

TOWNSHIP OF UNION SCHOOL DISTRICT
COUNTY OF UNION
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017

TOWNSHIP OF UNION SCHOOL DISTRICT
COUNTY OF UNION
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017
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November 6, 2017

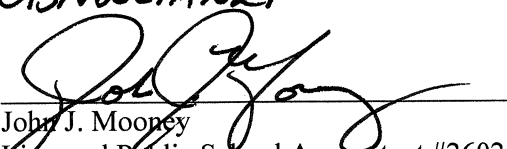
The Honorable President and Members
of the Board of Education
Township of Union School District
County of Union, New Jersey

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, 2017, and have issued our report thereon dated November 6, 2017.

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 6, 2017, 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 School District'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, 2017

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 School Monies	\$ 530,000
Gregory Brennan	Business Administrator	470,000
Manuel E. Viera	Assistant Business Administrator	25,000

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.

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.

TOWNSHIP OF UNION SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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 below.

Finding:

During our review of the Board Secretary's records it was noted that not all receipts are being deposited within forty-eight hours of receipt.

Recommendation:

It is recommended that receipts be deposited in a timely manner to ensure deposit within forty-eight hours of receipt.

Management's Response:

Administration will ensure that all deposits are made within forty-eight hours of receipt.

Finding:

During the course of our audit testing, we noted a few instances where purchases were made prior to the preparation/approval of purchase orders.

Recommendation:

It is recommended that all purchase orders are prepared/approved prior to the purchase of goods or services to ensure the availability of funds.

TOWNSHIP OF UNION SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

Board Secretary's Records (Cont'd)

Management's Response:

All purchase orders will be prepared/approved prior to the purchase of goods or services to ensure the availability of funds.

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.

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 has implemented a state approved 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.

TOWNSHIP OF UNION SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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, 2017. The reimbursement form was reviewed and no exceptions were noted.

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.

TOWNSHIP OF UNION SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

School Purchasing Programs (Cont'd)

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

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.

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 financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. No exceptions were noted.

Cash receipts and bank records were reviewed for timely deposit. No exceptions were noted.

The District utilizes a food service management company (FMSC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the FMSC contract/addendum were reviewed and audited. The FMSC contract includes an operating results provision which guarantees that the food service program will breakeven/return a profit of at least \$204,447. The operating results provision has not been met. No exceptions were noted.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified on a test basis. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used. 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 nonprofit status of the School Food Service Fund. No exceptions were noted.

Net cash resources did not exceed three months average expenditures.

Time sheets and payroll records provided to the District from the Food Service contractor were reviewed on a test basis. Payroll records were maintained on all School Food Service employees authorized by the Board of Education.

TOWNSHIP OF UNION SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

School Food Service (Cont'd)

The number of meals claimed for reimbursement was compared to sales and meal count records on a test basis. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner. No exceptions were noted.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications/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 policy was reviewed for uniform administration throughout the school district. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions were noted.

U.S.D.A. Food Distribution Program commodities (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

Non-program foods were purchased, prepared or offered for sale. The Statement of Revenue, Expenses and Changes in Net Position in the CAFR Schedule B-5 does separate program and non-program revenue and program and non-program cost of goods sold.

The school district provided 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

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

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 recommendations except as listed below.

Finding:

During our review of Student Body Activities, we noted that the Board policies and procedures were not being properly followed, receipts were not being properly and accurately recorded, and the deposits were not being made in a timely manner. Additionally, as evidenced by the theft that occurred at the High School, funds were not properly in a secure location.

Recommendation:

It is recommended that the Board review and update its policies and procedures as needed, and review those policies and procedures with personnel. Additionally, receipts need to be accurately recorded and deposits need to be made within 48 hours of receipt. Lastly, funds need to be kept in a locked and secure location to help to avoid any possibility of theft.

