Programs (continued)

Contracts and Agreements Requiring Advertisement for Bids (continued)

Purchases were also made through cooperative agreements for the following:

Fuel oil	Transportation
Insurance	Paper supplies
Custodial supplies	Teaching supplies
Electric generation	Non-public services
Technology equipment and supplies	Child study team supervisor
Telecommunication service	Natural gas

Administrative Practices and Procedures

Insurance

Fire and other insurance coverage evidenced by policies were carried in the amounts as reflected in the Insurance Schedule included in the District's Comprehensive Annual Financial Report.

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

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

Surety bond coverage in force during the period was:

<u>Name of Employee</u>	<u>Position</u>	<u>Amount</u>
Paula Hatch	Treasurer of School Monies	\$ 205,000
Employee blanket crime policy		500,000

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review indicated nominal discrepancies with respect to signatures, certification or supporting documentation.

Other Special Federal and/or State Projects

Special Federal and State Projects of the District are reflected on Schedules K-3 and K-4 included in the Comprehensive Annual Financial Report.

Our examination of the special projects, 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 contained within the CAFR represent a true statement of the financial position pertaining to the aforementioned special projects.

## LOPATCONG TOWNSHIP SCHOOL DISTRICT

June 30, 2016

### 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, the Board Secretary/School Business Administrator and the Chief School Administrator.

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

### Reserve for Encumbrances, Liability (Current) for 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 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.

### Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with NJAC 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 NJAC 6A:23A-8.2. As a result of the procedures performed, a nominal transaction error rate was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

### Treasurer's Records

The records of the Treasurer were maintained in good order.

### Board Secretary's Accounting Records

The records of the Board Secretary were maintained in good order.

### Unemployment Compensation Insurance Trust Fund

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund.

### TPAF (Social Security) 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 Teacher's Pension and Annuity Fund. No exceptions were noted.

## LOPATCONG TOWNSHIP SCHOOL DISTRICT

June 30, 2016

### School Food Service

#### Food Service Fund

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

Cash receipts and bank records were reviewed for timely deposit.

The District utilizes a Food Service Management Company (FSMC) and is depositing and expending program money in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. 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 will generate a profit. The operating results provision has been met.

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

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the School Food Service.

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 and 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 did not exceed the number of valid applications on file, times the number of operating days. The free and reduced price meal policy is uniformly administered 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 single 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 Enterprise Funds, Section G of the CAFR.



## **LOPATCONG TOWNSHIP SCHOOL DISTRICT**

**June 30, 2016**

### Application for State School Aid

Our audit procedures included a test of the information reported in the October 15, 2015, Application for State School Aid (ASSA) Data Listing for on-roll, private schools for the handicapped, and transportation. We also performed a review of the District procedures related to its completion. The information on the data listing was compared to the District work papers without exception as noted in the audit. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

The District 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 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 with exceptions. 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.

### Schedule of Findings of Noncompliance

There were no finding of noncompliance as a result of this audit pertaining to Federal and State financial assistance.

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

No reimbursement is due to the State to reimburse for the TPAF/FICA payments made by the State on-behalf of the District. The District had no employees with applicable salaries identified as being paid from federal funds.

### Other Matters

Audit Comment - All political contribution disclosure forms were not available for review and not all bid documents were on file.

Suggestion to management - All applicable school records should be available for review.

**LOPATCONG TOWNSHIP SCHOOL DISTRICT**  
**Application for State School Aid Summary**  
**Schedule of Audited Enrollments - Enrollment as of October 15, 2015**

