

TOWNSHIP OF UNION SCHOOL DISTRICT  
COUNTY OF UNION  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2016

TOWNSHIP OF UNION SCHOOL DISTRICT  
COUNTY OF UNION  
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2016  
TABLE OF CONTENTS

	<u>Page</u>
Cover Letter	1
General Comments:	2
Scope of Audit	2
Administrative Practices and Procedures:	2
Insurance	2
Officials in Office and Surety Bonds	2
Tuition Charges	2
Financial Planning, Accounting and Reporting:	2
Examination of Claims	2
Payroll Account and Position Control Roster	2
Reserve for Encumbrances and Accounts Payable	3
Classification of Expenditures - General and Administrative	3
Board Secretary's Records	3
Treasurer's Records	3
No Child Left Behind (N.C.L.B.)	3
Other Special Federal and/or State Projects	4
T.P.A.F. Reimbursement	4
School Purchasing Programs:	5
Contracts and Agreements Requiring Advertisement for Bids	5
School Food Service Fund	6
Student Body Activities	6
Application for State School Aid	6
Pupil Transportation	7
Facilities and Capital Assets	7
Travel Expense and Reimbursement Policy	7
Management Suggestions	7
Status of Prior Year Audit Findings/Recommendations	8
Schedule of Meal/Milk Count Activity (Not Applicable)	
Schedule of Net Cash Resources (Not Applicable)	
Schedule of Audited Enrollments	9
Excess Surplus Calculation	14
Summary of Recommendations	16



Mount Arlington Corporate Center  
 200 Valley Road, Suite 300  
 Mt. Arlington, NJ 07856  
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center  
 11 Lawrence Road  
 Newton, NJ 07860  
 973-383-6699 | 973-383-6555 Fax

November 10, 2016

The Honorable President and Members  
 of the Board of Education  
 Township of Union School District  
 County of Union, New Jersey

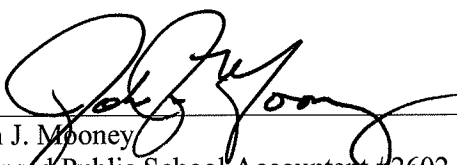
We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Board of Education of the Township of Union School District in the County of Union for the fiscal year ended June 30, 2016, and have issued our report thereon dated November 10, 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 letter does not affect our report dated November 10, 2016, on the financial statements of the Board.

We will review the status of the comments during our next audit engagement. We have already discussed these comments, recommendations and suggestions with various management personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations, if any.

This report is intended for the information of the Township of Union Public School's management, the Board of Education and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

*NISIVOCCIA LLP*  
 NISIVOCCIA LLP

  
 John J. Mooney  
 Licensed Public School Accountant #2602  
 Certified Public Accountant

TOWNSHIP OF UNION SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2016

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, the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

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

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Debra L. Cyburt	Treasurer of Monies	\$530,000.00
Manuel E. Vieira	Interim Business Administrator	\$25,000.00

Finding:

Our review of the District's surety bond coverage revealed that there was not adequate coverage for the Interim Business Administrator.

Recommendation:

It is recommended that the surety bond coverage for the Business Administrators position be increased in order to meet the minimum adequate coverage.

Management Responses:

Management will ensure that surety bond coverage is increased to State minimum requirements.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were different than estimated costs. The Board made a proper adjustment to the billings to sending districts for the change in per pupil costs in accordance with N.J.A.C. 6A:23A-3.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid on a test basis, during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account and Position Control Roster

The net salaries of 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.

TOWNSHIP OF UNION SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2016  
 (Continued)

Payroll Account and Position Control Roster (cont'd)

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

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

The required certification (E-CERT-1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendent, and business administrator) to the NJ Department of Treasury was filed in a timely manner.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made on a test basis as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable.

Classification of Expenditures – General and Administrative

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. We also reviewed administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. As a result of the procedures performed, a transaction error rate of 0% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Board Secretary's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted herein.

Treasurer's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Treasurer's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted herein.

No Child Left Behind (N.C.L.B.)

The N.C.L.B. financial exhibits are contained herein within the Special Revenue Section of the District's CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I, Title II and Title III of the No Child Left Behind Act.

The study of compliance for the N.C.L.B. did not indicate any area of noncompliance except as noted on the next page.

