



**BERNARDS TOWNSHIP SCHOOL DISTRICT
COUNTY OF SOMERSET**

**MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
JUNE 30, 2015**



BERNARDS TOWNSHIP SCHOOL DISTRICT

Auditor's Management Report on Administrative Findings- Financial, Compliance and Performance

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Independent Auditors' Report

Honorable President and Members
of the Board of Education
Bernards Township School District
County of Somerset, New Jersey

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 Bernards Township School District in the County of Somerset for the year ended June 30, 2015, and have issued our report thereon dated December 15, 2015.

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 solely for the information of the Bernards Township Board of Education's management and Board members and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

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December 15, 2015
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BERNARDS TOWNSHIP SCHOOL DISTRICT

**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

Insurance coverage was carried in the amounts as detailed on 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>
Roderic McLaughlin	School Business Administrator/Board Secretary	\$369,000
Michael Petrizzo	Treasurer of School Moneys	400,000

There is a Public Employees' Faithful Performance Bond with the General Security Property and Casualty Company covering all other employees with coverage of \$250,000.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The Board made a proper adjustment ("billing") to sending Districts for the increase (decrease) in per pupil costs in accordance with *N.J.A.C. 6A:23A-17.1(f)3*, which is performed as part of the District's annual budget process.

Financial Planning, Accounting and Reporting

Examination of Claims

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

Payroll Account and Position Control Roster

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

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

Payrolls were delivered to the Treasurer of School Monies with a warrant made to his order for the full amount of each payroll.

BERNARDS TOWNSHIP SCHOOL DISTRICT

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

During our payroll testing, we did not note any exceptions.

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

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 exceptions were identified.

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 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

Our review of the financial and accounting records maintained by the Board Secretary did not disclose any exceptions. However the following was noted:

Finding 2015-001

Finding:

The District did submit the certification (E-CERT1) that it had complied fully with federal and state law requirements respecting the types of compensations to be reported for income tax purposes, however, it was not filed by the required March 31, 2015 deadline.

Recommendation:

We suggest that District complete and file the E-CERT1 within the required time frame imposed by the New Jersey Department of Education.

Treasurer's Records

Our review of the records of the Treasurer did not disclose any exceptions.

Unemployment Compensation Insurance Trust Fund

The District has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. The financial transactions of this fund are reported in the Fiduciary Fund. No exceptions were noted.

BERNARDS TOWNSHIP SCHOOL DISTRICT

ADMINISTRATIVE FINDINGS-FINANCIAL, COMPLIANCE AND PERFORMANCE

Elementary and Secondary Education Act (E.S.E.A.)/Improving America's Schools Act (I.A.S.A.), as reauthorized by the No Child Left Behind (NCLB) Act of 2001

The E.S.E.A./I.A.S.A./NCLB financial exhibits are contained within the Special Revenue Section of the Comprehensive Annual Financial Report (CAFR). This section of the CAFR documents the financial position pertaining to the projects under Title I of the Elementary and Secondary Education Act as amended and reauthorized.

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 Schedules A (K-3) and B (K-4) 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 instances of noncompliance that are required to be reported in accordance with OMB Circular A-133 or NJ OMB 15-08.

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.

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 school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 60 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

Nonpublic State Aid

Our review of the Nonpublic State Aid completion reports disclosed no exceptions.

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 \$36,000 with a Qualified Purchasing Agent and \$26,000 without a Qualified Purchasing Agent, respectively. The law regulating the bidding for public school transportation contracts under *N.J.S.A.18A:-39-3* is \$18,300 for 2014-15. The

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ADMINISTRATIVE FINDINGS-FINANCIAL, COMPLIANCE AND PERFORMANCE

District by resolution has appointed the School Business Administrator as a Qualified Purchasing Agent increasing the legal bid threshold to \$36,000.

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.

Procedures were performed on a test basis, to indicate if any 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*, as amended. No exceptions were identified.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per *N.J.S.A. 18A:18A-4*.

School Food Service

The financial transactions and statistical records of the school food services fund were reviewed on a test basis and appear to be maintained in satisfactory condition. 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 on a test basis for timely deposit, without exception.

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. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$385,380. The operating results provision has been met, however a loss is presented on CAFR schedule B-5 due to direct charges made by the District to support the food service program that are separate from the guarantee provision in the contract.

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

The cash disbursements records reflected expenses for program related goods and services. The appropriate revenue and expense 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.

Time sheets were reviewed and labor costs verified on a test basis. Payroll records were maintained on all School Food Service employees authorized by the Board of Education. No exceptions were noted.