	2016 - 2017 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on ASSA On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on ASSA as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool Age 3	6	-	8	-	(2)	-	1	-	1	-	-	-	-	-	-	-
Full Day Preschool Age 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Preschool Age 4	12	-	13	-	(1)	-	2	-	2	-	-	-	-	-	-	-
Full Day Preschool Age 4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	65	-	64	-	1	-	16	-	16	-	-	-	-	-	-	-
Full Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
One	76	-	75	-	1	-	19	-	19	-	-	-	-	-	-	-
Two	68	-	67	-	1	-	16	-	16	-	-	-	-	-	-	-
Three	74	-	74	-	-	-	20	-	20	-	-	-	-	-	-	-
Four	90	-	89	-	1	-	21	-	21	-	-	-	-	-	-	-
Five	75	-	75	-	-	-	18	-	18	-	-	-	-	-	-	-
Six	93	-	93	-	-	-	24	-	24	-	-	-	-	-	-	-
Seven	99	-	99	-	-	-	23	-	23	-	-	-	-	-	-	-
Eight	89	-	89	-	-	-	23	-	23	-	-	-	-	-	-	-
Nine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eleven	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Twelve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult HS (15+CR)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult HS (1-14CR)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>747</u>	<u>-</u>	<u>746</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>183</u>	<u>-</u>	<u>183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special Education - Elementary	62	-	60	-	2	-	18	-	18	-	-	-	-	-	-	-
Special Education - Middle	32	-	32	-	-	-	8	-	8	-	-	-	-	-	-	-
Special Education - High School	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>94</u>	<u>-</u>	<u>92</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>26</u>	<u>-</u>	<u>26</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County Vocational - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
County Vocational - Full-Time Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	<u>841</u>	<u>-</u>	<u>838</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>209</u>	<u>-</u>	<u>209</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Percentage error 0.36% 0.00% 0.00% 0.00% 0.00%

**LOPATCONG TOWNSHIP SCHOOL DISTRICT**  
**Application for State School Aid Summary**  
**Schedule of Audited Enrollments - Enrollment as of October 15, 2015 (continued)**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application & Register	Sample Errors	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score & Register	Sample Errors
Half Day Preschool Age 3	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool Age 3	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Preschool Age 4	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool Age 4	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	5	5	-	2	2	-	-	-	-	-	-	-
One	11	11	-	8	8	-	-	-	-	-	-	-
Two	12	12	-	9	9	-	-	-	-	-	-	-
Three	18	18	-	9	8	1	-	-	-	-	-	-
Four	12	12	-	9	9	-	1	1	-	1	1	-
Five	12	12	-	6	6	-	-	-	-	-	-	-
Six	13	13	-	11	11	-	-	-	-	-	-	-
Seven	16	16	-	15	14	1	-	-	-	-	-	-
Eight	19	19	-	13	13	-	-	-	-	-	-	-
Nine	-	-	-	-	-	-	-	-	-	-	-	-
Ten	-	-	-	-	-	-	-	-	-	-	-	-
Eleven	-	-	-	-	-	-	-	-	-	-	-	-
Twelve	-	-	-	-	-	-	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult HS (15+CR)	-	-	-	-	-	-	-	-	-	-	-	-
Adult HS (1-14CR)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>118</u>	<u>118</u>	<u>-</u>	<u>82</u>	<u>80</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Special Education - Elementary	12	12	-	6	3	3	-	-	-	-	-	-
Special Education - Middle	12	12	-	9	8	1	-	-	-	-	-	-
Special Education - High School	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>24</u>	<u>24</u>	<u>-</u>	<u>15</u>	<u>11</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County Vocational - Regular	-	-	-	-	-	-	-	-	-	-	-	-
Cty Vocational - F/T Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	<u>142</u>	<u>142</u>	<u>-</u>	<u>97</u>	<u>91</u>	<u>6</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Percentage			<u>0.00%</u>			<u>6.19%</u>			<u>0.00%</u>			<u>0.00%</u>

**LOPATCONG TOWNSHIP SCHOOL DISTRICT**  
**Application for State School Aid Summary**  
**Schedule of Audited Enrollments - Enrollment as of October 15, 2015 (continued)**

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA as Not Low Income	Reported on Workpapers as Not Low Income	Errors	Sample Selected from Workpapers	Verified to Application & Register	Sample Errors
Two	1	1	-	1	1	-
Three	1	1	-	1	1	-
	<u>2</u>	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>
Percentage			<u>0.00%</u>			<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Sample Errors
Regular & special education without special needs in-district						
Public	216	216	-	101	101	-
Vocational	-	-	-	-	-	-
Aid-in-lieu charter school	-	-	-	-	-	-
Non-public	25	25	-	19	19	-
Aid-in-lieu non-public	27	27	-	19	19	-
Special education public	1	1	-	1	1	-
Private school disabled	-	-	-	-	-	-
Special education with special needs & out of district special education without special needs						
Public with special needs	25	25	-	13	13	-
Private school disabled with special needs	2	2	-	1	1	-
Out of district public without special needs	4	4	-	2	2	-
Out of district private school disabled without special needs	-	-	-	-	-	-
	<u>300</u>	<u>300</u>	<u>-</u>	<u>156</u>	<u>156</u>	<u>-</u>
Percentage			<u>0.00%</u>			<u>0.00%</u>

