

**NEW PROVIDENCE SCHOOL DISTRICT**

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

**JUNE 30, 2019**

**NEW PROVIDENCE SCHOOL DISTRICT**

**AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

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## REPORT OF INDEPENDENT AUDITORS

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

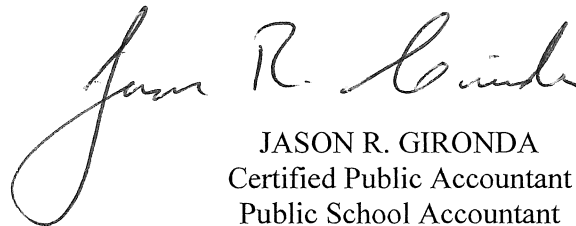
We have audited, in accordance with generally accepted audit standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the New Providence School District in the County of Union for the year ended June 30, 2019, and have issued our report thereon dated December 5, 2019.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

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



DONOHUE, GIRONDA, DORIA & TOMKINS, LLC  
*Certified Public Accountants*



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License No. 20CS00264800

Bayonne, New Jersey  
December 5, 2019

## **Administrative Findings - Financial, Compliance and Performance**

### **Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator, including those duties of the Treasurer of School Moneys, whose position was abolished and assumed by the Board Secretary/School Business Administrator, 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**

| <u>Name</u> | <u>Position</u>                               | <u>Amount</u> |
|-------------|---|---------------|
| James Testa | Board Secretary/School Business Administrator | \$275,000     |

There is a Public Employees' Faithful Performance Blanket Position Bond with the Selective Insurance Company covering all other employees.

#### **Tuition Charges**

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The Board made a proper adjustment to the billings to sending districts for the decrease in per pupil costs in accordance with N.J.A.C. 6A:23A-17.1 (f) 3.

### **Financial Planning, Accounting and Reporting**

#### **Examination of Claims**

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

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

### 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 Board Secretary/Business Administrator.

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

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

### Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable. No discrepancies were noted.

### Travel

The District did have an approved Board travel policy as required by *N.J.A.C. 6A:23A-6.13* and *N.J.S.A. 18A:11-12*. Our review of the travel records disclosed no discrepancies.

### Classification of Expenditures

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

### Board Secretary's Records

Our review of the financial and accounting records maintained by the Board Secretary disclosed no discrepancies.

### Treasurer's Records

Our review of the records of the Treasurer, performed by the Board Secretary, disclosed no discrepancies.

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

### **Elementary and Secondary Education Act (E.S.E.A.) as Amended by the Every Student Succeeds Act (E.S.S.A.)**

The E.S.E.A. 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 re-authorized.

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

### **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 indicated no areas of noncompliance.

### **T.P.A.F. Reimbursement**

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for District employees who are members of the Teachers' Pension and Annuity Fund. No exceptions were noted.

### **T.P.A.F. Reimbursement to the State for Federal Salary Expenditures**

The amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the District to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the District for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

## **School Purchasing Programs**

### **Contracts and Agreements Requiring Advertisement for Bids**

The bid thresholds in accordance with *N.J.S.A. 18A:18A-2* and *18A:18A-3(a)* are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively (the School Business Administrator for the School District is a Qualified Purchasing Agent, which allows the bid threshold to be \$40,000). The law regulating bidding for public school student transportation contracts under *N.J.S.A. 18A:39-3* is \$19,000 for 2018-2019.

The District 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 Solicitor's opinion should be sought before a commitment is made.

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

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

### **School Food Service**

The financial transactions and statistical records of the school food services 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 (FSMC) 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 FSMC contract/addendum were reviewed and audited. No exceptions noted. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of \$35,000. The operating results provision has been met.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursements records reflected expenditures for program related goods and services (no exceptions were noted). 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.

### **School Food Service (Continued)**

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

Applications for free and reduced price meals were reviewed for completeness and accuracy (no exceptions were noted). The number of free and reduced price meals claimed as served was compared to the number of valid applications and/or to the list of directly certified students on file, times the number of operating days, on a school by school basis. The free and reduced price meal and free milk policy is uniformly administered throughout the School System. Sites approved to participate in Provisions I and II complied with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions noted.

### **Student Body Activities**

Our review of the student activity funds, found them to be in proper form and order.

### **Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2018, Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers and no exceptions were noted. The information that was included on the workpapers was verified and no exceptions were noted. 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 written procedures appear to be adequate for the recording of student enrollment data.