The number of meals claimed for reimbursement was compared to sales and meal count records on a test check basis. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims tested were submitted/certified in a timely manner.

Applications for free and reduced price meals were reviewed for completeness and accuracy on a test check basis. The number of free and reduced price meals claimed as served was compared to the number of valid

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

applications and 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 was reviewed for uniform administration throughout the School System. Sites approved to participate in Provisions I and II were examined for compliance with all accounting and claiming requirements on a test check basis. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions were noted.

USDA Food Donation Program commodities were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

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

Student Body Activities

Our review of the student activity funds disclosed the following item:

Finding 2015-002

Finding:

During our testing of cash receipts, we noted certain instances where the cash receipts were not always deposited in a timely fashion.

Recommendation:

We suggest that District maintain documentation supporting the timely deposits of cash receipts and ensure all cash received is deposited in a timely fashion.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2014 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 with no exceptions identified, as presented in the Schedule of Audited Enrollments. The information that was included on the workpapers was verified and presented in the Schedule of Audited Enrollments with no exceptions identified. 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 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 2014-2015 District Report of Transported Resident Students ("DRTRS"). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with certain immaterial exceptions as identified in the Application for State School Aid Summary. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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 District did not purchase any buses during the 2014-2015 school year. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

Our procedures included a review of the New Jersey Schools Development Authority (“NJSDA”) grant agreements for consistency with recording NJSDA revenue, transfer of local funds from the general fund or from the capital reserve account and awarding of contracts for eligible facilities construction. No exceptions were noted.

Miscellaneous

Capital Asset Records

Although the District is internally maintaining all capital asset records, we suggest the District consider soliciting the services of an outside appraisal company to perform a full inventory and valuation of all District capital assets.

Follow-up on Prior Year’s Findings

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations, including findings. Corrective action had been taken on all prior year findings with the exception of the following, which is repeated in this year’s recommendations:

- Timeliness of deposits of student activity funds.

There were no audit reports issued by the Office of Fiscal Accountability and Compliance (OFAC) during the 2015 fiscal year.

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.

BERNARDS TOWNSHIP SCHOOL DISTRICT

Food Service Fund

Schedule of Meal Count Activity

Number of Meals Served and (Over)/Underclaim
Enterprise Funds

Year ended June 30, 2015

(Memorandum Only)

Note: Not required or included in Auditor's Management Report (AMR) for 2014/2015 since National School Lunch Cluster was not tested as a major program.

Program	Meal Category	Meals Claimed	Meals Tested and Verified	Difference	Rate	(Over)/Under Claim
National School Lunch (Regular Rate)	Paid			-	\$ 0.280	\$ -
	Reduced			-	2.580	-
	Free			-	2.980	-
	PB Rate			-	0.060	-
	Total		-	-	-	-
Total net (over)/underclaim						\$ -

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NET CASH RESOURCE SCHEDULE

NA-not included in AMR as the CNP cluster was not tested in the 2015 FY
 Proprietary Funds - Food Service
 FYE 2015

<u>Net Cash Resources:</u>		Food Service B - 4/5	
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	
B-4		Due from Other Gov'ts	
B-4		Accounts Receivable	
B-4		Due from Other Funds	-
B-4		Investments	-
CAFR		Current Liabilities	
B-4		Less Accounts Payable	
B-4		Less Accruals	
B-4		Less Due to Other Funds	
B-4		Less Unearned Revenue	-
		Net Cash Resources	<u><u>\$ - (A)</u></u>

<u>Net Adj. Total Operating Expense:</u>			
B-5		Tot. Operating Exp.	
B-5		Less Depreciation	
		Adj. Tot. Oper. Exp.	<u><u>\$ - (B)</u></u>

<u>Average Monthly Operating Expense:</u>			
		B / 10	<u><u>\$ - (C)</u></u>

<u>Three times monthly Average:</u>			
		3 X C	<u><u>\$ - (D)</u></u>

TOTAL IN BOX A	\$ -
LESS TOTAL IN BOX D	\$ -
NET	<u><u>\$ -</u></u>
From above:	
A is greater than D, cash exceeds 3 X average monthly operating expenses.	
D is greater than A, cash does not exceed 3 X average monthly operating expenses.	

* Inventories are not to be included in total current assets.

