



**SCHOOL DISTRICT OF NEPTUNE TOWNSHIP  
NEPTUNE TOWNSHIP BOARD OF EDUCATION**

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

**JUNE 30, 2016**

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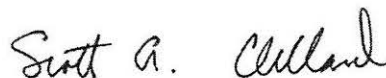
**REPORT OF INDEPENDENT AUDITORS**

Honorable President and Members  
of the Board of Education  
Neptune Township Board of Education  
County of Monmouth, New Jersey

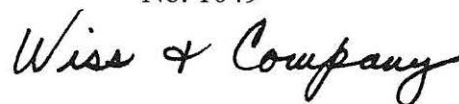
We have audited, in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Neptune Township School District, County of Monmouth as of and for the year ended June 30, 2016, and have issued our report thereon dated November 21, 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 Neptune Township Board of Education's management, Board of Education members, and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.



Scott A. Clelland  
Licensed Public School Accountant  
No. 1049



WISS & COMPANY, LLP

Livingston, New Jersey  
November 21, 2016

**NEPTUNE TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS – FINANCIAL,  
COMPLIANCE AND PERFORMANCE**

**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.

**Administrative Practices and Procedures**

Insurance

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

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

Name	Position	Amount
Peter J. Leonard	School Business Administration/Board Secretary	\$ 300,000
Peter I. Bartlett	Asst. Business Administrator/Asst. Board Secretary	300,000
Sandra Lampinen	Bookkeeping Coordinator	300,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were greater than or less than estimated costs. The District made a proper adjustment to the billings to sending Districts for the increase (decrease) in per pupil costs in accordance with *N.J.A.C. 6A:23A-17.1(f)3*.

**Financial Planning, Accounting and Reporting**

Examination of Claims

An examination of claims paid during the period did not indicate any discrepancies with respect to signatures, certification or supporting documentation. No discrepancies or exceptions were noted.

Payroll Account and Position Control Roster

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/Business Administrator.

**NEPTUNE TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS – FINANCIAL,  
COMPLIANCE AND PERFORMANCE**

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

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

An inquiry and subsequent review of the Position Control Roster did not identify any inconsistencies between the payroll records, employee benefit records, the general ledger accounts to where wages are posted, and the Position Control Roster.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable. No exceptions were noted.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A:23A-16.2(f)* as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-8.3*. As a result of the procedures performed, a transaction error rate of 0% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

Our review of the financial and accounting records maintained by the Board Secretary disclosed no exceptions.

Elementary and Secondary Education Act (ESEA)/Improving America's Schools Act (IASA) as reauthorized by the No Child Left Behind Act of 2001

The ESEA/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 E.S.E.A. /I.A.S.A. /N.C.L.B. of the Elementary and Secondary School Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. /I.A.S.A. /N.C.L.B. indicated no exceptions.

Other Special Federal and/or State Projects

The District's special projects were approved as listed on Schedules A (K-3) and B (K-4) 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.

**NEPTUNE TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS – FINANCIAL,  
COMPLIANCE AND PERFORMANCE**

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

The study of compliance for the special projects indicated no instances of noncompliance that are required to be reported in accordance with 2 CFR 200.516(a) or State Circular 15-08.

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.

*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 applicable federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

Non-Public State Aid

Our review of non-public state aid did not disclose any exceptions.

**School Purchasing Programs**

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with *N.J.S.A.* 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under *N.J.S.A.* 18A:39-3 is \$18,800 for 2015-16.

The District 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.

Based on the results of my examination, I did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of *N.J.S.A.* 18A:18A-4.

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



**NEPTUNE TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS – FINANCIAL,  
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**School Food Service**

The financial transactions and statistical records of the school food services 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 on a test basis for timely deposit and no exceptions were noted.

The District utilizes a food service management company (FSMC) and is depositing and expending monies 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 return of \$220,000. The operating results provision has been met.

The number of meals claimed for reimbursement was compared to sales and meal count records on a test basis. 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/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 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. No exceptions were noted.

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

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. Net cash resources did not exceed three months average expenditures.

Time sheets were reviewed and labor costs verified on a test check basis. Payroll records were maintained on all School Food Services employees authorized by the board of education. No exceptions were noted.

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

The school district/charter school/ renaissance school project maintains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

**NEPTUNE TOWNSHIP SCHOOL DISTRICT  
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Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section B of the CAFR.

