

**BOARD OF EDUCATION**  
**SALEM COUNTY VOCATIONAL TECHNICAL**  
**SCHOOL DISTRICT**  
**COUNTY OF SALEM**  
**AUDITOR'S MANAGEMENT REPORT ON**  
**ADMINISTRATIVE FINDINGS-**  
**FINANCIAL, COMPLIANCE AND PERFORMANCE**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2016**

## TABLE OF CONTENTS

	<u>Page</u>
Auditor's Management Report on Administrative Findings- Financial, Compliance and Performance	1
Scope of Audit	2
Administrative Practices and Procedures:	
Insurance	2
Official Bonds	2
Tuition Charges	2
Financial Planning, Accounting and Reporting:	
Examination of Claims	2
Payroll Account and Position Control Roster	2 - 3
Certification of Tax Compliance	3
Reserve for Encumbrances and Accounts Payable	3
Minutes	3
District Internal Control Policies	3
Classification of Expenditures	4
General Classifications	4
Administrative Classifications	4
Board Secretary's Records	4 - 5
Treasurer's Records	5
Elementary and Secondary Education Act/Improving America's Schools Act as reauthorized by the No Child Left Behind Act of 2001	5 - 6
Other Special Federal and/or State Projects	6 - 7
T.P.A.F. Reimbursement	7
TPAF Reimbursement to the State for Federal Salary Expenditures	7
School Purchasing Programs:	
Contracts and Agreements Requiring Advertisement for Bids	7 - 8
School Food Service	8 - 9
Other Enterprise Fund	9 - 10
Student Body Activities	9
Application for State School Aid	10 - 11
Facilities and Capital Assets	11
Follow-up on Prior Year Findings	11 - 12
Acknowledgment	12
Schedule of Audited Enrollments	13- 15
Excess Surplus Calculation	16- 17

# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*

*Certified Public Accountants*

991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

(856) 629-3111  
Fax (856) 728-2245  
[www.colavita.net](http://www.colavita.net)

November 28, 2016

## AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE, AND PERFORMANCE

Honorable President and  
Members of the Board of Education  
Special Services School District and Vocational School District  
Of the County of Salem  
Woodstown, New Jersey

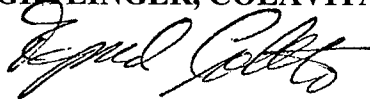
We have audited, in accordance with generally accepted audit standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Salem County Vocational Technical School District in the County of Salem for the year ended June 30, 2016, and have issued our report thereon dated November 28, 2016.

As part of our audit, we performed procedures required by the District of Administration and Finance, 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 issued in conjunction with the Comprehensive Annual Financial Report of the Board of Education of the Salem County Vocational Technical School District for the fiscal year ending June 30, 2016 and is intended for the information of the School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**



Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915

**ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING**

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator, the Treasurer of School Monies, activities of the Board of Education, the records of the Student Activity Fund, Food Service Fund, other Enterprise Funds, Special Revenue Fund and other 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 Exhibit 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>
John Bolil	School Bus. Administrator / Board Secretary	\$ 10,000
Dr. Frank Badessa	Treasurer of School Monies	

**Finding 2016-1 (AMR Finding 2016-1)**

The current Treasurer does not have a surety bond.

**Recommendation**

A surety bond should be acquired to cover the Treasurer in the amount of \$175,000.

**Tuition Charges**

A comparison of tentative charges and actual certified tuition charges was made. The actual costs were more than the estimated cost. The board made a proper adjustment to the billings and invoices to sending districts for the increase 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 did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

**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.

**Financial Planning, Accounting and Reporting (continued)**

**Payroll Account and Position Control Roster (continued)**

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

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

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

**Finding 2016-2 (CAFR Finding 2016-2)**

Bank transfers between the Regular Account and Payroll Agency, were frequently not in agreement with amounts reflected in the District's accounting software program.