### **Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2018-2019 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with the following exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

*Finding 2019-001:* The number of students reported on the DRTRS does agree to the school registers, however, one student was incorrectly placed on the wrong line of the DRTRS report.

*Recommendation:* Each student should be placed on the correct line of the DRTRS report.



**Pupil Transportation (Continued)**

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.

**Testing for Lead of all Drinking Water in Educational Facilities**

The District adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities. The District did submit the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

**Follow-up on Prior Year Findings**

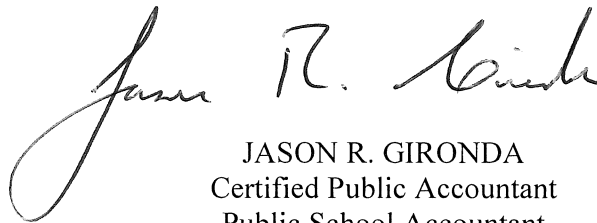
In accordance with government auditing standards, our procedures included a review of all prior year recommendations including findings. Corrective action has been taken on all prior year findings.

**Acknowledgment**

We received the complete cooperation of all the officials of the School District and I greatly appreciate the courtesies extended to the members of the audit team.



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Bayonne, New Jersey  
December 5, 2019

**New Providence School District  
Application for State School Aid Summary  
Enrollment as of October 15, 2018**

**Schedule of Audited Enrollments**

|                            | 2019-2020 Application for State School Aid |        |         |                        |        |         | Sample for Verification |        |        |                   |        |      | Private Schools for Disabled |      |        |    |   |                         |                 |               |
|----------------------------|--|--------|---------|------------------------|--------|---------|-------------------------|--------|--------|-------------------|--------|------|------------------------------|------|--------|----|---|-------------------------|-----------------|---------------|
|                            | Reported on A.S.S.A.                       |        |         | Reported on District's |        |         | Workpapers              |        |        | Registers On Roll |        |      | Errors per Registers         |      |        | On |   |                         |                 |               |
|                            | Full                                       | Shared | On Roll | Full                   | Shared | On Roll | Full                    | Shared | Errors | Full              | Shared | Full | Shared                       | Full | Shared | On | Reported on A.S.S.A. as Private Schools | Sample for Verification | Sample Verified | Sample Errors |
| Half Day Preschool         | 16.0                                       | -      | 16.0    | -                      | -      | -       | -                       | -      | -      | -                 | -      | -    | -                            | -    | -      | -  | -                                       | -                       | -               | -             |
| Full Day Preschool         | -  | -      | -       | -                      | -      | -       | -                       | -      | -      | -                 | -      | -    | -                            | -    | -      | -  | -                                       | -                       | -               | -             |
| Half, Day Kindergarten     | 150.0                                      | -      | 150.0   | -                      | -      | -       | -                       | -      | -      | -                 | -      | -    | -                            | -    | -      | -  | -                                       | -                       | -               | -             |
| Full Day Kindergarten      | -  | -      | -       | -                      | -      | -       | -                       | -      | -      | -                 | -      | -    | -                            | -    | -      | -  | -                                       | -                       | -               | -             |
| First                      | 173.0                                      | -      | 173.0   | -                      | -      | -       | -                       | -      | -      | -                 | -      | -    | -                            | -    | -      | -  | -                                       | -                       | -               | -             |
| Second                     | 168.0                                      | -      | 168.0   | -                      | -      | -       | -                       | -      | -      | -                 | -      | -    | -                            | -    | -      | -  | -                                       | -                       | -               | -             |
| Third                      | 192.0                                      | -      | 192.0   | -                      | -      | -       | -                       | -      | -      | -                 | -      | -    | -                            | -    | -      | -  | -                                       | -                       | -               | -             |
| Fourth                     | 164.0                                      | -      | 164.0   | -                      | -      | -       | -                       | -      | -      | -                 | -      | -    | -                            | -    | -      | -  | -                                       | -                       | -               | -             |
| Fifth                      | 181.0                                      | -      | 181.0   | -                      | -      | -       | -                       | -      | -      | -                 | -      | -    | -                            | -    | -      | -  | -                                       | -                       | -               | -             |
| Sixth                      | 184.0                                      | -      | 184.0   | -                      | -      | -       | -                       | -      | -      | -                 | -      | -    | -                            | -    | -      | -  | -                                       | -                       | -               | -             |
| Seventh                    | 182.0                                      | -      | 182.0   | -                      | -      | -       | -                       | -      | -      | -                 | -      | -    | -                            | -    | -      | -  | -                                       | -                       | -               | -             |