TOWNSHIP OF UNION SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

Student Body Activities (Cont'd)

Management Response:

The Board will make improvements to its policies and procedures as necessary. Additionally, management will ensure that all receipts are properly and accurately recorded and that deposits are made within 48 hours of receipt. Lastly, any funds on hand will be kept in a secure location.

Application for State School Aid

Our audit procedures included a test of information reported in the October 14, 2016 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 13 low-income 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.

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2016-17 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.

TOWNSHIP OF UNION SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

Management Suggestions:

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* 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.

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.

Status of Prior Year’s Findings/Recommendations

The prior year recommendations regarding surety bond coverage, and grant reimbursements have all been resolved in the current year.

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF MEAL COUNT ACTIVITY
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) CLAIM
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(MEMORANDUM ONLY)

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM – FEDERAL

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over)/ Under Claim</u>
National School Lunch (Regular Rate)	Paid	372,375	106,705	106,705	-0-	\$ 0.30	\$ -0-
	Reduced	78,055	22,386	22,386	-0-	2.76	-0-
	Free	258,930	73,283	73,283	-0-	3.16	-0-
Total		<u>709,360</u>	<u>202,374</u>	<u>202,374</u>			<u>-0-</u>
National School Lunch (HHFKA)	PB Lunch	<u>709,360</u>	<u>202,374</u>	<u>202,374</u>	-0-	0.06	<u>-0-</u>
School Breakfast (Regular Rate)	Paid	13,350	3,809	22,876	-0-	0.29	-0-
	Reduced	3,640	954	9,059	-0-	1.41	-0-
	Free	14,366	3,925	49,565	-0-	1.71	-0-
Total		<u>31,356</u>	<u>8,688</u>	<u>81,500</u>			<u>-0-</u>
School Breakfast (Severe Rate)	Paid	22,520	6,407	6,407	-0-	0.29	-0-
	Reduced	12,703	3,512	3,512	-0-	1.74	-0-
	Free	68,911	19,274	19,274	-0-	2.04	-0-
Total		<u>104,134</u>	<u>29,193</u>	<u>29,193</u>			<u>-0-</u>
Total Net Overclaim							<u>\$ -0-</u>

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - STATE

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over)/ Under Claim</u>
National School Lunch (Regular Rate)	Paid	372,375	106,705	106,705	-0-	\$ 0.040	\$ -0-
	Reduced	78,055	22,386	22,386	-0-	0.055	-0-
	Free	258,930	73,283	73,283	-0-	0.055	-0-
Total		<u>709,360</u>	<u>202,374</u>	<u>202,374</u>			<u>-0-</u>
Total Net Overclaim							<u>\$ -0-</u>

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF NET CASH RESOURCES
FOOD SERVICE FUND
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(MEMORANDUM ONLY)

Current Assets: *	
Cash and Cash Equivalents	\$ 402,020
Intergovernmental Accounts Receivable	75,712
Inventories	26,464
	504,196
Current Liabilities: *	
Unearned Revenue	(2,908)
	(2,908)
Net Cash Resources	\$ 501,288 (A)
<u>Net Adjusted Total Operating Expense:</u>	
Total Operating Expenses	\$ 3,339,349
Less: Depreciation Expense	(85,617)
	3,253,732 (B)
Adjusted Total Operating Expenses	\$ 3,253,732 (B)
<u>Average Monthly Operating Expenses:</u>	
(B) / 10	\$ 325,373 (C)
<u>Three Times Monthly Average Operating Expenses:</u>	
3 x (C)	\$ 976,119 (D)
Net Cash Resources	\$ 501,288 (A)
Less: Three Times Monthly Average Operating Expenses	(976,119) (D)
Exceed / (Does not Exceed)	\$ (474,831) **

* Inventories and unearned revenue related to donated commodities are not included in net cash resources.