**Recommendation**

Procedures to record bank transfers between the General Account and Payroll Agency should be reviewed and revised, in order to ensure that actual bank transfers agree to amounts recorded in the District's accounting software program. This may partially be accomplished by the District's decision to bring the payroll accounting in-house, utilizing the integrated functions of the software package in the area of coding and reconciling the bank account.

**Certification of Income Tax Compliance**

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (Superintendent and Business Administrator) to the N.J. Department of Treasury appeared to be filed by the March 15 due date.

**Reserve for Encumbrances and Accounts Payable**

A review of outstanding issued purchase orders was made as of June 30, 2016 for proper classification of orders as reserve for encumbrances and accounts payable, and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. This was accomplished through a review of unpaid purchase orders included on the balance as accounts payable for proprietary and to determine that goods were received and services rendered as of June 30, 2016.

**Minutes**

The monthly minutes of the Board were generally well prepared and budget transfers were noted in the minutes.

## **Financial Planning, Accounting and Reporting (continued)**

### **District Internal Control Policies**

District boards of education and administration are responsible for developing internal controls policies and procedures and maintaining a strong internal control environment. NJAC 6A:23A-6.4 requires that the district's internal control policies include specific requirements at NJAC 6A:23A-6.5 through 6.13. Internal control policies were found in accordance with NJAC 6A:23A and no exceptions were noted during our review of travel expenditures.

### **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 0.99 percent overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

#### **A. General Classification Findings**

##### **Finding 2016-3(CAFR Finding 2016-3)**

There were several expenditures made under a capital lease that were improperly coded as either supplies or equipment. In addition, the approved capital lease was made jointly for two related Districts, without any clear cut distribution of expenditures, as well as the receipt or redemption of lease principle.

##### **Recommendation**

In the future, expenditures for supplies or equipment should be clearly and specifically identified for proper account coding, with the receipt and redemption of any related capital lease amounts clearly and separately allocated.

#### **B. Administrative Classification Findings - NONE**

### **Board Secretary's Records**

The financial records, books of accounts maintained by the Secretary were in satisfactory condition.

Acknowledgment of the Board's receipt of the Board Secretary's and Treasurer's monthly financial reports was included in the minutes.

Monthly financial certificates of the Board Secretary and Board of Education for positive line item account status certifications (**N.J.A.C.** 6:2-2.13) were performed.

**Financial Planning, Accounting and Reporting (Continued)**

**Board Secretary's Records (Continued)**

Budgetary line item account transfers were approved monthly to cover any anticipated deficits, with the exception of the following:

**Finding 2016-4 (CAFR Finding 2016-4)**

During the course of our audit, it was determined that the District budget did contain adequate provisions for the various purchases made through a capital lease. As a result, the Capital Outlay section of the budget was overexpended.

**Recommendation**

The Board Office should monitor the issuance and payment of purchase orders that would cause an overexpenditure in any line item account charged, prior to the Board approving a requested transfer of appropriations to cover such orders.

**Treasurer's Records**

The Treasurer prepared cash reconciliations for the general operating account, payroll account and payroll agency account per N.J.S.A.18A:17-9.

While all cash receipts were promptly deposited (N.J.S.A.18A:17-34, 18A:17-9.1), the Treasurer did not always file reports in a timely manner.

**Finding 2016-5 (CAFR Finding 2016-5)**

While the Treasurer's records for the Net Payroll , Payroll Agency and Student Activity accounts were generally in agreement with the records of the Board Secretary, they were not in agreement with the bank accounts, as determined during the audit.

**Recommendation**

All District bank accounts should be properly reconciled and in agreement with the records of the Board Secretary.

**Elementary and Secondary Education Act (E.S.E.A.)/Improving America's Schools Act (IASA) as reauthorized by the No Child Left Behind Act of 2001 (NCLB)**

The E.S.E.A./NCLB financial exhibits are contained within the Special Revenue Section of the **CAFR**. This section of the **CAFR** documents the financial position pertaining to the projects under Title I, II and III of the Elementary and Secondary Education Act as amended and reauthorized.