**Student Body Activities**

During our audit of the student activity funds, we noted the following opportunities for improvement:

**Finding 2016-001**

*Finding*

New Jersey local school districts are political subdivisions of the State of New Jersey. Their purchases, except purchases of energy, are exempt from New Jersey sales and use taxes, pursuant to Section 9(a)(1) of the New Jersey Sales and Use Tax Act. An exempt organization certificate or number is not required for the local school district, public school or board of education to make tax exempt purchases. ST-5 Exempt Organization Certificates are never issued to New Jersey government entities, including public schools. Their official letterhead or official purchase order, signed by a school official, is sufficient proof to the vendor that they are exempt from paying sales taxes. Payment must be made by a school check, including a student activity fund check, or a school voucher. However, for incidental purchases made with a cash advance of \$150 or less from the school, a ST-4 Exempt Use Certificate must be used for proof of exemption. Our testing identified one transaction in which sales tax was paid with student activity funds.

*Recommendation*

The District implemented a new process effective 2016-2017 to enhance the accountability over the student activity funds. This new process includes a student activity disclosure statement to be signed by the designated school board employee with authority to deposit and disburse student activity funds to certify he or she has read and fully understands the student activity guidelines. Furthermore, the District is requiring a statement of purpose form to disclose the nature and purpose of all student activity purposes. This form will also contain a certifying statement signature line that the responsible party fully understands and complies with the student activity guidelines submitted to them by the District. Since the District has already enacted a comprehensive plan to correct these findings, further recommendation is not warranted.

**Finding 2016-002**

*Finding*

During our audit, we noted certain items that were purchased from student activity funds that should be purchased through the District's standard purchasing process or are not in compliance with the District's standard operating procedures manual or State guidelines.

*Recommendation*

The District implemented a new process effective 2016-2017 to enhance the accountability over the student activity funds. This new process includes a student activity disclosure statement to be signed by the designated school board employee with authority to deposit and disburse student activity funds to certify he or she has read and fully understands the student activity guidelines. Furthermore, the District is requiring a statement of purpose form to disclose the nature and purpose of all student activity purposes. This form will also contain a certifying statement signature line that the responsible party fully understands and complies with the student activity guidelines submitted to them by the District. Since the



**NEPTUNE TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS – FINANCIAL,  
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District has already enacted a comprehensive plan to correct these findings, further recommendation is not warranted.

**Finding 2016-003**

*Finding*

In accordance with N.J.A.C. 6A:23A-6.12, adoption of a formal board policy that includes all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices, which includes timely deposit of funds in the bank. During our testing of student activity fund receipts, we noted four deposits that were not considered to meet the definition of deposited timely.

*Recommendation*

The District implemented a new process effective 2016-2017 to enhance the accountability over the student activity funds. This new process includes a student activity disclosure statement to be signed by the designated school board employee with authority to deposit and disburse student activity funds to certify he or she has read and fully understands the student activity guidelines. Furthermore, the District is requiring a statement of purpose form to disclose the nature and purpose of all student activity purposes. This form will also contain a certifying statement signature line that the responsible party fully understands and complies with the student activity guidelines submitted to them by the District. Since the District has already enacted a comprehensive plan to correct these findings, further recommendation is not warranted.

**Application for State School Aid**

Our audit procedures included a test 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 with minor exceptions as presented in the Schedule of Audited Enrollments. 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 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 no 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. The District did not purchase any buses during the 2015-2016 school year. No exceptions were noted in our review of transportation related purchases of goods and services.

**NEPTUNE TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS – FINANCIAL,  
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**Follow-up on Prior Year's Findings**

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations. Corrective action has been taken on all prior year findings with the exception of the following, which are repeated in this year's recommendations noted as current year findings 2016-001 and 2016-003.

- Student activity purchase with sales tax (2016-001)
- Timeliness of student activity deposits (2016-003)

We have also reviewed the findings contained in the audit report issued by the Office of Fiscal Accountability and Compliance (OFAC) during the 2016 fiscal year. We noted that a corrective action plan had been prepared addressing all findings in the report dated March 2016 and has been accepted by OFAC.

**Acknowledgment**

We received the complete cooperation of all the officials of the School District and we greatly appreciate the courtesies extended to the members of the audit team.