TOWNSHIP OF UNION SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2016  
 (Continued)

No Child Left Behind (N.C.L.B.) (Cont'd)

Finding:

N.C.L.B. Grant reimbursement requests were not submitted in a timely manner which resulted in a significant amount of receivables from the State and interfund advances from the General Fund and a reduction in the District's cash flow

Recommendation:

It is recommended that N.C.L.B. Grant reimbursement requests will be submitted in a timely fashion in order to avoid significant amounts of receivables from the State and interfund advances from the General Fund and a reduction in the District's cash flow.

Management's Response:

The District will ensure that the N.C.L.B. Grant reimbursement requests will be submitted in a timely fashion.

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.

The study of compliance for the special projects did not indicate any area of noncompliance except as noted below.

Finding:

A review was completed by the State of New Jersey Department of Education, Office of Fiscal Accountability and Compliance for the E.S.E.A. and I.D.E.A. Basic and Preschool grant programs for the period July 1, 2013 to May 21, 2015. The District received the consolidating monitoring report in October 2015 and is in the process of implementing a corrective action plan.

T.P.A.F. Reimbursement

Our audit procedures included a test of the bi weekly 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 T.P.A.F. Reimbursement to the State for Federal Salary Expenditures was remitted to the State of New Jersey prior to the required deadline of October 1, 2016. The reimbursement form was reviewed and no exceptions were noted.

TOWNSHIP OF UNION SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2016  
 (Continued)

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

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

a. "When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefore, except that the Board of Education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c. 198 the Board of Education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

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

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the Board of Education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law . . . ."

Effective July 1, 2015 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-2 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.

As per N.J.S.A. 18A:18A-3, the Board passed a resolution, recognizing the Business Administrator as a qualified purchasing agent and increasing the bid threshold to \$40,000.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Attorney'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. General compliance was noted.

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any material or supplies", in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

TOWNSHIP OF UNION SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

School Purchasing Programs (Cont'd)

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

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.

School Food Service

The school food service program was not selected as a major federal and/or state program. However, the program expenditures exceeded \$100,000 in federal and/or state support. Accordingly, we inquired of school management, or the appropriate school food service personnel, as to whether the SFA had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

Additionally, we inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

The school district maintains the detailed revenue and expenditure information necessary in order to execute the U.S.D.A. mandated Non-program Food Revenue tool at least annually. No exceptions were noted

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the records of the Student Activities Fund for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments or recommendations.

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 disabled, low income students and bilingual education. We also performed a review of the District's procedures related to its completion. The information on the A.S.S.A. was compared to the District's workpapers with the exception of 24 shared students. The information that was included on the workpapers was verified on a test basis without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

The District's written procedures for the recording of student enrollment data appear to be adequate.



TOWNSHIP OF UNION SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2015-16 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. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

Our procedures included a review of the SDA grant agreements for consistency with recording SDA revenue, transfer of local funds from the general fund, and awarding of contracts for eligible facilities construction.

Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal policy and procedure pertaining to travel and expense reimbursement for its employees and board members. The regulations require the District to establish a maximum travel for the year and to ensure that the maximum is not exceeded. The regulations also require that all travel be preapproved by the Board of Education and that the approval must be itemized by event, event total cost, and individuals attending.

Management Suggestions:

Purchasing Compliance

It has come to our attention that a number of school districts in New Jersey are being cited by the State Department of Education for the purchasing of goods or services prior to the issuance of an approved purchase order. This issue appears to be primarily related to maintenance and buildings and grounds expenditures. We are taking this opportunity to reiterate that a valid, approved purchase order must be prepared prior to obligating the District to a purchase of goods or services to be in compliance with requirements of the State. This includes blanket purchase orders, as it is required to have all signatures on each transaction before purchasing the goods or services.

Governmental Accounting Standards Board Statements

The next Governmental Accounting Standards Board ("GASB") statement which will have a significant impact on the District will be GASB#75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, will be effective for the fiscal year ending June 30, 2018. This standard replaces GASB#45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. It is similar to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* GASB#68 in that successful implementation of this standard will require the provision of certain key financial and non-financial information from the New Jersey Division of Pensions.

TOWNSHIP OF UNION SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

Management Suggestions: (Cont'd)

Escrow Account

During our audit, we noted that an escrow account existed, representing proceeds from a bond sale refinancing on bonds which are no longer liabilities of the District. We suggest that the funds within this escrow account be examined and appropriate actions be taken to appropriately utilize these funds.