**Financial Planning, Accounting and Reporting (continued)**

**Elementary and Secondary Education Act (E.S.E.A.)/Improving America's Schools Act (IASA) as reauthorized by the No Child Left Behind Act of 2001 (NCLB) (continued)**

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. Obligations of Federal Grant Awards and Requests for Reimbursement of Expenditures against those Federal Grants Awards were examined and no exceptions were noted.

The District's federal special projects were approved as listed on Schedule A located in the **CAFR**.

The study of compliance for E.S.E.A. indicated no areas of noncompliance and/or questionable costs, with the exception of the following:

**Finding 2016-6 (CAFR Finding 2016-6)**

The General Ledger in the Special Revenue Fund was not sufficiently analyzed with regard to adjusting accounts receivable for Title I. This includes amounts inaccurately being closed into a fund balance account.

**Recommendation**

As part of the year end close out procedures, an additional review of the Special Revenue Fund accounts receivable should be conducted, in order to provide complete and accurate Title I balances for reporting in the District's financial statements.

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

The District's special projects were approved as listed on Schedule 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.

**Finding 2016-7 (CAFR Finding 2016-7)**

The General Ledger in the Special Revenue Fund was not sufficiently analyzed with regard to adjusting accounts receivable for the Adult Basic Skills program. This includes amounts inaccurately being closed into a fund balance account.

**Recommendation**

As part of the year end close out procedures, an additional review of the Special Revenue Fund accounts receivable should be conducted, in order to provide complete and accurate Adult Basic Skills program balances for reporting in the District's financial statements.



**Financial Planning, Accounting and Reporting (continued)**

**Other Special Federal and/or State Projects (continued)**

**Finding 2016-8 (CAFR Finding 2016-8)**

Funds received by the District for the 2013-14 School Based Youth Services grant exceeded actual expenditures for the specified grant period.

**Recommendation**

As part of the year end close out procedures, an additional review of the Special Revenue Fund accounts receivable should be conducted, in order to provide complete and accurate School Based Youth Services grant balances for reporting in the District's financial statements.

**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.

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

The reimbursement to the State for the amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the charter school to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the charter school or for those employees whose salaries are identified as being paid from federal funds was made subsequent to the end of the 60 day grant liquidation period, but prior to the 90 days required by N.J.S.A. 18A:66-90. Accordingly, the expenditure was made in accordance with State law (90 days) and properly reported as obligated and not expended and as an unliquidated balance in the current year's Final Report(s) for all federal awards.

**School Purchasing Programs**

**Contracts and Agreements Requiring Advertisement for Bids**

N.J.S.A. 18A:18A-1 et seq. (Public School Contracts Law), the associated rules and related information on the statute, and school contracts in general are available on the website: [http://www.state.nj.us/dca/divisions/dlgs/programs/ps\\_contracts.html](http://www.state.nj.us/dca/divisions/dlgs/programs/ps_contracts.html).

The current statute is posted on the New Jersey Legislature website at: [http://lis.njleg.state.nj.us/cgi-bin/om\\_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headingswithhits=on&infobase=statutes.nfo&softpage=TOC\\_Frame\\_pg42](http://lis.njleg.state.nj.us/cgi-bin/om_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headingswithhits=on&infobase=statutes.nfo&softpage=TOC_Frame_pg42)

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 currently \$18,800 for 2015-16.

## **School Purchasing Programs (continued)**

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

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

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

Based on the results of our examination, we 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 provisions of N.J.S.A. 18A:18A-4, amended.

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

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977; therefore, the extent of such purchases could not reasonably be ascertained. We did not identify any exceptions through the use of State contracts.

The review of contracts and agreements did not disclose any areas of statutory noncompliance.

