

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

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October 27, 2016

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

Honorable President and
Members of the Board of Education
Township of Upper Pittsgrove School District
County of Salem, New Jersey 08318

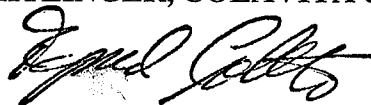
We have audited, in accordance with generally accepted auditing standards and **Government Auditing Standards** issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Township of Upper Pittsgrove School District in the County of Salem for the year ended June 30, 2016, and have issued our report thereon dated October 27, 2016.

As part of our audit, we performed procedures required by the Division 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 Township of Upper Pittsgrove School District, 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

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

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>
Lisa M. DiNovi	Board Secretary/ School Business Administrator	\$ 35,000
Donna J. Jones	Treasurer	\$185,000

There is a Public Employees' Faithful Performance Blanket Position Bond with Selective Insurance Company covering all employees with coverage of \$100,000.

Tuition Charges

These charges represent payments from parents of students not residing in the school district. **N.J.A.C. 6A:23A-17.1(f) 3.**

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.

All Internal Control Policies were found in accordance with NJAC 6A:23A-6.5 through 6.13.

Financial Planning, Accounting, and Reporting

In an effort to strengthen internal control, regarding the segregation of duties, the Board approved shared services for the food service and payroll functions. This was in response to the previous year's recommendations and the corrective action plans. Due to the small size of the district, the Board will continue to perform mitigating steps to monitor and review financial areas, including analytically reviewing significant fluctuations between actual and budgeted results of operations. All significant fluctuations should be evaluated and resolved in a timely manner.

Examination of Claims

An examination of claims paid during the period under review indicated that they appeared proper with respect to certification and itemization.

Financial Planning, Accounting and Reporting (Cont'd)

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

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

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

Payrolls were delivered to the treasurer of school moneys with a warrant made to her order for the full amount of each payroll.

Employee Position Control Roster

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

Unemployment Compensation Insurance Trust Fund

The Board has adopted the percentage method and does not maintain an Unemployment Compensation Insurance Trust Fund.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, 2016 for goods not yet received or services not yet rendered, and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered as of June 30, 2016.

Obligations of Federal Grant Awards and Requests for Reimbursement of Expenditures Against Those Federal Grants Awards - No exceptions were noted.

Classification of Expenditures

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

A. General Classification Findings

None

B. Administrative Classification Findings

None

Financial Planning, Accounting and Reporting (Cont'd)

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 was filed by the March 15 due date.

Board Secretary's Records

The financial records and board minutes of the Board 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 monthly minutes.

Purchase orders were charged to the appropriate line item accounts in accordance with the State prescribed **Uniform Minimum Chart of Accounts (2R2) for New Jersey Public Schools**.

Monthly financial certifications of the Board Secretary and Board of Education for positive line item account status certification (N.J.A.C. 6:20-2.13) were approved monthly.

An analysis of cumulative budget transfers was examined to determine that transfers appear to be approved and recorded in accordance with Department of Education requirements regarding the ten percent rule on advertised budget line items.

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.

All cash receipts were promptly deposited. (N.J.S.A.18A:17-34, 18A:17-9.1)

The Treasurer's records were in agreement with the records of the Board Secretary.

The Treasurer filed her reports in a timely manner.

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 Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

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 study of compliance for E.S.E.A. indicated no areas of noncompliance and/or questionable costs.

Financial Planning, Accounting and Reporting (Cont'd)

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 special projects indicated no areas of noncompliance and/or questionable costs.

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.

No exceptions were noted.

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.

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

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.

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.

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. Our examination did reveal, however, that I Pads, Carts/Adapters and Access Controller were purchased from vendors approved for state contract.

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

Financial Planning, Accounting and Reporting (Cont'd)

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

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 less than the bid threshold but 15% or more of that amount, 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 District expended less than \$100,000 in Federal and/or State Support for its Child Nutrition Program. The financial transactions and statistical records of the School Food Service Fund were maintained in satisfactory condition. The financial accounts, meal and milk count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

The number of meals/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 appeared to be submitted/certified in a timely manner.

The required verification procedures for free and reduced price lunch were completed on a timely basis.