SCHEDULE OF MEAL COUNT ACTIVITY

NEPTUNE BOARD OF EDUCATION  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED - FEDERAL  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE (a)	(OVER) UNDER CLAIM (b)
National School Lunch (Regular Rate)	Paid	120,447	120,447	120,447	-	\$ 0.31	\$ -
National School Lunch (Regular Rate)	Reduced	37,289	37,289	37,289	-	2.69	-
National School Lunch (Regular Rate)	Free	305,364	305,364	305,364	-	3.09	-
	<b>TOTAL</b>	<b>463,100</b>	<b>463,100</b>	<b>463,100</b>			<b>-</b>
National School Lunch	HHFKA	480,766	480,766	480,766	-	\$ 0.06	\$ -
National School Lunch (Severe Needs)	Seamless Summer Option	17,666	17,666	17,666		\$ 3.09	
School Breakfast (Regular Rate)	Paid	21,046	21,046	21,046	-	\$ 0.29	\$ -
	Reduced	11,763	11,763	11,763	-	1.69	-
	Free	131,376	131,376	131,376	-	1.99	-
	<b>TOTAL</b>	<b>164,185</b>	<b>164,185</b>	<b>164,185</b>			<b>-</b>
School Breakfast (Severe Needs)	Seamless Summer Option	12,606	12,606	12,606		\$ 1.99	\$ -
<b>Total Net Underclaim</b>							<b>\$ -</b>

SCHEDULE OF MEAL COUNT ACTIVITY

FOOD SERVICE FUND  
NUMBER OF MEALS SERVED - STATE  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
State Reimbursement - National School Lunch (Regular Rate)	Paid	120,447	120,447	120,447	-	\$ 0.04	\$ -
State Reimbursement - National School Lunch (Regular Rate)	Reduced	37,289	37,289	37,289	-	0.055	-
State Reimbursement - National School Lunch (Regular Rate)	Free	305,364	305,364	305,364	-	0.055	-
	<u>TOTAL</u>	<u>463,100</u>	<u>463,100</u>	<u>463,100</u>			<u>-</u>
<b>Total Net Underclaim</b>							<u><u>\$ -</u></u>

Neptune Township Board of Education

NET CASH RESOURCE SCHEDULE

Net cash resources did not exceed three months of expenditures  
 Proprietary Funds - Food Service  
 Year ended June 30, 2016

<u>Net Cash Resources:</u>		<u>Food Service B - 4/5</u>	
CAFR	*	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	\$ 656,293
B-4		Accounts Receivable - State	1,497
B-4		Accounts Receivable - Federal	94,527
B-4		Accounts Receivable - Other	25,449
CAFR		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	(140,613)
B-4		Less Accruals	-
B-4		Less Due to Other Funds	(160,691)
B-4		Less Unearned Revenue	(12,704)
		<b>Net Cash Resources</b>	<u><u>\$ 463,758</u></u> (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	2,076,449	
B-5	Less Depreciation	(12,140)	
	Adj. Tot. Oper. Exp.	<u><u>\$ 2,064,309</u></u>	(B)

Average Monthly Operating Expense:

B / 10	<u><u>\$ 206,431</u></u>	(C)
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Three times monthly Average:

3 X C	<u><u>\$ 619,293</u></u>	(D)
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TOTAL IN BOX A	\$ 463,758
LESS TOTAL IN BOX D	\$ 619,293
NET	<u><u>\$ (155,535)</u></u>
From above:	
A is greater than D, cash exceeds 3 X average monthly operating expenses.	
D is greater than A, cash does not exceed 3 X average monthly operating expenses.	

\* Inventories are not to be included in total current assets.

SOURCE - USDA resource management comprehensive review form.



**SCHEDULE OF AUDITED ENROLLMENTS**

**Neptune Township Board of Education  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015**

	2016-2017 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 Verifi-cation	Sample Verified	Sample Errors		
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared						
Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Full Day Preschool	412	-	412	-	-	-	94	-	94	-	-	-	-	-	-	-	-	
Half Day Kindegarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Full Day Kindergarten	274	-	274	-	-	-	47	-	47	-	-	-	-	-	-	-	-	
One	258	-	258	-	-	-	60	-	60	-	-	-	-	-	-	-	-	
Two	250	-	250	-	-	-	57	-	57	-	-	-	-	-	-	-	-	
Three	231	-	231	-	-	-	31	-	31	-	-	-	-	-	-	-	-	
Four	232	-	232	-	-	-	56	-	56	-	-	-	-	-	-	-	-	
Five	222	-	222	-	-	-	43	-	43	-	-	-	-	-	-	-	-	
Six	195	-	195	-	-	-	195	-	194	-	1	-	-	-	-	-	-	
Seven	216	-	216	-	-	-	216	-	211	-	5	-	-	-	-	-	-	
Eight	208	-	208	-	-	-	208	-	206	-	2	-	-	-	-	-	-	
Nine	270	-	270	-	-	-	270	-	269	-	1	-	-	-	-	-	-	
Ten	274	-	274	-	-	-	274	-	274	-	-	-	-	-	-	-	-	
Eleven	280	7	280	7	-	-	280	7	283	8	(3)	(1)	-	-	-	-	-	
Twelve	258	9	258	9	-	-	263	9	268	8	(6)	1	-	-	-	-	-	
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal	3,580	16	3,580	16	-	-	2,094	16	2,093	16	1	-	-	-	-	-	-	
Special Ed - Elementary	209	-	209	-	-	-	18	-	18	-	-	-	22	17	17	-	-	
Special Ed - Middle School	173	-	173	-	-	-	173	-	180	-	(7)	-	20	13	13	-	-	
Special Ed - High School	250	58	250	58	-	-	250	58	253	55	(3)	3	61	46	45	1	-	
Subtotal	632	58	632	58	-	-	441	58	451	55	(10)	3	103	76	75	1	-	
Co. Voc. - Regular																		
Co. Voc. Ft. Post Sec.																		
Totals	4,212	74	4,212	74	-	-	2,535	74	2,544	71	(10)	3	103	76	75	1	-	
Percentage Error					0.00%	0.00%					-0.37%	0.00%					1.32%	