Although a particular contract is exempt from the formal requirements of public advertising and competitive bidding, N.J.S.A. 18A:18A-37 requires that quotations be obtained, whenever practical, for any contract over the statutory threshold amount of \$6,000 except for contracts for professional services. All contracts and agreements, which are subject to quotations, shall be awarded on the basis of the lowest responsible quotation received, which is most advantageous to the Board of Education, price and other factors considered. Our examination indicated that the Board of Education complied with these provisions.

### **School Food Service**

The School Food Service Program was not selected as a major Federal program. However, the program expenditures exceeded \$100,000 in Federal support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the SFA had any Child Nutrition Program reimbursement overclaims or underclaims and whether the SFA's expenditures of food service were limited to allowable direct and indirect costs. No exceptions were noted. 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 for timely deposit. No exceptions were noted.

### **School Food Service (continued)**

The number of meals and milks claimed for reimbursement was verified against 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.

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

Applications for free and reduced price meals and free milks were reviewed for completeness and accuracy. The number of free and reduced price meals and free milks claimed as served for the entire school year 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 is uniformly administered throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review.

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 examination did not and could not determine the quality, quantity or proper price of nonbid goods or services for which payments had been made. These details were necessarily covered by the approval of such claims. Revenues and receipts were established and verified as to the source and amount only insofar as the records permitted.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all school food service employees authorized by the Board of Education. No exceptions were noted.

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 services and the Non-program Food Revenue tool was utilized. Net cash resources did not exceed three months average expenditures. No exceptions were noted.

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

### **Other Enterprise Funds**

Cash receipts and bank records were reviewed for timely deposit. Expenditures were separately recorded based on line items deemed appropriate. Vendor invoices were available and examined. No exceptions were noted.

**Other Enterprise Funds (continued)**

**Finding 2016-9 (CAFR Finding 2016-9)**

Accounts receivable for various tuition and other revenue billings in the BCCEC/ETTC Enterprise Fund did not appear to be properly reviewed for collection or other proper disposition.

**Recommendation**

Procedures should be reviewed and revised to include additional efforts necessary to strengthen internal control over accounts receivable in the BCCEC/ETTC enterprise fund. This includes determining collectability, as well as removing items through proper disposition or adjusting revenue recognition in other fund.

**Student Body Activities**

The Board has a policy, which clearly established the regulation of student activity funds.

Receipts appeared to be deposited promptly in the bank and Cash receipts and disbursements records were maintained in satisfactory condition.

Vouchers and supporting invoices were maintained for the student activity fund purchases. All disbursements appeared to be supported by appropriate documentation.

**Finding 2016-10 (CAFR Finding 2016-10)**

While the cash balance at June 30, 2016 was reconciled to the Student Activity Fund bank account, it did not appear that the District was reconciling this account on a monthly basis during the year.

**Recommendation**

Procedures to reconcile the Student Activity bank account should be reviewed and revised, in order assure that reconciliations are properly prepared on a monthly basis.

**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 and low-income. 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. The information that was included on the workpapers was verified. The results of our procedures are presented in the Schedule of Audited Enrollment.

**Application for State School Aid (Continued)**

There were no exceptions noted in the test of the District's ASSA report, with the exception of the following:

**Finding 2016-11 (CAFR Finding 2016-11)**

While reviewing the supporting workpaper detail of the ASSA Report, the total count was off in two categories due to some information being mis-categorized.

**Recommendation**

An additional checking step of the individual schools information should be performed, in order to insure correct entry on the ASSA Report.

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, if applicable, included a review of the SDA grant agreement for consistency with recording SDA revenue, transfer of local funds from the general fund or from the capital reserve account. The District has one open capital project, as of June 30, 2016. The project is funded through Salem County bond proceeds and is designated for various improvements to the Career and Technical High School.

Fixed asset records were updated as of June 30, 2016 through contracting with an outside vendor.

**Miscellaneous**

**Finding 2016-12**

As a result of various issues regarding recent audit findings, it appears that additional staffing, as well as reassignment of supervision and performance of various duties, is necessary.

