

TOWNSHIP OF UNION SCHOOL DISTRICT
COUNTY OF UNION
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2019

TOWNSHIP OF UNION SCHOOL DISTRICT
COUNTY OF UNION
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2019
TABLE OF CONTENTS

	<u>Page</u>
Cover Letter	1
General Comments:	2
Scope of Audit	2
Administrative Practices and Procedures:	2
Insurance	2
Officials in Office and Surety Bonds	2
Tuition Charges	2
Financial Planning, Accounting and Reporting:	2
Examination of Claims	2
Payroll Account and Position Control Roster	2
Reserve for Encumbrances and Accounts Payable	3
Classification of Expenditures - General and Administrative	3
Board Secretary's Records	3
Treasurer's Records	3
Elementary and Secondary Education Act as amended by the Every Student Succeeds Act	3
Other Special Federal and/or State Projects	3
T.P.A.F. Reimbursement	4
School Purchasing Programs:	4-5
Contracts and Agreements Requiring Advertisement for Bids	4-5
School Food Service Fund	5
Student Body Activities	6
Application for State School Aid	6
Pupil Transportation	6
Facilities and Capital Assets	7
Travel Expense and Reimbursement Policy	7
Testing for Lead of All Drinking Water in Educational Facilities	7
Management Suggestions	7
Status of Prior Year Audit Findings/Recommendations	7
Schedule of Meal/Milk Count Activity	8
Schedule of Net Cash Resources	9
Schedule of Audited Enrollments	10-14
Excess Surplus Calculation	15-16
Summary of Recommendations	17



Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mt. Arlington, NJ 07856
973-298-8500 | 973-298-8501 Fax
Lawrence Business Center
11 Lawrence Road
Newton, NJ 07860
973-383-6699 | 973-383-6555 Fax

November 26, 2019

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, 2019, and have issued our report thereon dated November 26, 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 letter does not affect our report dated November 26, 2019, 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.

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, 2019

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. Vieira	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, 2019
(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 herein.

Treasurer's Records

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

Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA)

The E.S.E.A. 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 Title III and Title IV of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for the E.S.E.A. did not indicate any area of noncompliance.

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.

TOWNSHIP OF UNION SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

T.P.A.F. Reimbursement

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

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

The T.P.A.F. Reimbursement to the State for Federal Salary Expenditures was remitted to the State of New Jersey prior to the required deadline of October 1, 2019. 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 \$19,000.

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, 2019
(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 school food service program was not selected as a major federal and/or state program. However, the program expenditures exceeded \$100,000 in federal and/or state support. Accordingly, we inquired of school management, or the appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted except as listed below.

Finding:

During our review of the food service fund it was noted that the District's records did not include a receivable for students who were retroactively billed for lunches received.

Recommendation:

It is recommended that the District record the outstanding receivable and work with the Food Service Management company to pursue collection of the outstanding receivable.

Management Response:

Administration will record the outstanding receivable and will work with the Food Service Management company to pursue collection of the receivable.

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

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.

TOWNSHIP OF UNION SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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:

Our audit included a review of the records maintained for the student activity funds at the various schools. This review revealed instances where District-wide standard policies and procedures were not followed with regard to collections and disbursements, including a large number of reimbursements.

Recommendation:

It is recommended that the District continue to communicate District-wide standard policies and procedures for all student activity funds to ensure that they are adhered to.

Management Response:

The Board will review the District-wide standard policies and procedures for student activity funds, and management will continue to communicate those policies and procedures and ensure they are adhered to.

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 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 without exception. The information that was included on the workpapers was verified on a test basis with exceptions as noted below. 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 2018-19 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with a few 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.

TOWNSHIP OF UNION SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

Facilities and Capital Assets

There were no SDA Grant funds received or expended in the current year.

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.

Testing for Lead of All Drinking Water in Educational Facilities

The District did submit the annual Statement of Assurance to the NJ Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

Management Suggestions

New Jersey Earned Sick Leave Law

The New Jersey Earned Sick Leave Law was effective October 29, 2018. This law allows employees to accrue 1 hour of earned sick leave for every 30 hours worked, up to 40 hours each calendar year. We suggest that Districts perform a review each year to determine if there are any employees not previously eligible to receive earned sick leave who are now entitled to under this law and that adequate records are maintained for the accrual of the earned sick leave.