**SCHEDULE OF AUDITED ENROLLMENTS**

**Neptune Township Board of Education  
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	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	170	170	-	27	27	-	17	17	-	13	13	-
One	172	172	-	19	19	-	10	10	-	7	7	-
Two	168	168	-	11	11	-	11	11	-	7	7	-
Three	139	139	-	18	17	1	19	19	-	10	10	-
Four	153	153	-	29	29	-	13	13	-	8	8	-
Five	126	126	-	34	34	-	5	5	-	3	3	-
Six	135	135	-	6	6	-	5	5	-	3	3	-
Seven	144	144	-	5	5	-	4	4	-	4	4	-
Eight	117	117	-	13	13	-	3	3	-	3	3	-
Nine	137	137	-	9	9	-	2	2	-	1	1	-
Ten	142	143	(1)	22	22	-	5	5	-	2	2	-
Eleven	132	132	-	18	18	-	6	6	-	4	4	-
Twelve	134	134	-	13	13	-	6	6	-	2	2	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	1,869	1,870	(1)	224	223	1	105	105	-	67	67	-
Special Ed - Elementary	142	141	1	25	23	2	4	4	-	4	4	-
Special Ed - Middle	131	131	-	12	12	-	2	2	-	1	1	-
Special Ed - High	204	204	-	23	21	-	3	3	-	2	2	-
Subtotal	477	476	1.0	60	56	2.00	9	9	-	7	7	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	2,346	2,346	-	284	279	3	114	114	-	74	74	-
Percentage Error			0.00%			1.06%			0.00%			0.00%

	Transportation					
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools, col. 1	905	905	-	167	167	-
Reg -SpEd, col. 4	173	173	-	14	14	-
Transported - Non-Public, col. 3	272	272	-	51	51	-
Special Ed Spec, col. 6	274	274	-	40	40	-
Totals	1,624	1,624	-	272	272	-
Percentage Error						0.00%

	Reported	Recalculated
Reg Avg.(Mileage) = Regular Including Grade PK students (Part A)	3.6	3.6
Reg Avg.(Mileage) = Regular Excluding Grade PK students (Part B)	3.7	3.7
Spec Avg. = Special Ed with Special Needs	6.5	6.5

Neptune Township Board of Education

SCHEDULE OF AUDITED ENROLLMENTS

APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 15, 2015

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as NOT Low Income</u>	<u>Reported on Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Half Day Preschool	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-
Half Day Kindegarten	-	-	-	-	-	-
Full Day Kindergarten	2	2	-	1	1	-
One	-	-	-	-	-	-
Two	1	1	-	1	1	-
Three	2	2	-	2	2	-
Four	-	-	-	-	-	-
Five	-	-	-	-	-	-
Six	-	-	-	-	-	-
Seven	-	-	-	-	-	-
Eight	1	1	-	-	-	-
Nine	1	1	-	-	-	-
Ten	2	2	-	1	1	-
Eleven	-	-	-	-	-	-
Twelve	2	2	-	2	2	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-
Subtotal	<u>11</u>	<u>11</u>	<u>-</u>	<u>7</u>	<u>7</u>	<u>-</u>
Special Ed - Elementary	-	-	-	-	-	-
Special Ed - Middle	-	-	-	-	-	-
Special Ed - High	-	-	-	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Co. Voc. - Regular	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-
Totals	<u>11</u>	<u>11</u>	<u>-</u>	<u>7</u>	<u>7</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