Applications for free and reduced price meals and 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 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. Cash receipts and bank records were reviewed for timely deposit. No exceptions were noted.

Food Distribution commodities were received and a single inventory was maintained on a first-in, first-out basis by food-service employees under the supervision of the management service company, Dowling Food Service Management Co. Inc.

The District entered into a management service contract with Dowling Food Service Management Inc. in accordance with N.J.S.A. 18A:17-34 and 19-1 through 19-4.I. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. Net cash resources did not exceed three months average expenditures. Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will maintain a minimum profit of \$1,500. The operating results provision has been met.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all school food service employees authorized by the Board of Education.

Financial Planning, Accounting and Reporting (Cont'd)

School Food Service (Cont'd)

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service and the Non-program Food Revenue tool was utilized. Net cash resources did not exceed three months average expenditures. The amount of surplus increased by \$20,808 during the 2015-16 school year.

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

Finding 2016-1 (CAFR Finding 2016-1)

Net cash resources exceeded three months average expenditures.

Recommendation

The Board should implement a corrective action plan to effectively reduce the net cash resources on hand through capital expenditure or otherwise.

Student Body Activities

Approval authorization appeared to be available for all student activity cash disbursements.

The District maintains a board policy that clearly established the regulation of the Student Activities Fund.

Cash receipts and disbursements journals were maintained in fair condition and reconciled to the monthly bank statements. Deposits were traceable to the bank and made on a timely basis. Expenditures were supported by invoices and other documentation.

School Care Enterprise Fund

Cash receipts and disbursements journals were maintained in fair condition and reconciled to the monthly bank statements. Deposits were traceable to the bank and made on a timely basis. Expenditures were supported by invoices approval authorization and other documentation.

The amount of surplus increased by \$28,593 during the 2015-16 fiscal year.

Application for State School Aid

Our audit procedures included a test of the information reported in the October 15th 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 without exception. The information that was included on the workpapers was verified 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 and has adequate written procedures for the recording of student enrollment data.

The results of our procedures are presented in the Schedule of Audited Enrollment.

The District maintained workpapers on the prescribed state forms or their equivalents.

The District has adequate written procedures for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2015-16 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report, which would have been presented in the Schedule of Audited Enrollments. The DRTRS Eligibility Summary Report was compared to the County Summary Report. All items were in agreement except for Regular Public. The County had one (1) more student reported than the District. The District had no indication of errors or discrepancies.

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 bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

As part of the GASB 34 reporting format, fixed assets were recorded in accordance with GAAP including a provision for depreciation expense.

The amount of additions to fixed capital during the 2015-16 school-years was \$14,352 and the balance in Fixed Assets was \$3,399,169, as of June 30, 2016.

Follow-up on Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Corrective action has been taken on all prior year findings except for Finding 2015-2.

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.

A handwritten signature in black ink, appearing to read "Raymond Colavita", written in a cursive style.

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

NET CASH RESOURCE SCHEDULE

**Net cash resources did/did not exceed three months of expenditures
Proprietary Funds - Food Service
FYE 2016
S-UP**

<u>Net Cash Resources:</u>	Food Service B - 4/5	
CAFR *		Current Assets
B-4	\$ 72,218	Cash & Cash Equiv.
B-4	2,723	Due from Other Gov'ts
B-4	990	Accounts Receivable
B-4		Investments
CAFR		Current Liabilities
B-4	(6,926)	Less Accounts Payable
B-4		Less Accruals
B-4	(1,614)	Less Due to Other Funds
B-4	(4,091)	Less Deferred Revenue
	\$ 63,300.00	Net Cash Resources
		(A)

Net Adj. Total Operating Expense:

B-5	119,239	Tot. Operating Exp.
B-5	(1,694)	Less Depreciation
	\$ 117,545.00	Adj. Tot. Oper. Exp.
		(B)

Average Monthly Operating Expense:

B / 10	\$ 11,754.50	(C)
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Three times monthly Average:

3 X C	\$ 35,263.50	(D)
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TOTAL IN BOX A	\$	63,300.00	
LESS TOTAL IN BOX D	\$	35,263.50	
NET	\$	28,036.50	
From above:			
A is greater than D, cash exceeds 3 X average monthly operating expenses.			
D is greater than A, cash does not exceed 3 X average monthly operating expenses.			