Governmental Accounting Standards Board (GASB) Statements

The next GASB Statement which will have an impact on the District's financial statements is GASB Statement No. 84, *Fiduciary Activities*, which is effective for the fiscal year ended June 30, 2020. This Statement establishes criteria for identifying fiduciary activities. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The Statement will likely have an impact on the financial statement presentation of the Payroll Agency Fund and may have an impact on the presentation of the Student Activities Agency Fund and Trust Funds such as the Private Purpose Scholarship Trust and Unemployment Trust Fund.

Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding purchase orders, grant fund draw downs, professional service contracts and bids have all been resolved in the current year. The prior year recommendations regarding the Food Service Fund receivable and Student Activities have not been resolved and are included in this audit.

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, 2019
(MEMORANDUM ONLY)

Not Applicable

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF NET CASH RESOURCES
FOOD SERVICE FUND
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(MEMORANDUM ONLY)

Not Applicable

TOWNSHIP OF UNION SCHOOL DISTRICT
 SCHEDULE OF AUDITED ENROLLMENT
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2018

	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	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten						135	135	3	3	
Grade One						170	170	3	3	
Grade Two						165	165	3	2	-1
Grade Three						158	158	3	2	-1
Grade Four						175	175	3	3	
Grade Five						149	149	3	3	
Grade Six						178	178	3	3	
Grade Seven						181	181	3	2	-1
Grade Eight						161	161	3	3	
Grade Nine						181	181	3	3	
Grade Ten						179	179	3	3	
Grade Eleven						175	175	3	3	
Grade Twelve						204	204	3	2	-1
Subtotal						2,211	2,211	39	35	-4
Special Education:										
Elementary School	39	39	2	2		155	155	3	3	
Middle School	18	18	1	1		121	121	3	3	
High School	25	25	2	2		184	184	3	1	-2
Subtotal	82	82	5	5		460	460	9	7	-2
Totals	82	82	5	5	-0-	2,671	2,671	48	42	(6)
Percentage Error			0.00%		0.00%			0.00%		-12.50%

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018

	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	23	23		2	2	
Grade One	21	21		2	2	
Grade Two	15	15		1	1	
Grade Three	21	21		2	1	1
Grade Four	5	5		1	1	
Grade Five	6	6		1	1	
Grade Six	6	6		1	1	
Grade Seven	10	10		1		1
Grade Eight	1	1				
Grade Nine	8	8		1	1	
Grade Ten	5	5		1	1	
Grade Eleven	11	11		1	1	
Grade Twelve	8	8		1	1	
Subtotal	140	140		15	13	2
Special Education:						
Elementary School	11	11		1	1	
Middle School	1	1				
High School	3	3		1		1
Subtotal	15	15		2	1	1
Totals	155	155	-0-	17	14	3
Percentage Error			0.00%			17.65%

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2018

	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	22	22		2	2	
Grade One	22	22		2	2	
Grade Two	17	17		2	2	
Grade Three	15	15		1	1	
Grade Four	10	10		1		(1)
Grade Five	2	2		1	1	
Grade Six	6	6		1	1	
Grade Seven	3	3		1	1	
Grade Eight	5	5		1		(1)
Grade Nine	5	5		1	1	
Grade Ten	10	10		1	1	
Grade Eleven	11	11		1	1	
Grade Twelve	6	6		1	1	
Subtotal	<u>134</u>	<u>134</u>		<u>16</u>	<u>14</u>	<u>(2)</u>
Special Education:						
Elementary School	11	11		1	1	
Middle School	2	2		1	1	
Subtotal	<u>13</u>	<u>13</u>		<u>2</u>	<u>2</u>	
Totals	<u><u>147</u></u>	<u><u>147</u></u>	<u><u>-0-</u></u>	<u><u>18</u></u>	<u><u>16</u></u>	<u><u>(2)</u></u>
Percentage Error			<u><u>0.00%</u></u>			<u><u>-11.11%</u></u>