| Eighth                     | 172.0                                      | -      | 172.0   | -                      | -      | -       | -                       | -      | -      | -                 | -      | -    | -                            | -    | -      | -  | -                                       | -                       | -               | -             |
| Ninth                      | 135.0                                      | -      | 135.0   | -                      | -      | -       | -                       | -      | -      | -                 | -      | -    | -                            | -    | -      | -  | -                                       | -                       | -               | -             |
| Tenth                      | 113.0                                      | 1.0    | 113.0   | 1.0                    | -      | 1.0     | 1.0                     | -      | 1.0    | 1.0               | 1.0    | 1.0  | 1.0                          | 1.0  | -      | -  | -                                       | -                       | -               | -             |
| Eleventh                   | 132.0                                      | 3.0    | 132.0   | 3.0                    | -      | 3.0     | 3.0                     | -      | 3.0    | 3.0               | 3.0    | 3.0  | 3.0                          | 3.0  | -      | -  | -                                       | -                       | -               | -             |
| Twelfth                    | 153.0                                      | 1.0    | 153.0   | 1.0                    | -      | 1.0     | 1.0                     | -      | 1.0    | 1.0               | 1.0    | 1.0  | 1.0                          | 1.0  | -      | -  | -                                       | -                       | -               | -             |
| Post-Graduate              | -  | -      | -       | -                      | -      | -       | -                       | -      | -      | -                 | -      | -    | -                            | -    | -      | -  | -                                       | -                       | -               | -             |
| Adult H.S. (15+CR.)        | -  | -      | -       | -                      | -      | -       | -                       | -      | -      | -                 | -      | -    | -                            | -    | -      | -  | -                                       | -                       | -               | -             |
| Adult H.S. (1-14CR.)       | -  | -      | -       | -                      | -      | -       | -                       | -      | -      | -                 | -      | -    | -                            | -    | -      | -  | -                                       | -                       | -               | -             |
| Subtotal                   | 2,115.0                                    | 5.0    | 2,115.0 | 5.0                    | -      | 5.0     | 5.0                     | -      | 5.0    | 5.0               | 5.0    | 5.0  | 5.0                          | 5.0  | -      | -  | -                                       | -                       | -               | -             |
| Special Ed - Elementary    | 109.0                                      | -      | 109.0   | -                      | -      | -       | -                       | -      | -      | -                 | -      | -    | -                            | -    | -      | -  | 7.0                                     | 5.0                     | 5.0             | -             |
| Special Ed - Middle School | 72.0                                       | -      | 72.0    | -                      | -      | -       | -                       | -      | -      | -                 | -      | -    | -                            | -    | -      | -  | 5.0                                     | 4.0                     | 4.0             | -             |
| Special Ed - High School   | 80.0                                       | 6.0    | 80.0    | 6.0                    | -      | 6.0     | 6.0                     | -      | 6.0    | 6.0               | 6.0    | 6.0  | 6.0                          | 6.0  | -      | -  | 11.0                                    | 11.0                    | 11.0            | -             |
| Subtotal                   | 261.0                                      | 6.0    | 261.0   | 6.0                    | -      | 6.0     | 6.0                     | -      | 6.0    | 6.0               | 6.0    | 6.0  | 6.0                          | 6.0  | -      | -  | 23.0                                    | 20.0                    | 20.0            | -             |
| Co. Voc. - Regular         | -  | -      | -       | -                      | -      | -       | -                       | -      | -      | -                 | -      | -    | -                            | -    | -      | -  | -                                       | -                       | -               | -             |
| Co. Voc. Ft. post Sec.     | -  | -      | -       | -                      | -      | -       | -                       | -      | -      | -                 | -      | -    | -                            | -    | -      | -  | -                                       | -                       | -               | -             |
| Totals                     | 2,376.0                                    | 11.0   | 2,376.0 | 11.0                   | -      | 11.0    | 11.0                    | -      | 11.0   | 11.0              | 11.0   | 11.0 | 11.0                         | 11.0 | -      | -  | 23.0                                    | 20.0                    | 20.0            | -             |
| Percentage Error           | (a)  |        |         |                        |        |         |                         |        |        |                   | (b)    |      |                              |      |        |    |   |                         |                 |               |
|                            | 0.00%                                      |        |         |                        |        |         |                         |        |        |                   | 0.00%  |      |                              |      |        |    |   |                         |                 |               |
|                            | 0.00%                                      |        |         |                        |        |         |                         |        |        |                   | 0.00%  |      |                              |      |        |    |   |                         |                 |               |

