

HOPATCONG BOARD OF EDUCATION

SYNOPSIS OF AUDIT

FOR THE YEAR ENDED

JUNE 30, 2016

HOPATCONG BOARD OF EDUCATION
 GOVERNMENTAL FUNDS
 BALANCE SHEET
 AS OF JUNE 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 4,151,630		\$ 4,151,630
Due from Other Funds	34,814		34,814
Receivables, Net			
Receivables from Other Governments	88,037	\$ 109,164	197,201
Other Receivables	26,599	-	26,599
Prepaid Item	105,627	-	105,627
Total Assets	<u>\$ 4,406,707</u>	<u>\$ 109,164</u>	<u>\$ 4,515,871</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 326,060	\$ 52,089	\$ 378,149
Due to Other Funds	50,316	34,814	85,130
Unearned Revenue	-	22,261	22,261
Total Liabilities	<u>376,376</u>	<u>109,164</u>	<u>485,540</u>
Fund Balances			
Nonspendable			
Prepaid Item	105,627		105,627
Restricted			
Capital Reserve	602,075		602,075
Capital Reserve - Designated for Subsequent			
Year's Expenditures	941,975		941,975
Maintenance Reserve	331,541		331,541
Emergency Reserve	50,000		50,000
Excess Surplus	1,162,748		1,162,748
Excess Surplus - Designated for			
Subsequent Year's Expenditures (2016/17 Budget)	698,518		698,518
SBMI - FY14 Cost Settlement	27,383		27,383
Assigned			
Year End Encumbrances	599,021		599,021
Unassigned	(488,557)	-	(488,557)
Total Fund Balances	<u>4,030,331</u>	<u>-</u>	<u>4,030,331</u>
Total Liabilities and Fund Balances	<u>\$ 4,406,707</u>	<u>\$ 109,164</u>	<u>\$ 4,515,871</u>

**HOPATCONG BOARD OF EDUCATION
RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

- * 1. All purchase orders contain a receipt of goods/services certification prior to payment.
- * 2. Internal controls over travel and expense reimbursements be reviewed and enhanced to ensure a travel maximum is properly approved by Board resolution and post travel reports are obtained and attached to a reimbursement request.
- 3. Year end closing procedures be reviewed and enhanced to ensure open purchase orders are complete and properly classified as accounts payable or encumbrances.
- 4. The monthly and year to date 10% transfer reports be prepared and remitted to the Executive County Superintendent, and specific approval be sought for transfers exceeding the maximum allowable amount.
- 5. Internal controls be enhanced to ensure cash balances are monitored to prevent cash overdrafts from occurring.

III. School Purchasing Program

It is recommended that:

- * 1. Bids and/or quotations be obtained whenever a purchase exceeds the limit set forth by the Public School Contracts Law.
- * 2. Business Registration and Political Contribution Disclosure Forms be on file when required.
- 3. All contracts/purchases in excess of the bid threshold made under cooperative purchasing contracts be approved by Board resolution.
- 4. All bid documents be available for audit.
- 5. All professional service contracts be advertised when awarded.
- 6. State contract and cooperative agreements vendor files be maintained, supporting and documenting information related to the applicable cooperative purchases and state contracts utilized by the District.
- 7. Notification be provided to the Office of the State Comptroller of all contracts awarded by the District for Sussex Regional Cooperative Transportation Services which exceed \$2 million in accordance with N.J.S.A. 52:15C-10.

IV. School Food Services

There are none.

V. Day Plus Program

There are none.

HOPATCONG BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General <u>Fund</u>	Special Revenue <u>Fund</u>	Total Governmental <u>Funds</u>
REVENUES			
Local Sources			
Property Tax Levy	\$ 24,391,299		\$ 24,391,299
Interest Earned on Investments	8,442		8,442
Tuition	4,895		4,895
Miscellaneous	161,096	-	161,096
Total - Local Sources	<u>24,565,732</u>	<u>-</u>	<u>24,565,732</u>
State Sources	15,334,229	\$ 35,000	15,369,229
Federal Sources	58,141	947,071	1,005,212
Total Revenues	<u>39,958,102</u>	<u>982,071</u>	<u>40,940,173</u>
EXPENDITURES			
Current			
Regular Instruction	15,724,256	51,549	15,775,805
Special Education Instruction	6,490,743	648,785	7,139,528
Other Special Instruction	372,242	226,868	599,110
Other Instruction	1,136,255		1,136,255
Support Services			
Student and Instructional Related Services	5,338,727	54,869	5,393,596
School Administrative Services	2,244,565		2,244,565
General Administrative Services	879,633		879,633
Central Services/Admin. Info. Technology	920,438		920,438
Plant Operations and Maintenance	4,328,837		4,328,837
Pupil Transportation	2,060,157		2,060,157
Debt Service			
Principal	100,152		100,152
Interest and Other Charges	12,976		12,976
Capital Outlay	396,338	-	396,338
Total Expenditures	<u>40,005,319</u>	<u>982,071</u>	<u>40,987,390</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures Before			
Other Financing Sources (Uses)	<u>(47,217)</u>	<u>-</u>	<u>(47,217)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	8,605	-	8,605
Total Other Financing Sources (Uses)	<u>8,605</u>	<u>-</u>	<u>8,605</u>
Net Change in Fund Balances	(38,612)	-	(38,612)
Fund Balance, Beginning of Year	<u>4,068,943</u>	<u>-</u>	<u>4,068,943</u>
Fund Balance, End of Year	<u>\$ 4,030,331</u>	<u>\$ -</u>	<u>\$ 4,030,331</u>

**HOPATCONG BOARD OF EDUCATION
RECOMMENDATIONS
(Continued)**

VI. Student Body Activities

It is recommended that:

- * 1. Proper supporting documentation for all student activity receipts and disbursements be maintained and available for audit.
- * 2. Prenumbered receipts should be utilized for all accounts and include the proper composition of the deposit (checks vs. cash).
- * 3. Expenses should only be for student activity or athletic related expenses.
- * 4. All checks issued should contain at least two authorization signatures.
- * 5. Outstanding checks should be reviewed and cleared of record.
- * 6. Bank reconciliations contain only valid reconciling items.

VII. Application for State School Aid

There are none.

VIII. Pupil Transportation

There are none.

IX. Facilities and Capital Assets

It is recommended that all current year additions and prior year adjustments be properly reflected in the district's capital asset inventory.

X. Miscellaneous

There are none.

XI. Status of Prior Years' Audit Findings/Recommendations

A review was performed on all prior years' recommendations and corrective action was taken on all except the items denoted with an asterisk (*).