

**BOARD OF EDUCATION**  
**TOWNSHIP OF UPPER PITTSBORO SCHOOL DISTRICT**  
**COUNTY OF SALEM**  
**AUDITOR'S MANAGEMENT REPORT ON**  
**ADMINISTRATIVE FINDINGS -**  
**FINANCIAL, COMPLIANCE AND PERFORMANCE**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2019**

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# NIGHTLINGER, COLAVITA & VOLPA

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## REPORT OF INDEPENDENT AUDITORS

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


We have audited, in accordance with generally accepted auditing standards and **Government Auditing Standards** issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Township of Upper Pittsgrove School District in the County of Salem for the year ended June 30, 2019, and have issued our report thereon dated November 14, 2019.

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

This report is issued in conjunction with the Comprehensive Annual Financial Report of the Board of Education of the Township of Upper Pittsgrove School District, and is intended for the information of the School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**



Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915  
November 14, 2019

**ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, the activities of the Board of Education, and the records of the various funds under the auspices of the Board of Education.

**Administrative Practices and Procedures**

**Insurance**

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

**Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32, 18A:13-13)**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Lisa M. DiNovi	Board Secretary/ School Business Administrator	\$ 35,000
Georgiana Scharnagl	Treasurer	\$172,000

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

**Tuition Charges**

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

**District Internal Control Policies**

District boards of education and administration are responsible for developing internal controls policies and procedures and maintaining a strong internal control environment. NJAC 6A:23A-6.4 requires that the district's internal control policies include specific requirements at NJAC 6A:23A-6.5 through 6.13.

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

**Financial Planning, Accounting, and Reporting**

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

**Examination of Claims**

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

## **Financial Planning, Accounting and Reporting (Cont'd)**

### **Payroll Account**

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

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

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

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

### **Employee Position Control Roster**

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

### **Unemployment Compensation Insurance Trust Fund**

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

### **Reserve for Encumbrances and Accounts Payable**

A review of outstanding issued purchase orders was made as of June 30, 2019 for goods not yet received or services not yet rendered, and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered as of June 30, 2019.

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

### **Classification of Expenditures**

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

#### **A. General Classification Findings**

None

#### **B. Administrative Classification Findings**

None

## **Financial Planning, Accounting and Reporting (Cont'd)**

### **Certification of Income Tax Compliance**

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (Superintendent and Business Administrator) to the N.J. Department of Treasury was filed by the March 15 due date.

### **Board Secretary's Records**

The financial records and board minutes of the Board Secretary were in satisfactory condition.

Acknowledgment of the Board's receipt of the Board Secretary's and Treasurer's monthly financial reports was included in the monthly minutes.

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

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

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

### **Treasurer's Records**

The Treasurer prepared cash reconciliations for the general operating account, payroll account and payroll agency account per N.J.S.A. 18A:17-9.

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

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

The Treasurer filed her reports in a timely manner.

### **Elementary and Secondary Education Act (E.S.E.A.) 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, II-A, and IV of the Elementary and Secondary Education Act as amended and reauthorized.

Our audit of the E.S.E.A. funds, on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The study of compliance for E.S.E.A. indicated that all E.S.E.A. programs were in compliance.

## **Financial Planning, Accounting and Reporting (Cont'd)**

### **Other Special Federal and/or State Projects**

The District's special projects were approved as listed on Schedule A and Schedule B located in the **CAFR**. Our audit of the federal and state funds, on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the **CAFR**. This section of the **CAFR** documents the financial position pertaining to the aforementioned special projects. The study of compliance for special projects indicated no areas of noncompliance and/or questionable costs.

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

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

No exceptions were noted.

### **School Purchasing Programs**

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

**N.J.S.A.** 18A:18A-1 et seq. (Public School Contracts Law), the associated rules and related information on the statute, and school contracts in general are available on the website:  
[http://www.state.nj.us/dca/divisions/dlgs/programs/ps\\_contracts.html](http://www.state.nj.us/dca/divisions/dlgs/programs/ps_contracts.html).

The current statute is posted on the New Jersey Legislature website at: [http://lis.njleg.state.nj.us/cgi-bin/om\\_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headingswithhits=on&infobase=statutes.nfo&softpage=TOC\\_Frame\\_pg42](http://lis.njleg.state.nj.us/cgi-bin/om_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headingswithhits=on&infobase=statutes.nfo&softpage=TOC_Frame_pg42)

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$19,000 for 2018-19.

The District Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

Based on the results of our examination, we did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provisions of N.J.S.A. 18A:18A-4, amended.

