



PERTH AMBOY BOARD OF EDUCATION
MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE

JUNE 30, 2016

**PERTH AMBOY BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS–
FINANCIAL, COMPLIANCE AND PERFORMANCE**

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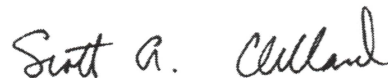
INDEPENDENT AUDITORS' REPORT

Honorable President and Members
of the Board of Education
Perth Amboy Board of Education
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 City of Perth Amboy School District in the County of Middlesex for the year ended June 30, 2016, and have issued our report thereon dated March 13, 2018.

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 Perth Amboy 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

March 13, 2018
Livingston, New Jersey

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, 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

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)

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Derek J. Jess	School Business Administration/Board Secretary	\$ 150,000
Michael Adamshick	Treasurer of School Moneys	\$ 1,000,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were more (less) than estimated costs. The Board 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 under review indicated no discrepancies with respect to signatures, certification or supporting documentation, other than the documentation pertaining to certain food service vendors as noted in Finding 2016-001.

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 tested were approved by the Superintendent and were certified by the President of the Board, the Board Secretary/Business Administrator and the Treasurer of School Monies.

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

Payrolls were delivered to the Treasurer of School Monies with a warrant made to his order for the full amount of each payroll.

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.

No exceptions were identified.

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 did not identify any discrepancies.

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 0.0% 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 did not disclose any exceptions.

Treasurer's Records

Our review of the financial and accounting records maintained by the Treasurer did not disclose any exceptions.

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2015-2016 District Report of Transported Resident Students ("DRTRS"). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. The District did not purchase any buses during the 2015-16 fiscal year. No exceptions were noted in our review of transportation related purchases of goods and services.

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 (N.C.L.B.)

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 Title I, Title II and Title III of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. indicated no area of noncompliance or questionable costs.

Other Special Federal and/or State Projects

The District’s Special Projects were approved as listed on Schedules A and Schedule B located in the CAFR.

Our audit of the federal and state funds, on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

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

The study of compliance for the special projects indicated no instances of noncompliance, other than the following:

Finding 2016-002

Criteria: In accordance with 2 CFR 200, Uniform Guidance, the federal OMB Compliance Supplement and New Jersey OMB 15-08, the District is required to expend awards for allowable activities and that the costs of goods and services charged to federal and state grants are allowable and in accordance with the applicable compliance requirements.

Condition:

District personnel perform certain procedures to ensure that controls are in place to prevent unauthorized expenses and vendors. During our testing of the food service proprietary fund, we identified certain expenses in which corroborating information was not provided by the District to support the incurred expenses.

Questioned Costs: None identified.

Context:

Controls were in place, however, the controls were overridden resulting in certain expenses that were incurred in which no explanation was provided at the time of audit issuance to support the purpose of the transactions.

The following are specific items that were identified during our testing of the food service program:

- Instances where new vendors were added without the proper authorization and approval.
- Instances where vendor contracts were entered into without notifying the Board.

Cause and Effect:

An appropriately designed internal control system with certain checks and balances reduces the risk of errors in the financial statements and the misappropriation of assets and unauthorized expenses.

Recommendation:

In order to ensure compliance with the federal and state programs, we suggest the strengthening of controls and procedures to ensure the adding of new vendors and entering into vendor contracts for the District's Food Service program are properly reviewed and approved.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements 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.

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.

The results of our examination indicated that no individual payments, contracts, or agreements were 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*.

School Food Service

The financial transactions and statistical records of the school food service fund were reviewed on a test basis, and are deemed to be maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis, with no exceptions identified in the A.S.S.A. section of this report.

Cash receipts and bank records were reviewed on a test basis for timely deposit, without exception.

The District does not utilize the services of a food service management company.

Expenses were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified on a test check basis, and exceptions were identified as noted in findings 2016-001 and 2016-002. 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 expenses for program related goods and services, except for the items identified in findings 2016-001 and 2016-002. The District deposited and expended program monies in accordance with *N.J.S.A. 18A:17-34, and 19-1 through 19-4.1*. The appropriate revenue and expense 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 expenses.

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

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

Applications for free and reduced price meals were reviewed for completeness and accuracy and no exceptions noted. The number of free and reduced price meals claimed as served was compared to the number of valid applications on file and/or to the list of directly certified students, 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. There were no sites participating in Provisions I or II. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions were noted.

USDA Food Donation Program (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

Finding 2016-003:

The District Food Service Department did not maintain the detailed revenue and expenditure information necessary in order to execute the USDA Mandated Non-Program Food Revenue Tool for the 2016 fiscal year.