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	1,124	1,124		25	25	
Regular - Special Education	41.0	41.0		5	3	2
Transported - Non Public	220	220		10	9	1
AIL - Non Public	252	252		10	10	
Special Needs - Public	267	267		10	10	
Special Needs - Private	74	74		5	5	
Totals	<u>1,978</u>	<u>1,978</u>	<u>-0-</u>	<u>65</u>	<u>62</u>	<u>3</u>
Percentage Error			<u>0.00%</u>			<u>4.62%</u>

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	4.3	4.4
Average Mileage - Regular Excluding Grade PK Students	4.4	4.4
Average Mileage - Special Education with Special Needs	5.3	5.3

TOWNSHIP OF UNION SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2019

Regular District

Section 1

2% Calculation of Excess Surplus

2018-2019 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>145,264,116</u>	(B)	
Increased by:			
Transfer from Capital Outlay to Capital Projects Fund	\$ <u>1,140,000</u>	(B1a)	
Transfer from Capital Reserve to Capital Projects Fund	<u> </u>	(B1b)	
Decreased by:			
On-Behalf TPAF Pension and Social Security	\$ <u>19,726,331</u>	(B2a)	
Assets Acquired Under Capital Leases	\$ <u>577,555</u>	(B2b)	
Adjusted 2018-2019 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 126,100,230</u>	(B3)	
2% of Adjusted 2018-2019 General Fund Expenditures [(B3) times .02]	\$ <u>2,522,005</u>	(B4)	
Enter Greater of (B4) or \$250,000	\$ <u>2,522,005</u>	(B5)	
Increased by: Allowable Adjustment	\$ <u>950,625</u>	(K)	
Maximum Unassigned Fund Balance [(B5)+(K)]			<u>\$ 3,472,630</u> (M)

Section 2

Total General Fund - Fund Balances @ 6/30/19 (Per CAFR Budgetary Comparison Schedule/Statement)	\$ <u>9,422,421</u>	(C)	
Decreased by:			
Year-end Encumbrances	\$ <u>915,410</u>	(C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u>	(C2)	
Legally Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	\$ <u>808,567</u>	(C3)	
Other Restricted Fund Balances	\$ <u>1,739,364</u>	(C4)	
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ 259,199</u>	(C5)	
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]			<u>\$ 5,699,881</u> (U)

Section 3

Restricted Fund Balance-Excess Surplus [(U)-(M)] IF NEGATIVE, ENTER -0-			<u>\$ 2,227,251</u> (E)
---	--	--	-------------------------

TOWNSHIP OF UNION SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

Recapitulation of Excess Surplus as of June 30, 2019

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 808,567 (C3)
Restricted Excess Surplus [(E)]	<u>\$ 2,227,251 (E)</u>
Total [(C3)+(E)]	<u>\$ 3,035,818 (D)</u>

Detail of Allowable Adjustments

Impact Aid	\$ -0- (H)
Sale & Lease-back	\$ -0- (I)
Extraordinary Aid	\$ 843,636 (J1)
Additional Nonpublic School Transportation Aid	<u>\$ 106,989 (J2)</u>
Total Adjustments (H)+(I)+(J1)+(J2)+(J3)	<u>\$ 950,625 (K)</u>

Detail of Other Restricted Fund Balances

Statutory Restrictions:

Approved Unspent Separate Proposal	\$ -0-
Sale/Lease-back Reserve	\$ -0-
Capital Reserve	\$ 564,364
Maintenance Reserve	\$ 450,000
Tuition Reserve	\$ -0-
Emergency Reserve	\$ 725,000
Other Restricted Fund Balance not Noted Above	<u>\$ -0-</u>
Total Other Restricted Fund Balance	<u>\$ 1,739,364 (C-4)</u>

TOWNSHIP OF UNION SCHOOL DISTRICT
SUMMARY
JULY 1, 2018 THROUGH JUNE 30, 2019
(Continued)

It is recommended that:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Program

None

4. School Food Service

The District record the outstanding receivable and work with the Food Service Management company to pursue collection the outstanding receivable.

5. Student Body Activities

The District continue to communicate District-wide standard policies and procedures for all student activity funds to ensure that they are adhered to.

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 purchase orders, grant fund draw downs, professional service contracts and bids have all been resolved in the current year. The prior year recommendations regarding the Food Service Fund receivable and Student Activities have not been resolved and are included in this audit.