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

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977; therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal, however, that I Pads, Carts/Adapters and Access Controller were purchased from vendors approved for state contract.

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

## **Financial Planning, Accounting and Reporting (Cont'd)**

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

Although a particular contract is exempt from the formal requirements of public advertising and competitive bidding, N.J.S.A. 18A:18A-37 requires that quotations be obtained, whenever practical, for any contract less than the bid threshold but 15% or more of that amount, except for contracts for professional services. All contracts and agreements, which are subject to quotations, shall be awarded on the basis of the lowest responsible quotation received, which is most advantageous to the Board of Education, price and other factors considered. Our examination indicated that the Board of Education complied with these provisions.

### **School Food Service**

The school food service program was not selected as a major federal and/or State program and expended less than \$100,000 in Federal and/or State Support for its Child Nutrition Program.

### **Student Body Activities**

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

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

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

### **School Care Enterprise Fund**

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

The amount of surplus increased by \$3,045 during the 2018-19 fiscal year.

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

Our audit procedures included a test of the information reported in the October 15th Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, and low-income. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A was compared to the district workpapers with one exception.

The results of our procedures are presented in the Schedule of Audited Enrollments. The district maintained workpapers on the prescribed state forms or their equivalent and has adequate written procedures for the recording of student enrollment data. During our testing we found one student reported as elementary special education should have been reported as a fifth grader. The net result is no change in total number of students.

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

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

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



### **Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2018-19 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS District workpapers was verified to the DRTRS Eligibility Summary Report, which is presented in the Schedule of Audited Enrollments. The DRTRS Eligibility Summary Report was compared to the County Summary Report. All items were in agreement. During our testing we found one student listed as S1 but should have been listed as a fifth grade student.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

### **Facilities and Capital Assets**

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

The amount of additions to fixed capital during the 2018-19 school-year was \$207,478 and the balance in Fixed Assets was \$2,918,108, as of June 30, 2019.

#### ***Finding 2019-1***

While the district maintains fixed asset records, the updated report prepared by an outside appraisal company was not available for examination in a timely manner and accordingly, the current year amounts were determined and adjusted as part of the audit, based on the previous outside appraisal report.

#### ***Recommendation***

Additions and deletions of fixed assets made during the year should be communicated to the outside appraisal company in a timelier manner, in order to acquire an updated fixed asset report for inclusion of information in the Comprehensive Annual Financial Report.

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

The school district adhered to all the requirements of NJAC 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

The test results were posted on the district's website as well as being available at the school facility.

### **Follow-up on Prior Year Findings**

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

**Acknowledgment**

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

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**

A handwritten signature in black ink, appearing to read "Raymond Colavita". The signature is fluid and cursive, with the first name being more prominent.

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

SCHEDULE OF AUDITED ENROLLMENTS

UPPER PITTSBORO TOWNSHIP BOARD OF EDUCATION  
APPLICATION OR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2018

	<u>2019-2020 APPLICATION FOR STATE SCHOOL AID</u>						<u>SAMPLE FOR VERIFICATION</u>						<u>PRIVATE SCHOOLS FOR DISABLED</u>				
	<u>Reported On</u>		<u>Reported On</u>		<u>Errors</u>		<u>Sample</u>		<u>Verified per</u>		<u>Errors per</u>		<u>Reported On</u>		<u>Sample for</u>	<u>Sample</u>	<u>Sample</u>
	<u>A.S.S.A.</u>		<u>Workpapers</u>				<u>Selected From</u>		<u>Registers</u>		<u>Registers</u>		<u>A.S.S.A. as</u>				
	<u>On Roll</u>	<u>On Roll</u>	<u>On Roll</u>	<u>On Roll</u>	<u>Full</u>	<u>Shared</u>	<u>Full</u>	<u>Shared</u>	<u>Full</u>	<u>Shared</u>	<u>Full</u>	<u>Shared</u>	<u>Private</u>	<u>Verification</u>	<u>Verified</u>	<u>Errors</u>	
	<u>Full</u>	<u>Shared</u>	<u>Full</u>	<u>Shared</u>	<u>Full</u>	<u>Shared</u>	<u>Full</u>	<u>Shared</u>	<u>Full</u>	<u>Shared</u>	<u>Full</u>	<u>Shared</u>	<u>Schools</u>				
Half Day PS 3 Yr Old	2.0		2.0						1.0		1.0						
Half Day PS 4 Yr Old	11.0		11.0						5.0		5.0						
Full Day Kindergarten	20.0		20.0						9.0		9.0						
One	31.0		31.0						15.0		15.0						
Two	33.0		33.0						16.0		16.0						
Three	23.0		23.0						11.0		11.0						
Four	28.0		28.0						13.0		13.0						
Five	36.0		36.0						17.0		18.0		1.0				
Six	28.0		28.0						13.0		13.0						
Seven	25.0		25.0						12.0		12.0						
Eight	39.0		39.0						19.0		19.0						
Nine																	
Ten																	
Eleven																	
Twelve																	
Post-Graduate																	
Adult H.S. (15+CR.)																	
Adult H.S. (1-14 CR.)																	
Subtotal	276.0	0.0	276.0	0.0	0.0	0.0			131.0	0.0	132.0	0.0	1.0	0.0	0.0	0.0	
Special Ed - Elementary	20.0		20.0		0.0				10.0		9.0		(1.0)	1.0	1.0	1.0	
Special Ed - Middle	21.0		21.0		0.0				10.0		10.0			1.0	1.0	1.0	
Special Ed - High														1.0			
Subtotal	41	0	41	0	0	0			20	0	19	0	(1)	3	2	2	
Totals	317	0	317	0	0	0			151	0	151	0	0	3	2	2	
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%	