Recommendation:

We suggest the District Food Service Department prepare the required detailed revenue and expenditure information necessary in order to complete the USDA Mandated Non-Program Food Revenue Tool.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section B of the CAFR. Certain information related to the food service program expenses was not made available during the audit and therefore we were unable to satisfy ourselves to the accuracy and amounts recorded as expenses. We disclaimed the auditors' opinion related to the proprietary fund and business-type activities.

Our testing also identified the following:

Finding 2016-001:

Criteria:

Internal control over the contracting with vendors, access to the accounting system to establish the set-up of vendors and approval and payment of vendors is required to prevent the possible misappropriation of assets and expenses.

Condition:

District personnel perform certain procedures to ensure that controls are in place to prevent unauthorized expenses and vendors. During our testing of the food service proprietary fund, we identified certain expenses in which corroborating information was not provided by the District to support the incurred expenses.

Context:

Controls were in place, however, the controls were overridden resulting in certain expenses that were incurred in which no explanation was provided at the time of audit issuance to support the purpose of the transactions.

Cause and Effect:

An appropriately designed internal control system with certain checks and balances reduces the risk of errors in the financial statements and the misappropriation of assets and inappropriate expenses.

Recommendation:

We suggest the strengthening of controls and procedures to ensure all new vendors and entering into vendor contracts for the District's Food Service program are properly reviewed and approved.

Student Body Activities

During our review of the student activity funds, the following items were noted:

Finding 2016-004:

During our testing of the District's Student Body Activities, the following was identified:

- During our testing of the District's Herbert N. Richardson School and Robert N. Wilentz School, we noted instances where receipts did not have supporting documentation (*N.J.A.C. 6A:23A-16.12*).
- During our testing of the District's Edward J. Patten School, Robert N. Wilentz School and Samuel E. Shull Middle School, we noted instances where receipts were not deposited in a timely manner (*N.J.A.C. 6A:23A-16.12*).
- During our testing of the District's Robert N. Wilentz School, we noted that a properly dated cash receipt ledger was not provided (*N.J.A.C. 6A:23A-16.12*).
- During our testing of the District's McGinnis Middle School, we noted cancelled checks that only contained one signature, where the District's policy requires two signatures. (*N.J.A.C. 6A:23A-16.12*).

Recommendation:

We suggest the respective schools implement procedures to ensure compliance with State Department of Education requirements.

Application for State School Aid (A.S.S.A.)

Our audit procedures included a test of information reported in the October 15, 2015 Application for State School Aid (ASSA) 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.

Facilities and Capital Assets

Our procedures included a review of the New Jersey Schools Development Authority ("NJSDA") grant agreements for consistency with recording NJSDA revenue, transfer of local funds from the General Fund or from the capital reserve account, and awarding of contracts for eligible facilities construction. No exceptions were identified.

Office of Fiscal Accountability and Compliance

The New Jersey Department of Education has completed a review of ESEA, IDEA, Race to the Top and Carl D. Perkins funds received and disbursed and issued a report dated September 23, 2015. In accordance with the monitoring report, the District adopted a resolution certifying the items identified in the report were discussed in a public meeting and approved a corrective action plan which addresses the issues identified in the report.

Follow-up on Prior Year's Findings

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

- Findings related to Student Body Activities.

SCHEDULE OF MEAL COUNT ACTIVITY

PERTH AMBOY BOARD OF EDUCATION

FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND UNDERCLAIM -Federal

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</u>	<u>(OVER) UNDER CLAIM</u>
National School Lunch (High Rate)	Paid	120,436	120,436	120,436	-	\$ 0.31	\$ -
National School Lunch (High Rate)	Reduced	52,099	52,099	52,099	-	2.69	-
National School Lunch (High Rate)	Free	1,136,078	1,136,078	1,136,078	-	3.09	-
	TOTAL	1,308,613	1,308,613	1,308,613	-		-
	HHFKA - PB Lunch						
National School Lunch	Only	1,308,613	1,308,613	1,308,613	-	\$ 0.06	\$ -
School Breakfast (Regular Rate)	Paid	-	-	-	-	\$ 0.28	\$ -
	Reduced	-	-	-	-	1.32	-
	Free	-	-	-	-	1.62	-
	TOTAL	-	-	-	-		-
School Breakfast (Severe Needs Rate)	Paid	155,243	155,243	155,243	-	\$ 0.29	\$ -
	Reduced	47,827	47,827	47,827	-	1.69	-
	Free	945,007	945,007	945,007	-	1.99	-
	TOTAL	1,148,077	1,148,077	1,148,077	-		-
After School Snack	Free (Area Eligible)	127,800	127,800	127,800	-	\$ 0.84	\$ -
	TOTAL	127,800	127,800	127,800	-		-
	Total Net Overclaim/Underclaim						\$ -