**New Providence School District  
Application for State School Aid Summary  
Enrollment as of October 15, 2018**

**Schedule of Audited Enrollments**

|                            | Resident Low Income |                       |        | Sample for Verification |                             |               | Resident L.E.P. - Low Income |                           |        | Sample for Verification |                             |               |
|----------------------------|---------------------|-----------------------|--------|-------------------------|-----------------------------|---------------|------------------------------|---------------------------|--------|-------------------------|-----------------------------|---------------|
|                            | A.S.S.A. Low Income | Workpapers Low Income | Errors | Workpapers Sample       | Verified to App. & Register | Sample Errors | A.S.S.A. LEP Low Income      | Workpapers LEP Low Income | Errors | Workpapers Sample       | Verified to App. & Register | Sample Errors |
| Half Day Preschool         | -                   | -                     | -      | -                       | -                           | -             | -                            | -                         | -      | -                       | -                           | -             |
| Full Day Preschool         | -                   | -                     | -      | -                       | -                           | -             | -                            | -                         | -      | -                       | -                           | -             |
| Half, Day Kindergarten     | 1.00                | 1.00                  | -      | -                       | -                           | -             | 1.00                         | 1.00                      | -      | 1.00                    | 1.00                        | -             |
| Full Day Kindergarten      | -                   | -                     | -      | -                       | -                           | -             | -                            | -                         | -      | -                       | -                           | -             |
| First                      | 5.00                | 5.00                  | -      | 2.00                    | 2.00                        | -             | 3.00                         | 3.00                      | -      | 3.00                    | 3.00                        | -             |
| Second                     | 2.00                | 2.00                  | -      | 1.00                    | 1.00                        | -             | 1.00                         | 1.00                      | -      | 1.00                    | 1.00                        | -             |
| Third                      | 1.00                | 1.00                  | -      | 1.00                    | 1.00                        | -             | -                            | -                         | -      | -                       | -                           | -             |
| Fourth                     | 2.00                | 2.00                  | -      | 2.00                    | 2.00                        | -             | -                            | -                         | -      | -                       | -                           | -             |
| Fifth                      | 5.00                | 5.00                  | -      | 3.00                    | 3.00                        | -             | -                            | -                         | -      | -                       | -                           | -             |
| Sixth                      | 9.00                | 9.00                  | -      | 6.00                    | 6.00                        | -             | 1.00                         | 1.00                      | -      | 1.00                    | 1.00                        | -             |
| Seventh                    | 2.00                | 2.00                  | -      | 2.00                    | 2.00                        | -             | -                            | -                         | -      | -                       | -                           | -             |
| Eighth                     | 8.00                | 8.00                  | -      | 4.00                    | 4.00                        | -             | -                            | -                         | -      | -                       | -                           | -             |
| Ninth                      | 4.00                | 4.00                  | -      | 2.00                    | 2.00                        | -             | -                            | -                         | -      | -                       | -                           | -             |
| Tenth                      | 2.50                | 2.50                  | -      | 2.50                    | 2.50                        | -             | -                            | -                         | -      | -                       | -                           | -             |
| Eleventh                   | 5.00                | 5.00                  | -      | 4.00                    | 4.00                        | -             | -                            | -                         | -      | -                       | -                           | -             |
| Twelfth                    | 3.00                | 3.00                  | -      | 3.00                    | 3.00                        | -             | -                            | -                         | -      | -                       | -                           | -             |
| Post-Graduate              | -                   | -                     | -      | -                       | -                           | -             | -                            | -                         | -      | -                       | -                           | -             |
| Adult H.S. (15+CR)         | -                   | -                     | -      | -                       | -                           | -             | -                            | -                         | -      | -                       | -                           | -             |
| Adult H.S. (1-14CR)        | -                   | -                     | -      | -                       | -                           | -             | -                            | -                         | -      | -                       | -                           | -             |
| Subtotal                   | 49.50               | 49.50                 | -      | 32.50                   | 32.50                       | -             | 6.00                         | 6.00                      | -      | 6.00                    | 6.00                        | -             |
| Special Ed - Elementary    | 1.00                | 1.00                  | -      | 1.00                    | 1.00                        | -             | -                            | -                         | -      | -                       | -                           | -             |
| Special Ed - Middle School | 9.00                | 9.00                  | -      | 6.00                    | 6.00                        | -             | -                            | -                         | -      | -                       | -                           | -             |
| Special Ed - High School   | 3.00                | 3.00                  | -      | 3.00                    | 3.00                        | -             | -                            | -                         | -      | -                       | -                           | -             |
| Subtotal                   | 13.00               | 13.00                 | -      | 10.00                   | 10.00                       | -             | -                            | -                         | -      | -                       | -                           | -             |
| Co. Voc. - Regular         | -                   | -                     | -      | -                       | -                           | -             | -                            | -                         | -      | -                       | -                           | -             |
| Co. Voc. Ft. post Sec.     | -                   | -                     | -      | -                       | -                           | -             | -                            | -                         | -      | -                       | -                           | -             |
| Totals                     | 62.50               | 62.50                 | -      | 42.50                   | 42.50                       | -             | 6.00                         | 6.00                      | -      | 6.00                    | 6.00                        | -             |