**LOPATCONG TOWNSHIP SCHOOL DISTRICT**  
**Excess Surplus Calculation**

**Section 1**

2% Calculation of Excess Surplus

2015 - 2016 Total general fund expenditures per the CAFR, Exhibit C-1	\$ 17,563,148	(B)	
Increased by			
Transfer from capital outlay to capital projects fund	-	(B1a)	
Transfer from capital reserve to capital projects fund	-	(B1b)	
Transfer from general fund to SRF for Pre K - Regular	-	(B1c)	
Transfer from general fund to SRF for Pre K - Inclusion	-	(B1d)	
Transfer to unemployment compensation fund	-	(B1e)	
Decreased by:			
On-behalf TPAF Pension & Social Security	1,343,646	(B2a)	
Assets acquired under capital leases	<u>-</u>	(B2b)	
Adjusted 2015 - 2016 general fund expenditures [(B)+(B1s)-(B2s)]	<u>\$ 16,219,502</u>	(B3)	
2% of adjusted 2015 - 2016 general fund expenditures [(B3) times .02]	\$ 324,390	(B4)	
Enter greater of (B4) or \$250,000	250,000	(B5)	
Increased by: allowable adjustment	<u>4,793</u>	(K)	
Maximum unassigned/undesignated fund balance [(B5)+(K)]			<u>\$ 329,183 (M)</u>

**Section 2**

Total general fund - Fund balances at June 30, 2016 (Per CAFR budgetary comparison Schedule C-1)	\$ 638,909	(C)	
Decreased by			
Year-end encumbrances	817	(C1)	
Legally restricted - Designated for subsequent year's expenditures	-	(C2)	
Restricted excess surplus - Designated for subsequent year's Expenditures	-	(C3)	
Other restricted fund balances	479,468	(C4)	
Assigned fund balance - Designated for subsequent year's Expenditures	<u>-</u>	(C5)	
Total unassigned fund balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]			<u>\$ 158,624 (U)</u>

**LOPATCONG TOWNSHIP SCHOOL DISTRICT**  
**Excess Surplus Calculation (continued)**

**Section 3**

Restricted fund balance - Excess surplus [(U)-(M)] if negative enter -0-	\$	-	(E)
<hr/>			
<u>Recapitulation of Excess Surplus as of June 30, 2016</u>			
Reserve excess surplus - Designated for subsequent year's expenditures	\$	-	(C3)
Reserve excess surplus (E)	\$	-	(E)
<hr/>			
Total excess surplus [(C3) + (E)]	\$	-	(D)

Detail of Allowable Adjustments

Impact aid	\$	-	(H)
Sale and lease back		-	(I)
Extraordinary aid		-	(J1)
Additional nonpublic transportation aid		4,793	(J2)
<hr/>			
Total adjustments	\$	4,793	(K)

Detail of Other Reserved Fund Balance

Statutory restrictions			
Approved unspent separate proposal	\$	-	
Sale/Lease - Back reserve		-	
Capital reserve		429,468	
Maintenance reserve		-	
Emergency reserve		-	
Waiver offset reserve - Designated for subsequent year		-	
Tuition reserve		50,000	
Other State/Government mandated reserve		-	
Other restricted fund balance not noted above		-	
<hr/>			
Total other restricted fund balance	\$	479,468	(C4)

*Bedard, Kurowicki & Co.*

**BEDARD, KUROWICKI & CO., CPA'S, PC**

*William Colantano*

**William M. Colantano, Jr., CPA, RMA**

**LOPATCONG TOWNSHIP SCHOOL DISTRICT**

**June 30, 2016**

Suggestions to Management

1. All applicable school records should be available for review.

Recommendations

No recommendations were developed as a result of this audit.

Status of Prior Year's Audit Findings/Recommendations

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.

\* \* \* \* \*

The foregoing conditions were considered in determining the nature, timing and extent of the audit tests to be applied in our examination of the financial statements, and this report of such conditions does not modify our report dated December 2, 2016.

Should any questions arise as to our comments, please do not hesitate to call us.

We desire to express our appreciation for the assistance and courtesies rendered by the school officials and employees during the course of the examination.

*Bedard, Kurowicki & Co.*  
**BEDARD. KUROWICKI & CO., CPA'S. PC**



William M. Colantano, Jr.  
Public School Accountant  
No. CS 0128