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

SOURCE - USDA resource management comprehensive review form

SCHEDULE OF MEAL COUNT ACTIVITY
TOWNSHIP OF UPPER PITTSBORO SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS/MILKS SERVED AND (OVER)/UNDERCLAIM-FEDERAL
ENTERPRISE FUNDS
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 (b)</u>
National School Lunch (Severe Need Rate)	Paid	12,980	12,980	12,980		\$ 0.29	\$
	Reduced	2,077	2,077	2,077		2.67	
	Free	8,553	8,553	8,553		3.07	
	TOTAL	23,610	23,610	23,610			
	HHFKA - PB Lunch Only	23,610	23,610	23,610		0.06	
School Breakfast (Severe Need Rate)	Paid	700	700	700		0.29	
	Reduced	761	761	761		1.69	
	Free	5,685	5,685	5,685		1.99	
	TOTAL	7,146	7,146	7,146			
	Total Net Overclaim						\$

SCHEDULE OF MEAL COUNT ACTIVITY

TOWNSHIP OF UPPER PITTSBORO SCHOOL DISTRICT

FOOD SERVICE FUND

NUMBER OF MEALS/MILKS SERVED AND (OVER)/UNDERCLAIM-STATE

ENTERPRISE FUNDS

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>
State Reimbursement - National School Lunch (Regular Rate)	Paid	12,980	12,980	12,980	0	\$ 0.040	\$ 0.00
	Reduced	2,077	2,077	2,077	0	0.055	0.00
	Free	8,553	8,553	8,553	0	0.055	0.00
	TOTAL	<u>23,610</u>	<u>23,610</u>	<u>23,610</u>			
	Total Net Overclaim						<u>\$ 0.00</u>

SCHEDULE OF AUDITED ENROLLMENTS

**UPPER PITTSBURGH TOWNSHIP BOARD OF EDUCATION
APPLICATION OR 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			
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Private Schools	Sample for Verification	Sample Verified	Sample Errors
Half Day PS 3 Yr Old	3		3				1		1							
Half Day PS 4 Yr Old	15		15				7		7							
Full Day PS 3 Yr Old	4		4				2		2							
Full Day PS 4 Yr Old	1		1													
Full Day Kindergarten	28		28				13		13							
One	25		25				12		12							
Two	34		34				16		16							
Three	23		23				11		11							
Four	25		25				12		12							
Five	35		35				17		17							
Six	29		29				14		14							
Seven	34		34				16		16							
Eight	32		32				15		15							
Nine																
Ten																
Eleven																
Twelve																
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	288	0	288	0	0	0	136	0	136	0	0	0	0	0	0	0
Special Ed - Elementary	31		31				15		15				1	1	1	
Special Ed - Middle	19		19				9		9							
Special Ed - High																
Subtotal	50	0	50	0	0	0	24	0	24	0	0	0	1	1	1	0
Totals	338	0	338	0	0	0	160	0	160	0	0	0	1	1	1	0
Percentage Error					<u>0.00%</u>	<u>0.00%</u>				<u>0.00%</u>	<u>0.00%</u>				<u>0.00%</u>	

SCHEDULE OF AUDITED ENROLLMENTS

**UPPER PITTSBORO TOWNSHIP BOARD OF EDUCATION
APPLICATION FOR 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>		
	<u>Reported On A.S.S.A. as Low Income</u>	<u>Reported On Workpapers as Low Income</u>	<u>Errors</u>	<u>Sample Selected From Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>	<u>Reported on A.S.S.A. as LEP Low Income</u>	<u>Reported on Workpapers as LEP Low Income</u>	<u>Errors</u>	<u>Sample Selected From Workpapers</u>	<u>Verified to Test Score and Register</u>	<u>Sample Errors</u>
Half Day PS 3 Yr Old												
Half Day PS 4 Yr Old												
Half Day Kindergarten												
Full Day Kindergarten												
One	2	2	0	2	2							
Two	7	7	0	5	5							
Three	10	10	0	8	8							
Four	9	9	0	7	7							
Five	5	5	0	4	4							
Six	10	10	0	8	8							
Seven	5	5	0	4	4							
Eight	7	7	0	5	5							
Nine	5	5	0	4	4		1	1		1	1	
Ten												
Eleven												
Twelve												
Post Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	60	60	0	47	47	0	1	1	0	1	1	0
Special Ed - Elementary	14	14	0	10	10							
Special Ed - Middle	7	7	0	5	5							
Special Ed - High												
Subtotal	21	21	0	15	15	0	0	0	0	0	0	0
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	81	81	0	62	62	0	1	1	0	1	1	0
Percentage Error		<u>0.00%</u>			<u>0.00%</u>							