Percentage Error

|                  | (c) | (d) | Reported | Recalculated |
|------------------|-----|-----|----------|--------------|
| Percentage Error | -   | -   | -        | -            |

Transportation

| DOE/County DRTRS | District DRTRS | Errors | Tested | Verified | Errors |
|------------------|----------------|--------|--------|----------|--------|
| 82.00            | 82.00          | -      | 63.00  | 63.00    | -      |
| 13.00            | 13.00          | -      | 12.00  | 12.00    | -      |
| -                | -              | -      | -      | -        | -      |
| 59.00            | 59.00          | -      | 45.00  | 45.00    | -      |
| Totals           | 154.00         | -      | 120.00 | 120.00   | -      |
| Percentage Error |                |        | (f)    |          |        |
|                  |                |        |        |          | 0.00%  |

Reg Avg. (Mileage) = Regular Including Grade PK  
 Reg Avg. (Mileage) = Regular Excluding Grade PK  
 Spec Avg. = Special Ed with Special Needs

| Reported | Recalculated |
|----------|--------------|
| 8.7      | 8.7          |
| 8.7      | 8.7          |
| 6.1      | 6.1          |

**New Providence School District**  
**Application for State School Aid Summary**  
**Enrollment as of October 15, 2018**

**Schedule of Audited Enrollments**

|                            | <b><u>Resident LEP NOT Low Income</u></b> |                                 |               | <b><u>Sample for Verification</u></b> |                                 |                  |
|----------------------------|---|---------------------------------|---------------|---------------------------------------|---------------------------------|------------------|
|                            | A.S.A. LEP<br>Low Income                  | Not<br>Workpapers<br>Low Income | Not<br>Errors | Workpapers<br>Sample                  | Verified to<br>Score & Register | Sample<br>Errors |
| Half Day Preschool         | -   | -                               | -             | -                                     | -                               | -                |
| Full Day Preschool         | -   | -                               | -             | -                                     | -                               | -                |
| Half, Day Kindergarten     | 3.00                                      | 3.00                            | -             | 3.00                                  | 3.00                            | -                |
| Full Day Kindergarten      | -   | -                               | -             | -                                     | -                               | -                |
| First                      | 3.00                                      | 3.00                            | -             | 2.00                                  | 2.00                            | -                |
| Second                     | 1.00                                      | 1.00                            | -             | 1.00                                  | 1.00                            | -                |
| Third                      | 3.00                                      | 3.00                            | -             | 2.00                                  | 2.00                            | -                |
| Fourth                     | 1.00                                      | 1.00                            | -             | 1.00                                  | 1.00                            | -                |
| Fifth                      | 2.00                                      | 2.00                            | -             | 2.00                                  | 2.00                            | -                |
| Sixth                      | 1.00                                      | 1.00                            | -             | 1.00                                  | 1.00                            | -                |
| Seventh                    | -   | -                               | -             | -                                     | -                               | -                |
| Eighth                     | 2.00                                      | 2.00                            | -             | 2.00                                  | 2.00                            | -                |
| Ninth                      | 1.00                                      | 1.00                            | -             | -                                     | -                               | -                |
| Tenth                      | 1.00                                      | 1.00                            | -             | 1.00                                  | 1.00                            | -                |
| Eleventh                   | 2.00                                      | 2.00                            | -             | 2.00                                  | 2.00                            | -                |
| Twelfth                    | -   | -                               | -             | -                                     | -                               | -                |
| Post-Graduate              | -   | -                               | -             | -                                     | -                               | -                |
| Adult H.S. (15+CR.)        | -   | -                               | -             | -                                     | -                               | -                |
| Adult H.S. (1-14CR.)       | -   | -                               | -             | -                                     | -                               | -                |
| Subtotal                   | 20.00                                     | 20.00                           | -             | 17.00                                 | 17.00                           | -                |
| Special Ed - Elementary    | 3.00                                      | 3.00                            | -             | 3.00                                  | 3.00                            | -                |
| Special Ed - Middle School | -   | -                               | -             | -                                     | -                               | -                |
| Special Ed - High School   | -   | -                               | -             | -                                     | -                               | -                |
| Subtotal                   | 3.00                                      | 3.00                            | -             | 3.00                                  | 3.00                            | -                |
| Co. Voc. - Regular         | -   | -                               | -             | -                                     | -                               | -                |
| Co. Voc. Ft. post Sec.     | -   | -                               | -             | -                                     | -                               | -                |
| Totals                     | 23.00                                     | 23.00                           | -             | 20.00                                 | 20.00                           | -                |