SCHEDULE OF MEAL COUNT ACTIVITY

PERTH AMBOY BOARD OF EDUCATION

FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -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 (High Rate)	Paid	120,436	120,436	120,436	-	\$ 0.040	-
State Reimbursement - National School Lunch (High Rate)	Reduced	52,099	52,099	52,099	-	0.055	-
State Reimbursement - National School Lunch (High Rate)	Free	1,136,078	1,136,078	1,136,078	-	0.055	-
	TOTAL	1,308,613	1,308,613	1,308,613	-		-
Total Net Overclaim/Underclaim							-

PERTH AMBOY PUBLIC SCHOOLS

NET CASH RESOURCE SCHEDULE

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

Net Cash Resources:		Food Service B - 4/5	
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 602,914
B-4		Due from Other Gov'ts	587,758
B-4		Accounts Receivable	-
B-4		Due from Other Funds	-
B-4		Investments	-
CAFR		Current Liabilities	
B-4		Less Accounts Payable	(185,301)
B-4		Less Accruals	(676,235)
B-4		Less Due to Other Funds	(13,211)
B-4		Less Unearned Revenue	-
		Net Cash Resources	<u>\$ 315,925</u> (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	7,437,903	
B-5	Less Depreciation	<u>(53,739)</u>	
	Adj. Tot. Oper. Exp.	<u>\$ 7,384,164</u>	(B)

Average Monthly Operating Expense:

B / 10	<u>\$ 738,416</u>	(C)
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Three times monthly Average:

3 X C	<u>\$ 2,215,249</u>	(D)
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TOTAL IN BOX A	\$ 315,925
LESS TOTAL IN BOX D	<u>\$ 2,215,249</u>
NET	<u>\$ (1,899,324)</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

PERTH AMBOY BOARD OF EDUCATION
SCHEDULE OF AUDITED ENROLLMENTS
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 Verification	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Full Day Preschool - 3 yrs	488	-	488	-	-	-	180	-	180	-	-	-	-	-	-	-
Full Day Preschool - 4 yrs	594	-	594	-	-	-	384	-	384	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	794	-	794	-	-	-	145	-	145	-	-	-	-	-	-	-
One	874	-	874	-	-	-	203	-	203	-	-	-	-	-	-	-
Two	837	-	837	-	-	-	143	-	143	-	-	-	-	-	-	-
Three	760	-	760	-	-	-	156	-	156	-	-	-	-	-	-	-
Four	723	-	723	-	-	-	157	-	157	-	-	-	-	-	-	-
Five	702	-	702	-	-	-	354	-	354	-	-	-	-	-	-	-
Six	704	-	704	-	-	-	392	-	392	-	-	-	-	-	-	-
Seven	652	-	652	-	-	-	337	-	337	-	-	-	-	-	-	-
Eight	636	-	636	-	-	-	331	-	331	-	-	-	-	-	-	-
Nine	549	-	549	-	-	-	549	-	549	-	-	-	-	-	-	-
Ten	567	-	567	-	-	-	567	-	567	-	-	-	-	-	-	-
Eleven	395	-	395	-	-	-	395	-	395	-	-	-	-	-	-	-
Twelve	351	-	351	-	-	-	351	-	351	-	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15 + CR)	87	-	87	-	-	-	87	-	87	-	-	-	-	-	-	-
Subtotal	9,713	-	9,713	-	-	-	4,731	-	4,731	-	-	-	-	-	-	-
Sp Ed - Elementary	518	-	518	-	-	-	69	-	69	-	-	-	11	9	9	-
Sp Ed - Middle School	204	22	204	22	-	-	82	22	82	22	-	-	13	13	13	-
Sp Ed - High School	178	14	178	14	-	-	178	14	178	14	-	-	32	21	21	-
Subtotal	900	36	900	36	-	-	329	36	329	36	-	-	56	43	43	-
Total	10,613	36	10,613	36	-	-	5,060	36	5,060	36	-	-	56	43	43	-
Percentage Error							0.00%	0.00%					0.00%	0.00%		0.00%