Cyber Security

Cyber-crime has become much more prevalent in the last few years. Websites and internal networks, including personally identifiable information ("PII"), have been hacked and resulted in significant losses to organizations, both financial and reputational. We suggest that the District consider options to test and protect the District from cyber-crime.

Deferred Compensation Plans

The District has a fiduciary responsibility to its employees related to the deferred compensation plans offered by the District. The District should consider a periodic review of the benefits, features, costs, and performance of its deferred compensation plans and make that information available to employees to assist employees in making suitable choices for investing their retirement funds while fulfilling the District's fiduciary responsibilities.

Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding the Application for State School Aid, the district travel policy and the reimbursement claims to the New Jersey Department of Agriculture have all been resolved in the current year.

TOWNSHIP OF UNION SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015

	2016-2017 Application for State School Aid						Sample for Verification					
	Reported on ASSA On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool 3 Years Old	1		1					1		1		
Full Day Preschool 3 Years Old	1		1					1		1		
Half Day Preschool 4 Years Old	168		168					168		168		
Full Day Preschool 4 Years Old	3		3					3		3		
Full Day Kindergarten	463		463					463		463		
Grade One	461		461					461		461		
Grade Two	490		490					490		490		
Grade Three	492		492					492		492		
Grade Four	470		470					470		470		
Grade Five	469		469					469		469		
Grade Six	477		477					477		477		
Grade Seven	481		481					481		481		
Grade Eight	475		475					475		475		
Grade Nine	429		429					429		429		
Grade Ten	477		477					477		477		
Grade Eleven	487	9	487	9				487	9	487	9	
Grade Twelve	498	9	498	9				498	9	498	9	
Subtotal	6,342	18	6,342	18				6,342	18	6,342	18	
Special Education:												
Elementary	386		386					10		10		
Middle	221		221					10		10		
High	273	24	273	23		1		5		5		
Subtotal	880	24	880	23		1		25		25		
Totals	7,222	42	7,222	41	-0-	1		6,367	18	6,367	18	-0-
Percentage Error					0.00%	100.00%						0.00%

TOWNSHIP OF UNION SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015

	Private Schools for Disabled					Resident Low Income						
	Reported on ASSA as Private Schools	Reported on Workpapers as Private Schools	Sample for Verficiation	Sample Verified	Sample Errors	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	
Full Day Preschool 4 Years Old												
Half Day Kindergarten						123	123		1	1		
Grade One						152	152		1	1		
Grade Two						157	157		1	1		
Grade Three						165	165		1	1		
Grade Four						173	173		1	1		
Grade Five						181	181		1	1		
Grade Six						188	188		1	1		
Grade Seven						184	184		1	1		
Grade Eight						177	177		1	1		
Grade Nine						182	182		1	1		
Grade Ten						188	188		1	1		
Grade Eleven						174.5	174.5		1	1		
Grade Twelve						201	201		1	1		
Subtotal						2,246	2,246		13	13		
Special Education:												
Elementary School	29	29	2	2		138	138		4	4		
Middle School	7	7	2	2		107	107		4	4		
High School	25	25	2	2		142.5	142.5		4	4		
Subtotal	61	61	6	6		388	388		12	12		
Totals	61	61	-0-	6	6	-0-	2,633	2,633	-0-	25	25	-0-
Percentage Error			0.00%			0.00%			0.00%			0.00%

TOWNSHIP OF UNION SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015

	Resident LEP Low Income					
	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Errors
Full Day Kindergarten	17	17				
Grade One	20	20				
Grade Two	20	20		1	1	
Grade Three	20	20				
Grade Four	3	3				
Grade Five	5	5				
Grade Six	4	4		1	1	
Grade Seven	2	2				
Grade Eight	2	2		1	1	
Grade Nine	2	2		1	1	
Grade Ten	5	5				
Grade Eleven	8	8		2	2	
Grade Twelve	5	5				
Subtotal	<u>113</u>	<u>113</u>		<u>6</u>	<u>6</u>	
Special Education:						
Elementary School	5	5				
Middle School	1	1				
High School	1	1				
Subtotal	<u>7</u>	<u>7</u>				
Totals	<u><u>120</u></u>	<u><u>120</u></u>	<u><u>-0-</u></u>	<u><u>6</u></u>	<u><u>6</u></u>	<u><u>-0-</u></u>
Percentage Error			<u><u>0.00%</u></u>			<u><u>0.00%</u></u>