** Net cash resources does not exceed three times monthly average operating expenses.

TOWNSHIP OF UNION SCHOOL DISTRICT
 SCHEDULE OF AUDITED ENROLLMENT
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 14, 2016

	2017-2018 Application for State School Aid						Sample for Verification					
	Reported on		Reported on		Errors		Sample		Verified per		Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool 4 Years Old	167		167				167		167			
Full Day Kindergarten	423		423				423		423			
Grade One	461		461				461		461			
Grade Two	458		458				458		458			
Grade Three	474		474				474		474			
Grade Four	495		495				495		495			
Grade Five	461		461				461		461			
Grade Six	469		469				469		469			
Grade Seven	473		473				473		473			
Grade Eight	482		482				482		482			
Grade Nine	458		458				458		458			
Grade Ten	449	1	449	1			449	1	449	1		
Grade Eleven	474	17	474	17			474	17	474	17		
Grade Twelve	496	11	496	11			496	11	496	11		
Subtotal	6,240	29	6,240	29			6,240	29	6,240	29		
Special Education:												
Elementary	400		400				9		9			
Middle	223		223				9		9			
High	278	18	278	18			7		7			
Subtotal	901	18	901	18			25		25			
Totals	7,141	47	7,141	47			6,265	29	6,265	29		-0-
Percentage Error					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 14, 2016

	Private Schools for Disabled				Resident Low Income						
	Reported on ASSA as Private Schools	Reported on Workpapers as Private Schools	Sample for Verification	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 Kindergarten											
Grade One						120	120		1	1	
Grade Two						146	146		1	1	
Grade Three						150	149	-1	1	1	
Grade Four						159	157	-2	1	1	
Grade Five						168	168		1	1	
Grade Six						173	173		1	1	
Grade Seven						180	180		1	1	
Grade Eight						185	183	-2	1	1	
Grade Nine						196	196		1	1	
Grade Ten						183	183		1	1	
Grade Eleven						210	206	-4	1	1	
Grade Twelve						194.5	195		1	1	
Subtotal						182.5	183		1	1	
						2,247	2,238	-9	13	13	
Special Education:											
Elementary School	31	31	3	3		136	138	2	4	4	
Middle School	7	7				106	100	-6	4	4	
High School	27	27	2	2		159	159		4	4	
Subtotal	65	65	5	5		401	397	-4	12	12	
Totals	65	65	5	5	-0-	2,648	2,635	(13)	25	25	-0-
Percentage Error					0.00%			-0.49%			0.00%

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2016

	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	15	15		1	1	
Grade One	23	23		2	2	
Grade Two	16	16		1	1	
Grade Three	8	8		1	1	
Grade Four	9	9		1	1	
Grade Five	4	4				
Grade Six	3	3				
Grade Seven	1	1				
Grade Eight	2	2				
Grade Nine	8	8		1	1	
Grade Ten	5	5		1	1	
Grade Eleven	8	8		1	1	
Grade Twelve	8	8		1	1	
Subtotal	<u>110</u>	<u>110</u>		<u>10</u>	<u>10</u>	
Special Education:						
Elementary School	6	6		1	1	
Subtotal	<u>6</u>	<u>6</u>		<u>1</u>	<u>1</u>	
Totals	<u><u>116</u></u>	<u><u>116</u></u>	<u><u>-0-</u></u>	<u><u>11</u></u>	<u><u>11</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 14, 2016

	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	28	28		2	2	
Grade One	22	22		2	2	
Grade Two	19	19		2	2	
Grade Three	11	11		1	1	
Grade Four	4	4				
Grade Five	3	3				
Grade Six	4	4				
Grade Seven	4	4				
Grade Eight	3	3				
Grade Nine	8	8		1	1	
Grade Ten	5	5				
Grade Eleven	5	5		1	1	
Subtotal	116	116		9	9	
Special Education:						
Elementary School	10	10		1	1	
Subtotal	10	10		1	1	
Totals	126	126	-0-	10	10	-0-
Percentage Error			0.00%			0.00%