PERTH AMBOY BOARD OF EDUCATION
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY (continued)
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	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	Verified to Application and Register	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Workpapers			Full	Shared	Full	Shared	Full	Shared	Workpapers		
Full Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	665	-	665	-	-	-	40	40	-	216	-	216	-	-	-	39	39	-
One	712	-	712	-	-	-	48	46	2	224	-	224	-	-	-	40	39	1
Two	676	-	676	-	-	-	37	37	-	226	-	226	-	-	-	31	31	-
Three	605	-	605	-	-	-	28	27	1	205	-	205	-	-	-	26	25	1
Four	588	-	588	-	-	-	17	17	-	103	-	103	-	-	-	13	13	-
Five	576	-	576	-	-	-	21	21	-	84	-	84	-	-	-	20	20	-
Six	593	-	593	-	-	-	15	15	-	72	-	72	-	-	-	14	14	-
Seven	524	-	524	-	-	-	18	18	-	105	-	105	-	-	-	15	15	-
Eight	538	-	538	-	-	-	30	30	-	98	-	98	-	-	-	28	28	-
Nine	448	-	448	-	-	-	13	13	-	134	-	134	-	-	-	13	13	-
Ten	433	-	433	-	-	-	15	15	-	165	-	165	-	-	-	14	14	-
Eleven	270	-	270	-	-	-	9	9	-	75	-	75	-	-	-	8	8	-
Twelve	256	-	256	-	-	-	16	16	-	62	-	62	-	-	-	13	13	-
Subtotal	6,884	-	6,884	-	-	-	307	304	3	1,769	-	1,769	-	-	-	274	272	2
Sp Ed - Elementary	418	-	418	-	-	-	3	3	-	49	-	49	-	-	-	-	-	-
Sp Ed - Middle School	180	-	180	-	-	-	-	-	-	13	-	13	-	-	-	-	-	-
Sp Ed - High School	129	-	129	-	-	-	2	2	-	7	-	7	-	-	-	-	-	-
Subtotal	727	-	727	-	-	-	5	5	-	69	-	69	-	-	-	-	-	-
Total	7,611	-	7,611	-	-	-	312	309	3	1,838	-	1,838	-	-	-	274	272	2

Percentage Error 0.00% 0.00% 0.96% 0.00% 0.00% 0.73%

	Reported on DRTRS by District	Reported on DRTRS by County	Errors	Tested	Verified	Errors
Regular - Public School	242.0	242.0	-	73	73	-
Non-Public Transportation	-	-	-	-	-	-
Regular Special Education	224.0	224.0	-	68	68	-
Special Needs	303.0	303.0	-	91	91	-
Totals	769.0	769.0	-	232	232	-

	Reported	Recalculated
Average mileage - regular including Grade PK students	5.0	5.0
Average mileage - regular excluding Grade PK students	5.1	5.1
Average mileage - special education with special needs	6.7	6.7

Percentage Error 0.00% 0.00%

PERTH AMBOY BOARD OF EDUCATION
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY (continued)

ENROLLMENT AS OF OCTOBER 15, 2015

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	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
Full Day Preschool	-	-	-	-	-	-
Full Day Kindergarten	-	-	-	-	-	-
One	2	2	-	3	3	-
Two	3	3	-	-	-	-
Three	1	1	-	-	-	-
Four	1	1	-	-	-	-
Five	-	-	-	-	-	-
Six	3	3	-	1	1	-
Seven	-	-	-	-	-	-
Eight	-	-	-	-	-	-
Nine	-	-	-	-	-	-
Ten	1	1	-	-	-	-
Eleven	-	-	-	-	-	-
Twelve	1	1	-	1	1	-
Subtotal	<u>12</u>	<u>12</u>	<u>-</u>	<u>5</u>	<u>5</u>	<u>-</u>
Sp Ed - Elementary	2	2	-	-	-	-
Sp Ed - Middle School	-	-	-	-	-	-
Sp Ed - High School	-	-	-	-	-	-
Subtotal	<u>2</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>14</u></u>	<u><u>14</u></u>	<u><u>-</u></u>	<u><u>5</u></u>	<u><u>5</u></u>	<u><u>-</u></u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