**SCHEDULE OF AUDITED ENROLLMENTS**

**UPPER PITTSBURGH TOWNSHIP BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2018**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported On A.S.S.A. as Low Income	Reported On Workpapers as Low Income	Errors	Sample Selected From Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected From Workpapers	Verified to Test Score and Register	Sample Errors
Half Day PS 3 Yr Old												
Half Day PS 4 Yr Old												
Half Day Kindergarten												
Full Day Kindergarten	4	4	0	3	3							
One	5	5	0	4	4							
Two	6	6	0	5	5							
Three	1	1	0	1	1							
Four	4	4	0	3	3							
Five	7	7	0	5	5							
Six	6	6	0	5	5							
Seven	3	3	0	2	2							
Eight	7	7	0	5	5							
Nine												
Ten												
Eleven												
Twelve												
Post Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	43	43	0	33	33	0	0	0	0	0	0	0
Special Ed - Elementary	6	6	0	5	5							
Special Ed - Middle	7	7	0	5	5							
Special Ed - High												
Subtotal	13	13	0	10	10	0	0	0	0	0	0	0
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	56	56	0	43	43	0	0	0	0	0	0	0
Percentage Error			0.00%			0.00%						

**TRANSPORTATION**

	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors	Mileage	
							Reported	Re-Calculated
Reg. - Public Schools	346	346		156	156			
Reg. - Special Ed.	52	52		23	23			
Transported - Non-Public								
Aid in Lieu - Non-Public	18	18		8	8			
Special Needs - Public	21	21		9	9			
Totals	437	437	0	196	196	0		
Percentage Error			0.00%			0.00%		

Avg. Mileage - Regular Including Grade PK students  
Avg. Mileage - Regular Excluding Grade PK students  
Avg. Mileage - Special Ed with Special Needs

Reported Re-Calculated  
5.9  
5.9  
9.1

**SCHEDULE OF AUDITED ENROLLMENTS**

**UPPER PITTSBORO TOWNSHIP BOARD OF EDUCATION**  
**APPLICATION OR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 15, 2018**

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Report On</u> A.S.S.A. as NOT Low Income	<u>Report On</u> Workpapers as NOT Low Income	<u>Errors</u>	<u>Sample</u> Selected From Workpapers	<u>Verified to</u> Application and Register	<u>Sample</u> Errors
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten						
One						
Two						
Three						
Four						
Five						
Six						
Seven						
Eight						
Nine						
Ten						
Eleven						
Twelve						
Post Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	0	0	0	0	0	0
Special Ed - Elementary						
Special Ed - Middle						
Special Ed - High						
Subtotal	0	0	0	0	0	0
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	0	0	0	0	0	0
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

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

**SECTION 1**

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

2018-19 Total General Fund Expenditures per the CAFR	\$ <u>9,070,519</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	<u>                    </u> (B1a)
Transfer from Capital Reserve to Capital Projects Fund	<u>                    </u> (B1b)
Transfer from General Fund to SRF for PreK-Regular	<u>                    </u> (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	<u>                    </u> (B1d)
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>860,827</u> (B2a)
Assets Acquired Under Capital Leases	<u>                    </u> (B2b)
 Adjusted 2018-19 General Fund Expenditures [(B)+(B1s)-(B2s)]	 <u>8,209,692</u> (B3)
 2% of Adjusted 2018-19 General Fund Expenditures [(B3) times .02]	 <u>164,194</u> (B4)
Enter Greater of (B4) or \$250,000	<u>250,000</u> (B5)
Increased by: Allowable Adjustment*	<u>56,955</u> (K)
 Maximum Unassigned/Undesignated-Unreserved Fund Balance[(B5)+(K)]	 <u>\$ 306,955</u> (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-19 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>1,158,863</u> (C)
Decreased by:	
Year-end Encumbrances	<u>1,192</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures (Tuition Reserve)	<u>100,000</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	<u>78,466</u> (C3)
Other Restricted Fund Balances****	<u>555,203</u> (C4)
Assigned Fund balance Unreserved - Designated for Subsequent Year's Expenditures	<u>40,986</u> (C5)
Additional Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures July 1, 2019 - August - 1, 2019	<u>                    </u> (C6) *****
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	 <u>\$ 383,016</u> (U1)