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2016

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	1,037	1,037		40	40	
Regular - Special Education	73.5	73.5		25	25	
Transported - Non Public	301	301		18	18	
AIL - Non Public	305	305		10	10	
Special Needs - Public	210	210		8	8	
Special Needs - Private	49	49		5	5	
Totals	<u>1,976</u>	<u>1,976</u>	<u>-0-</u>	<u>106</u>	<u>106</u>	<u>-0-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	4.7	4.7
Average Mileage - Regular Excluding Grade PK Students	4.7	4.7
Average Mileage - Special Education with Special Needs	4.5	4.5

TOWNSHIP OF UNION SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2017

Regular District

Section 1

2% Calculation of Excess Surplus

2016-2017 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ 139,763,575 (B)	
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$ 1,880,500 (B1a)	
Transfer from Capital Reserve to Capital Projects Fund	<u> </u> (B1b)	
Decreased by:		
On-Behalf TPAF Pension and Social Security	\$ 14,671,967 (B2a)	
Assets Acquired Under Capital Leases	<u> 735,144 (B2b)</u>	
Adjusted 2016-2017 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u> \$ 126,236,964 (B3)</u>	
2% of Adjusted 2016-2017 General Fund Expenditures [(B5) times .02]	\$ 2,524,739 (B4)	
Enter Greater of (B4) or \$250,000	<u> \$ 2,524,739 (B5)</u>	
Increased by: Allowable Adjustment	<u> \$ 916,908 (K)</u>	
Maximum Unassigned Fund Balance [(B5)+(K)]		<u> \$ 3,441,647 (M)</u>

Section 2

Total General Fund - Fund Balances @ 6/30/17 (Per CAFR Budgetary Comparison Schedule/Statement)	\$ 21,154,407 (C)	
Decreased by:		
Year-end Encumbrances	\$ 641,808 (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	<u> \$ -0- (C2)</u>	
Legally Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	<u> \$ 6,138,641 (C3)</u>	
Other Restricted Fund Balances	<u> \$ 9,024,044 (C4)</u>	
Assigned - Designated for Subsequent Year's Expenditures	<u> \$ 452,621 (C5)</u>	
Additional Assigned Fund Balance - Designated for Subsequent Year's Expenditures - July 1, 2017 - August 31, 2017	<u> \$ -0- (C6)</u>	
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		<u> \$ 4,897,293 (U)</u>

TOWNSHIP OF UNION SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

Section 3

Restricted Fund Balance-Excess Surplus [(U)-(M)] IF NEGATIVE, ENTER -0- \$ 1,455,646 (E)

Recapitulation of Excess Surplus as of June 30, 2017

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures \$ 6,138,641 (C3)

Restricted Excess Surplus [(E)] \$ 1,455,646 (E)

Total [(C3)+(E)] \$ 7,594,287 (D)

Detail of Allowable Adjustments

Impact Aid \$ -0- (H)

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

Extraordinary Aid \$ 824,402 (J1)

Additional Nonpublic School Transportation Aid \$ 92,506 (J2)

Total Adjustments (H)+(I)+(J1)+(J2)+(J3) \$ 916,908 (K)

Detail of Other Restricted Fund Balances

Statutory Restrictions:

Approved Unspent Separate Proposal \$ -0-

Sale/Lease-back Reserve \$ -0-

Capital Reserve \$ 7,574,044

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 \$ 9,024,044 (C-4)

TOWNSHIP OF UNION SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2017

It is recommended that:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

That receipts be deposited in a timely manner to ensure deposit within forty-eight hours of receipt.

All purchase orders are prepared/approved prior to the purchase of goods or services to ensure the availability of funds.

3. School Purchasing Program

None

4. School Food Service

None

5. Student Body Activities

The Board review and update its policies and procedures as needed, and review those policies and procedures with personnel. Additionally, receipts need to be accurately recorded and deposits need to be made within 48 hours of receipt. Lastly, funds need to be kept in a locked and secure location to help to avoid the possibility of theft.

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 surety bond coverage and N.C.L.B. grant reimbursement requests have been resolved in the current year.