NEPTUNE TOWNSHIP SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2016

***SECTION 1 - Regular District***

**B. 2% Calculation of Excess Surplus**

2015-16 Total General Fund Expenditures Reported on Exhibit C-1	<u>\$82,023,084</u> (A)
Increased by Applicable Operating Transfers:	
Transfer from Capital Outlay to Capital Projects Fund	\$ _____ - (A1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ _____ - (A1a)
Transfer from General Fund to SRF for PreK-Regular	\$ _____ - (A1a)
Transfer from General Fund to SRF for PreK-Inclusion	<u>\$ _____ - (A1a)</u>
Less: Expenditures Allocated to Restricted Federal Sources as Reported on Exhibit D-2	<u>\$ 1,583,727</u> (A1)
2015-2016 Adjusted General Fund and Other State Expenditures [(A) - (A1)]	<u>\$80,439,357</u> (A2)
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>\$ 7,413,175</u> (A3)
Assets Acquired Under Capital Leases	<u>\$ _____ -</u>
General Fund 10 Assets Acquired Under Capital Leases Reported on Exhibit C-1a	<u>\$ _____ - (A4)</u>
Add:	
General Fund and State Resources Portion of Fund 15 Assets Acquired Under Capital Leases:	<u>\$ _____ -</u>
Assets Acquired Under Capital Leases in Fund 15 Reported on Exhibit C-1a	<u>\$ _____ - (A5)</u>
Combined General Fund Contribution and State Resources % of Fund 15 Resources Reported on Exhibit D-2	<u>96.36%</u> (A6)
General Fund and State Resources Portion of Fund 15 Assets Acquired Under Capital Leases [(A5) * (A6)]	<u>\$ _____ - (A7)</u>
Total Assets Acquired Under Capital Leases [(A4) + (A7)]	<u>\$ _____ - (A8)</u>
2015-2016 General Fund Expenditures [(A2)-(A3)-(A8)]	<u>\$73,026,182</u> (A9)
2% of Adjusted 2015-16 General Fund Expenditures [(A9) times .02]	<u>\$ 1,460,524</u> (A10)
Enter Greater of (A10) or \$250,000	<u>\$ 1,460,524</u> (A11)
Increased by: Allowable Adjustment*	<u>\$ 254,767</u> (K)
Maximum Unassigned/Undesignated - Unreserved Fund Balance [(A11) + (K)]	<u>\$ 1,715,291</u> (M)

SECTION 2

Total General Fund - Fund Balances at 6-30-16 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$20,231,654</u> (C)
Decreased by:	
Year-end Encumbrances	<u>\$ 3,628,652</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	<u>\$ 1,190,168</u> (C3)
Other Restricted Fund Balances****	<u>\$13,564,499</u> (C4)
Assigned Fund Balance - Unrestricted - Designated for Subsequent Year's Expenditures	<u>\$ 133,044</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	<u>\$ 1,715,291</u> (U1)



NEPTUNE TOWNSHIP SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2016

SECTION 3

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

Recapitulation of Excess Surplus as of June 30, 2016

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 1,190,168 (C3)
Restricted Excess Surplus *** [(E)]	\$ - (E)
Total [(C3)+(E)]	\$ 1,190,168 (D)

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

Detail of Allowable Adjustments

Impact Aid	\$ - (H)
Sales & Lease-back	\$ - (I)
Extraordinary Aid	\$ 236,199 (J1)
Additional Nonpublic School Transportation Aid	\$ 18,568 (J2)
Current Year School Bus Advertising Revenue Recognized	\$ - (J3)
Family Crisis Transportation Aid	\$ - (J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	\$ 254,767 (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, 2016 CAFR and must agree to Audit Summary Worksheet Line 90030.

\*\*\*\* Amount for Other Restricted 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.

NEPTUNE TOWNSHIP SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2016

Detail of Other Restricted Fund Balance

Statutory Restrictions:	
Approved Unspent Separate Proposal	\$ -
Sale/Lease-Back Reserve	\$ -
Capital Reserve	\$11,789,499
Maintenance Reserve	\$ 1,775,000
Emergency Reserve	\$ -
Tuition Reserve	\$ -
School Bus Advertising 50% Fuel Offset Reserve - Current Year	\$ -
School Bus Advertising 50% Fuel Offset Reserve - Prior Year	\$ -
Impact Aid General Fund Reserve	\$ -
Impact Aid Capital Fund Reserve	\$ -
Other State/Government Mandated Reserves	\$ -
Other Restricted Fund Balance Not Noted Above****	\$ -
Total Other Restricted Fund Balance	\$13,564,499 (C4)