**Recommendation**

An evaluation of existing staffing levels, supervisory capabilities and assignment of duties should be undertaken, in order to improve internal control, as well as segregation of duties throughout the District.

**Follow-up on Prior Years' Findings**

In accordance with government auditing standards, our procedures included a review of all prior year recommendations, which were all resolved with the exception of the following:

**Finding 2015-1**

Bank transfers between the Regular Account and Payroll Agency, were frequently not in agreement with amounts reflected in the District's accounting software program.

**Finding 2015-2**

The Treasurer's records were not in agreement with the records of the Board Secretary or in agreement with the reconciled cash balance as determined during the audit.

**Follow-up on Prior Years' Findings (Continued)**

**Finding 2015-3**

The General Ledger in the Special Revenue Fund was not sufficiently analyzed with regard to adjusting accounts receivable for Title I. This includes amounts inaccurately being closed into a fund balance account.

**Finding 2015-5**

Funds received by the District for the 2012-13 School Based Youth Services grant exceeded actual expenditures for the specified grant period.

**Finding 2015-6**

Accounts receivable for various tuition and other revenue billings in the BCCEC/ETTC Enterprise Fund did not appear to be properly reviewed for collection or other proper disposition.

**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.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**



Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915

**SCHEDULE OF AUDITED ENROLLMENTS**

**SALEM COUNTY VOCATIONAL TECHNICAL BOARD OF EDUCATION  
APPLICATION OR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015**

	2016-2017 APPLICATION FOR STATE SCHOOL AID (10/15/15 DATA)						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			
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Private Schools	Sample for Verification	Sample Verified	Sample Errors
Six																
Seven																
Eight																
Nine																
Ten																
Eleven																
Twelve																
Subtotal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0
Special Ed - Elementary																
Special Ed - Middle																
Special Ed - High	65.0	121.0	66.0	121.0	(1.0)	0.0	17.0	31.0	16.0	30.0	(1.0)	(1.0)				
Subtotal	65.0	121.0	66.0	121.0	(1.0)	0.0	17.0	31.0	16.0	30.0	(1.0)	(1.0)	0.0	0.0		0.0
County Voc. - Regular	664.0	53.0	664.0	56.0	0.0	(3.0)	171.0	14.0	171.0	13.0	0.0	(1.0)				
County Voc. - FT Post Sec																
Totals	729.0	174.0	730.0	177.0	(1.0)	(3.0)	188.0	45.0	187.0	43.0	(1.0)	(2.0)	0.0	0.0		0.0
Percentage Error					-0.14%	-1.72%					-0.53%	-4.44%				0.00%

**SCHEDULE OF AUDITED ENROLLMENTS**

**SALEM COUNTY VOCATIONAL TECHNICAL BOARD OF EDUCATION  
APPLICATION OR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015**

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	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
Six												
Seven												
Eight												
Nine												
Ten												
Eleven												
Twelve												
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0
Special Ed - Elementary												
Special Ed - Middle												
Special Ed - High	42.0	42.0		26	26							
Subtotal	42.0	42.0	0	26	26	0	0	0	0	0	0	0
Co. Voc. - Regular	131.5	131.5		82	82							
Co. Voc. Ft. Post Sec.												
Totals	173.5	173.5	0	108	108	0	0	0	0	0	0	0
Percentage Error		0.00%			0.00%							

**TRANSPORTATION**

	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors		
							<u>Reported</u>	<u>Re-Calculated</u>
Reg. - Public Schools		0			0			
Reg. - Special Ed.		0			0			
Transported - Non-Public		0			0			
Special Needs - Public		0			0			
Totals	0	0	0	0	0	0		
Percentage Error					0.00%			

Avg. Mileage - Regular Including Grade PK students  
Avg. Mileage - Regular Excluding Grade PK students  
Avg. Mileage - Special Ed with Special Needs