TOWNSHIP OF UNION SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015

	Resident LEP Not Low Income					
	Reported on ASSA as LEP Not Low Income	Reported on Workpapers as LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Full Day Kindergarten	32	32		1	1	
Grade One	19	19		1	1	
Grade Two	16	16				
Grade Three	15	15				
Grade Four	3	3				
Grade Five	3	3		1	1	
Grade Six						
Grade Seven	3	3		2	2	
Grade Eight	5	5				
Grade Nine	3	3				
Grade Ten	4	4				
Grade Eleven	2	2				
Grade Twelve						
Subtotal	<u>105</u>	<u>105</u>		<u>5</u>	<u>5</u>	
Special Education:						
Elementary School	6	6				
Middle School						
High School						
Subtotal	<u>6</u>	<u>6</u>				
Totals	<u><u>111</u></u>	<u><u>111</u></u>	<u><u>-0-</u></u>	<u><u>5</u></u>	<u><u>5</u></u>	<u><u>-0-</u></u>
Percentage Error			<u><u>0.00%</u></u>			<u><u>0.00%</u></u>

TOWNSHIP OF UNION SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	1,027	1,027		25	25	
Regular - Special Education	79.5	79.5		25	25	
Transported - Non Public	300	300		18	18	
AIL - Non Public	274	274		10	10	
Special Education - Special Needs	275.5	275.5		13	13	
Totals	<u>1,956</u>	<u>1,956</u>	<u>-0-</u>	<u>91</u>	<u>91</u>	<u>-0-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	<u>Reported</u>	<u>Recalculated</u>
Average Mileage - Regular Including Grade PK Students	4.6	4.6
Average Mileage - Regular Excluding Grade PK Students	4.6	4.6
Average Mileage - Special Education with Special Needs	5.1	5.1





TOWNSHIP OF UNION SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

**Section 3**

Restricted Fund Balance-Excess Surplus [(U)-(M)] IF NEGATIVE, ENTER -0- \$ 6,138,641 (E)

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

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures \$ 4,589,630 (C3)

Restricted Excess Surplus [(E)] \$ 6,138,641 (E)

Total [(C3)+(E)] \$ 10,728,271 (D)

**Detail of Allowable Adjustments**

Impact Aid \$ -0- (H)

Sale & Lease-back \$ -0- (I)

Extraordinary Aid \$ 531,537 (J1)

Additional Nonpublic School Transportation Aid \$ 67,252 (J2)

Total Adjustments (H)+(I)+(J1)+(J2)+(J3) \$ 598,789 (K)

**Detail of Other Restricted Fund Balances**

## Statutory Restrictions:

Approved Unspent Separate Proposal \$ -0-

Sale/Lease-back Reserve \$ -0-

Capital Reserve \$ 4,105,672

Maintenance Reserve \$ 450,000

Tuition Reserve \$ -0-

Emergency Reserve \$ 1,000,000

Other Restricted Fund Balance not Noted Above \$ -0-

Total Other Restricted Fund Balance \$ 5,555,672 (C-4)

TOWNSHIP OF UNION SCHOOL DISTRICT  
SUMMARY OF RECOMMENDATIONS  
FISCAL YEAR ENDED JUNE 30, 2016

It is recommended that:

1. Administrative Practices and Procedures  

The surety bond coverage for the Business Administrators position be increased in order to meet the minimum adequate coverage.
2. Financial Planning, Accounting and Reporting  

N.C.L.B. Grant reimbursement requests will be submitted in a timely fashion in order to avoid significant amounts of receivables from the State and interfund advances from the General Fund and a reduction in the District's cash flow.
3. School Purchasing Program  

None
4. School Food Service  

None
5. Student Body Activities  

None
6. Application for State School Aid  

None
7. Pupil Transportation  

None
8. Facilities and Capital Assets  

None
9. Status of Prior Year's Findings/Recommendations  

The prior year recommendations regarding the Application for State School Aid, the District travel policy and the reimbursement claims to the New Jersey Department of Agriculture have all been resolved in the current year.