TRANSPORTATION

	<u>Reported on DRTRS by DOE/County</u>	<u>Reported on DRTRS by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>		
							<u>Reported</u>	<u>Re-Calculated</u>
Reg. - Public Schools	372	371	(1)	152	152		5.7	
Reg. - Special Ed.	41	41		17	17		5.7	
Transported - Non-Public	1	1		0	0		9.5	
Aid in Lieu - Non-Public	14	14		6	6			
Special Needs - Public	55	55		22	22			
Totals	483	482	(1)	197	197	0		
Percentage Error		<u>-0.21%</u>			<u>0.00%</u>			

SCHEDULE OF AUDITED ENROLLMENTS

UPPER PITTSBORO TOWNSHIP 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>
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten						
One						
Two		1	1	1	1	
Three						
Four						
Five						
Six						
Seven						
Eight						
Nine						
Ten						
Eleven						
Twelve						
Post Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	1	1	0	1	1	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	1	1	0	1	1	0
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION

SECTION 1

A. 2% Calculation of Excess Surplus

2015-16 Total General Fund Expenditures per the CAFR	\$ <u>8,172,178</u>	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	<u> </u>	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	<u> </u>	(B1b)
Transfer from General Fund to SRF for PreK-Regular	<u> </u>	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	<u> </u>	(B1d)
Decreased by:		
On-Behalf TPAF Pension & Social Security	<u>578,991</u>	(B2a)
Assets Acquired Under Capital Leases	<u> </u>	(B2b)
 Adjusted 15-16 General Fund Expenditures [(B)+(B1s)-(B2s)]	 <u>7,593,187</u>	 (B3)
 2% of Adjusted 2015-16 General Fund Expenditures [(B3) times .02]	 <u>151,864</u>	 (B4)
Enter Greater of (B4) or \$250,000	<u>250,000</u>	(B5)
Increased by: Allowable Adjustment*	<u>5,469</u>	(K)
 Maximum Unassigned/Undesignated-Unreserved Fund Balance[(B5)+(K)]		 \$ <u>255,469</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-16 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>1,052,469</u>	(C)	
Decreased by:			
Year-end Encumbrances	<u>2,986</u>	(C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	<u> </u>	(C2)	Capital
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	<u>173,713</u>	(C3)	Surplus
Other Restricted Fund Balances****	<u>439,278</u>	(C4)	
Assigned Fund balance Unreserved - Designated for Subsequent Year's Expenditures	<u>6,075</u>	(C5)	Other
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]			 \$ <u>430,417</u> (U1)

**UPPER PITTSBORO TOWNSHIP SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION**

SECTION 3

Restricted Fund Balance- Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0- \$ 174,948 (E)

Recapitulation of Excess Surplus as of June 30, 2016

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures**	173,713 (C3)
Reserved Excess Surplus ***[(E)]	<u>174,948 (E)</u>
 Total Excess Surplus [(C3) + (E)]	 \$ <u>348,661 (D)</u>

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, 2015 the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve-General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
 - (I) Sale & 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	<u>5,469 (J2)</u>
Current Year School Bus Advertising Revenue Recognized	_____ (J3)
Family Crisis Transportation Aid	_____ (J4)
 Total Adjustments [(H) + (I) + (J1) + (J2) + (J3) + (J4)]	 \$ <u>5,469 (K)</u>

- ** This amount represents the June 30, 2015 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.
- *** Amounts must agree to the June 30, 2015 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	<u>79,278</u>
Maintenance reserve	<u>300,000</u>
Emergency Reserve	_____
Tuition reserve	<u>60,000</u>
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>439,278 (C4)</u>