**SCHEDULE OF AUDITED ENROLLMENTS**

**SALEM COUNTY VOCATIONAL TECHNICAL BOARD OF EDUCATION**  
**APPLICATION OR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 15, 2015**

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Report On A.S.S.A. as NOT Low Income</u>	<u>Report 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>
Six						
Seven						
Eight						
Nine						
Ten						
Eleven						
Twelve						
Subtotal	0	0	0	0	0	0
Special Ed - Elementary						
Special Ed - Middle						
Special Ed - High						
Subtotal	0	0	0	0	0	0
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	0	0	0	0	0	0

Percentage Error

0.00%

0.00%

**SALEM COUNTY VOCATIONAL TECHNICAL TOWNSHIP SCHOOL DISTRICT**  
**EXCESS SURPLUS CALCULATION**

**SECTION 1**

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

2015-16 Total General Fund Expenditures per the CAFR		\$	<u>9,687,514</u>		(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 PreK-Regular					(B1c)
Transfer from General Fund to SRF for PreK-Inclusion					(B1d)
Decreased by:					
On-Behalf TPAF Pension & Social Security			<u>806,435</u>		(B2a)
Assets Acquired Under Capital Leases			<u>216,726</u>		(B2b)
 Adjusted 15-16 General Fund Expenditures [(B)+(B1s)-(B2s)]			 <u><u>8,664,353</u></u>		 (B3)
 6% of Adjusted 2015-16 General Fund Expenditures [(B3) times .06]			 <u>519,861</u>		 (B4)
Enter Greater of (B4) or \$250,000			<u>519,861</u>		(B5)
Increased by: Allowable Adjustment*			<u>-</u>		(K)
 Maximum Unassigned/Undesignated-Unreserved Fund Balance[(B5)+(K)]					 \$ <u><u>519,861</u></u> (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-16 (Per CAFR Budgetary Comparison Schedule C-1)		\$	<u>928,837</u>		(C)
Decreased by:					
Year-end Encumbrances			<u>1,495</u>		(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures					(C2)      Capital
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**			<u>187,855</u>		(C3)      Surplus
Other Restricted Fund Balances****			<u>12,200</u>		(C4)
Assigned Fund balance Unreserved - Designated for Subsequent Year's Expenditures			<u>129,987</u>		(C5)      Other
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]					 \$ <u><u>597,300</u></u> (U1)

**SECTION 3**

Restricted Fund Balance- Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0-		\$	<u><u>77,439</u></u>		(E)
---	--	----	----------------------	--	-----

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

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures**			<u>187,855</u>		(C3)
Reserved Excess Surplus ***[(E)]			<u>77,439</u>		(E)
 Total Excess Surplus [(C3) + (E)]					 \$ <u><u>265,294</u></u> (D)

**SALEM COUNTY VOCATIONAL TECHNICAL TOWNSHIP SCHOOL DISTRICT**  
**EXCESS SURPLUS CALCULATION**

Footnotes:

\* 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, 2016 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 & 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.

Notes to auditor: Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid, and Additional Nonpublic School Transportation Aid.

**Detail of Allowable Adjustments**

Impact Aid	\$ _____	(H)
Sale & Lease-Back	_____	(I)
Extraordinary Aid	_____	(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)]	\$ _____ -	(K)

\*\* This amount represents the June 30, 2016 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

\*\*\* Amounts must agree to the June 30, 2016 CAFR and must agree to Audit Summary Worksheet Line 90030.

\*\*\*\* Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by an 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 and Regulatory Compliance prior to September 30.

**Detail of Other Restricted Fund Balance**

Statutory restrictions:

Approved unspent separate proposal	\$ _____
Sale/lease-back reserve	_____
Capital reserve	12,200
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 (Sections 8007 and 8008)	_____
Impact Aid General Fund Reserve (Sections 8002 and 8003)	_____
Other state/government mandated reserve	_____
[Other Restricted Fund Balance not noted above] ****	_____
Total Other Restricted Fund Balance	\$ <u>12,200</u> (C4)