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

**SECTION 3**

Section 1

Restricted Fund Balance- Excess Surplus\*\*\* [(U1)-(M)] IF NEGATIVE ENTER -0- \$ 76,061 (E)

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

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures**	78,466	(C3)
Reserved Excess Surplus ***[(E)]	76,061	(E)
<b>Total Excess Surplus [(C3) + (E)]</b>	<b>\$ <u>154,527</u></b>	<b>(D)</b>

Footnotes:

- \* Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:
  - (H) Federal Impact Aid. The passage of P.L. 2016, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, effective for the year ending June 30, 2016 the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve-General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
    - (I) Sale & Lease-Back (Refer to the Audit Program Section II, Chapter 10);
    - (J1) Extraordinary Aid;
    - (J2) Additional Nonpublic School Transportation Aid;
    - (J3) Recognized current year School Bus Advertising Revenue; and
    - (J4) Family Crisis Transportation Aid.

Notes to auditor: Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid, and Additional Nonpublic School Transportation Aid.

Detail of Allowable Adjustments

Impact Aid	\$ _____	(H)
Sale & Lease-Back	_____	(I)
Extraordinary Aid	<u>51,735</u>	(J1)
Additional Nonpublic School Transportation Aid	<u>5,220</u>	(J2)
Current Year School Bus Advertising Revenue Recognized	_____	(J3)
Family Crisis Transportation Aid	_____	(J4)
<b>Total Adjustments [(H) + (I) + (J1) + (J2) + (J3) + (J4)]</b>	<b>\$ <u>56,955</u></b>	<b>(K)</b>

\*\* This amount represents the June 30, 2019 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line **90031**.

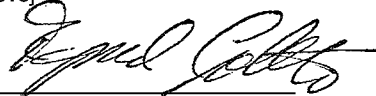
\*\*\* Amounts must agree to the June 30, 2019 CAFR and must agree to Audit Summary Worksheet Line 90030.

\*\*\*\* Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by another type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Division of Administration and Finance prior to September 30.

\*\*\*\*\* Increase in Assigned Fund Balance - Unreserved - Designated for Subsequent Year's expenditures July 1, 2019 to August 1, 2019 resulting from decrease in state aid after adoption of 2018-19 district budget. Refer to Commissioner's Broadcast of July 13, 2018 at the NJDOE Broadcast webpage <https://homeroom5.doe.state.nj.us/broadcasts/> and to page 1-4.2 of this Audit Program.

Detail of Other Restricted Fund Balance

Statutory restrictions:		
Approved unspent separate proposal	\$ _____	
Sale/lease-back reserve	_____	
Capital reserve	<u>154,953</u>	
Maintenance reserve	<u>300,250</u>	
Emergency Reserve	_____	
Tuition reserve	<u>100,000</u>	
School Bus Advertising 50% Fuel Offset Reserve - Current Year	_____	
School Bus Advertising 50% Fuel Offset Reserve - Prior Year	_____	
Impact Aid General Fund Reserve (Sections 8007 and 8008)	_____	
Impact Aid General Fund Reserve (Sections 8002 and 8003)	_____	
Other state/government mandated reserve	_____	
[Other Restricted Fund Balance not noted above] ****	_____	
<b>Total Other Restricted Fund Balance</b>	<b>\$ <u>555,203</u></b>	<b>(C4)</b>



**AUDIT RECOMMENDATIONS SUMMARY**  
**For the Fiscal Year Ended June 30, 2019**  
**Township of Upper Pittsgrove School District**

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) (Applicable to audits of charter schools)

N/A

8. Pupil Transportation - None
9. Facilities and Capital Assets – **Finding 2019-1**

**Recommendation** – Additions and deletions of fixed assets made during the year should be communicated to the outside appraisal company in a more timely manner, in order to acquire an updated fixed asset report for inclusion of information in the Comprehensive Annual Financial Report.

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.