Perth Amboy Board of Education

EXCESS SURPLUS CALCULATION

JUNE 30, 2016

SECTION 1 - Regular District

2% Calculation of Excess Surplus

2015-16 Total General Fund Expenditures Reported on Exhibit C-1	\$ <u>200,710,293</u> (A)
Increased by Applicable Transfers:	
Transfer from Capital Outlay to Capital Projects	\$ _____ - (A1a)
Transfer from Capital Reserve to Capital Projects	\$ _____ - (A1a)
Transfer from General Fund to SRF for PreK-Regular	\$ <u>904,410</u> (A1a)
Transfer from General Fund to SRF for PreK-Inclusion	\$ _____ - (A1a)
Less: Expenditures Allocated to Restricted Federal Sources as Reported on Exhibit D-2	
	\$ <u>1,884,736</u> (A1b)
2015-16 Adjusted General Fund and Other State Expenditures [(A) + (A1a) - (A1b)]	\$ <u>199,729,967</u> (A2)
Decreased by:	
On-Behalf TPAF Pension and Social Security	\$ <u>16,907,258</u> (A3)
Assets Acquired Under Capital Leases:	\$ _____ -
General Fund 10 Assets Acquired Under Capital Leases reported on Exhibit C-1a	\$ _____ - (A4)
Add:	
General Fund and State Resources Portion of Fund 15 Assets Acquired under Capital Leases:	\$ _____ -
Assets Acquired Under Capital Leases in Fund 15 reported on Exhibit C-1a	\$ _____ - (A5)
Combined General Fund Contribution & State Resources Percent of Fund 15 Resources Reported on Exhibit D-2	<u>98.22%</u> (A6)
General Fund and State Resources Portion of Fund 15 Assets Acquired under Capital Leases [(A5) * (A6)]	\$ _____ - (A7)
Total Assets Acquired under Capital Leases [(A4) + (A7)]	\$ _____ - (A8)
Adjusted 2015-16 General Fund Expenditures [(A2)-(A3)-(A8)]	\$ <u>182,822,709</u> (A9)
2% of Adjusted 2015-16 General Fund Expenditures [(A9) times 0.02]	\$ <u>3,656,454</u> (A10)
Enter Greater of (A10) or \$250,000	\$ <u>3,656,454</u> (A11)
Increased by: Allowable Adjustment*	\$ <u>716,661</u> (K)
Maximum Unassigned Fund Balance [(A11)+(K)]	\$ <u>4,373,115</u> (M)

Perth Amboy Board of Education
EXCESS SURPLUS CALCULATION

JUNE 30, 2016

SECTION 2

Total General Fund - Fund Balances at June 30, 2016 (Per CAFR Budgetary Comparison Schedule C-1)	\$ 142,409,289 (C)
Decreased by:	
Year end Encumbrances	\$ 17,757,293 (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ - (C2)
Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ 9,539,313 (C3)
Other Restricted / Reserved Fund Balances****	\$ 62,641,736 (C4)
Assigned - Designated for Subsequent Year's Expenditures	\$ 29,250,968 (C5)
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	 \$ 23,219,979 (U)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U)-(M)] IF NEGATIVE ENTER -0-	\$ 18,846,864 (E)
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Recapitulation of Excess Surplus as of June 30, 2016

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 9,539,313 (C3)
Reserved Excess Surplus *** [(E)]	\$ 18,846,864 (E)
Total [(C3)+(E)]	\$ 28,386,177 (D)

* This adjustment line (line (K) as detailed below) is to be utilized for Impact Aid, Sale, Lease-back, Extraordinary Aid, Additional Nonpublic School Transportation Aid and recognized current year School Bus Advertising Revenue, if applicable. Extraordinary Aid and Additional Nonpublic School Transportation Aid for 2015-16 received after June 30 is limited to the amount of revenue recognized in the audit year that was not appropriated.

Detail of Allowable Adjustments

Impact Aid	\$ - (H)
Sales & Lease-back	\$ - (I)
Extraordinary Aid	\$ 716,661 (J1)
Additional Nonpublic School Transportation Aid	\$ - (J2)
Current Year School Bus Advertising Revenue Recognized	\$ - (J3)
Family Crisis Transportation Aid	\$ - (J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	\$ 716,661 (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/Reserved Fund Balance must be detailed for each source and request for approval to use amounts other than state imposed legal restrictions in the excess surplus calculation must be submitted to the Assistant Commissioner - Field Services prior to September 30.

Perth Amboy Board of Education

EXCESS SURPLUS CALCULATION

JUNE 30, 2016

Detail of Other Reserved Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	\$ -
Sale/lease-back reserve	\$ -
Capital reserve	\$ 62,641,736
Maintenance reserve	\$ -
Emergency reserve	\$ -
Tuition reserve	\$ -
School Bus Advertising 50% Fuel Offset Reserve - current year	\$ -
School Bus Advertising 50% Fuel Offset Reserve - prior year	\$ -
Impact Aid General Fund Reserve	\$ -
Impact Aid Capital Fund Reserve	\$ -
Other Restricted/Reserved Fund Balance not noted above****	\$ -
Total Other Restricted/Reserved Fund Balance	\$ 62,641,736 (C4)