(e)

Percentage Error

0.00%

0.00%

## EXCESS SURPLUS CALCULATION

### REGULAR DISTRICT

#### SECTION 1

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

|  |                      |       |
|--|----------------------|-------|
| 2018 - 2019 Total General Fund Expenditures per the CAFR, Ex. C-1  | \$ 44,822,547        | (B)   |
| Increased by:  |                      |       |
| Transfer from Capital Outlay to Capital Projects Fund              |                      | (B1a) |
| Transfer from Capital Reserve to Capital Projects Fund             | 500,000              | (B1b) |
| Transfer from General Fund to SRF for PreK-Regular                 |                      | (B1c) |
| Transfer from General Fund to SRF for PreK-Inclusion               |                      | (B1d) |
| Decreased by:  |                      |       |
| On-Behalf TPAF Pension & Social Security                           | 5,890,569            | (B2a) |
| Assets Acquired Under Capital Leases                               | <u>179,136</u>       | (B2b) |
| Adjusted 2018-19 General Fund Expenditures [(B)+(B1s)-(B2s)]       | \$ <u>39,252,842</u> | (B3)  |
| 2% of Adjusted 2018-19 General Fund Expenditures [(B3) times .02]  | \$ 785,057           | (B4)  |
| Enter Greater of (B4) or \$250,000                                 | 785,057              | (B5)  |
| Increased by: Allowable Adjustment (Increase in Extraordinary Aid) | <u>0</u>             | (K)   |
| Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]            | \$ <u>785,057</u>    | (M)   |

#### SECTION 2

|   |                     |      |
|---|---------------------|------|
| Total General Fund - Fund Balances at June 30, 2019<br>(Per CAFR Budgetary Comparison Schedule C-1) | \$ 4,540,314        | (C)  |
| Decreased by:   |                     |      |
| Year-end Encumbrances   | 765,102             | (C1) |
| Legally Restricted - Designated for Subsequent Year's Expenditures                                  |                     | (C2) |
| Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures                 | 957,923             | (C3) |
| Other Reserved Fund Balances - Capital Reserve  | 60,093              | (C4) |
| Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures                  | <u>442,077</u>      | (C5) |
| Total Unreserved/Undesignated Fund Balance<br>[(C)-(C1)-(C2)-(C3)-(C4)-(C5)]                        | \$ <u>2,315,119</u> | (U1) |

#### SECTION 3

|   |                     |     |
|---|---------------------|-----|
| Restricted Fund Balance - Excess Surplus [(U1)-(M)] IF NEGATIVE ENTER -0- | \$ <u>1,530,062</u> | (E) |
|---|---------------------|-----|

##### Recapitulation of Excess Surplus as of June 30, 2019

|   |                     |      |
|---|---------------------|------|
| Reserved Excess Surplus - Designated for Subsequent Year's Expenditures | \$ 957,923          | (C3) |
| Reserved Excess Surplus [(E)]   | <u>1,530,062</u>    | (E)  |
| Total Excess Surplus [(C3)+(E)]   | \$ <u>2,487,985</u> | (D)  |

**New Providence School District  
Audit Recommendations Summary  
For the Fiscal Year Ended June 30, 2019**

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Programs

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

None

7. Charter School Enrollment System(CHE)

None

8. Pupil Transportation

Each student should be reported on the correct DRTRS line.

9. Facilities and Capital Assets

None

10. Miscellaneous

None

11. Status of Prior Year Audit Findings/Recommendations

A review was performed on the prior year recommendations and corrective action was taken on all prior year findings.