SOURCE - USDA resource management comprehensive review form

BERNARDS TOWNSHIP SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

SCHEDULE OF AUDITED ENROLLMENTS

	2015-16 Application for State School Aid						Sample for Verification						Private Schools for Disabled					
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verification	Sample Verified	Sample Errors		
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared						
Half Day Preschool																		
Full Day Preschool																		
Half Day Kindergarten																		
Full Day Kindergarten	301		301					63		63								
One	325		325					79		79								
Two	367		367					102		102								
Three	374		374					107		107								
Four	370		370					87		87								
Five	409		409					84		84								
Six	407		407					407		407								
Seven	375		375					375		375								
Eight	406		406					406		406								
Nine	399	6	399	6				399	6	399	6							
Ten	429	4	429	4				429	4	429	4							
Eleven	399	2	399	2				399	2	399	2							
Twelve	386	4	386	4				386	4	386	4							
Post-Graduate																		
Adult H.S. (15+CR.)																		
Adult H.S. (1-14 CR.)																		
Subtotal	4,947	16	4,947	16	-	-	3,323	16	3,323	16	-	-	-	-	-	-	-	
Special Ed - Elementary	271		271				63		63				4	4	4			
Special Ed - Middle School	194		194				194		194				10	8	8			
Special Ed - High School	265	6	265	6			265	6	265	6	-	-	15	13	13			
Subtotal	730	6	730	6	-	-	522	6	522	6	-	-	29	25	25		-	
Co. Voc. - Regular																		
Co. Voc. Ft. Post Sec.																		
Totals	5,677	22	5,677	22	-	-	3,845	22	3,845	22	-	-	29	25	25		-	
Percentage Error					0.00%	0.00%					0.00%	0.00%					0.00%	

**BERNARDS TOWNSHIP SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014**

SCHEDULE OF AUDITED ENROLLMENTS

	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 Preschool												
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten	12	12		9	9							
One	7	7		6	6		2	2		2	2	
Two	10	10		5	5							
Three	4	4		3	3		1	1		1	1	
Four	10	10		7	7							
Five	4	4		3	3							
Six	9	9		6	6		1	1		1	1	
Seven	3	3		2	2		1	1		1	1	
Eight	8	8		5	5							
Nine	10	10		7	7		1	1		1	1	
Ten	6	6		5	5		1	1		1	1	
Eleven	8	8		5	5		1	1		1	1	
Twelve	5	5		4	4							
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	96	96	-	67	67	-	8	8	-	8	8	-
Special Ed - Elementary	11	11		7	7							
Special Ed - Middle	10	10		7	7							
Special Ed - High	15	15		9	9							
Subtotal	36	36	-	23	23	-	-	-	-	-	-	-
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	132	132	-	90	90	-	8	8	-	8	8	-
Percentage Error			0.00%			0.00%			0.00%			0.00%

	Transportation						Reg Avg.(Mileage) = Regular Including Grade PK students	Reg Avg.(Mileage) = Regular Excluding Grade PK students	Spec Avg. = Special Ed with Special Needs	Reported	Recalculated
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors					
Reg. - Public Schools	2,329	2,330	(1)	216	216	-	4.6	4.6			
Reg -SpEd	288	288		27	27	-	4.6	4.6			
Transported - Non-Public	422	422		39	38	1	5.5	5.5			
Special Ed Spec	141	141		13	13	-					
Totals	3,180	3,181	(1)	295	294	1					
Percentage Error			-0.03%			0.34%					

BERNARDS TOWNSHIP SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

SCHEDULE OF AUDITED ENROLLMENTS

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as NOT Low Income</u>	<u>Reported on Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Half Day Preschool						
Full Day Preschool						
Half Day Kindegarten						
Full Day Kindergarten	9	9		-	-	
One	9	9		8	8	
Two	3	3		8	8	
Three	4	4		3	3	
Four	4	4		3	3	
Five	2	2		3	3	
Six	1	1		2	2	
Seven	4	4		1	1	
Eight				4	4	
Nine	-	-		-	-	
Ten	1	1		-	-	
Eleven	2	2		1	1	
Twelve						
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	<u>39</u>	<u>39</u>	<u>-</u>	<u>33</u>	<u>33</u>	<u>-</u>
Special Ed - Elementary						
Special Ed - Middle						
Special Ed - High						
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>39</u>	<u>39</u>	<u>-</u>	<u>33</u>	<u>33</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

BERNARDS TOWNSHIP SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2015

SECTION 1

A. 2% Calculation of Excess Surplus

2014-15 Total General Fund Expenditures per the CAFR, Ex. C-1	<u>\$ 93,717,929</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -</u> (B1a)
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ 1,625,160</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>\$ 8,196,672</u> (B2a)
Assets Acquired Under Capital Leases	<u>\$ 768,679</u> (B2b)
Adjusted 2014-15 General Fund Expenditures [(B) + (B1s) - (B2s)]	<u>\$ 86,377,738</u> (B3)
2% of Adjusted 2014-15 General Fund Expenditures [(B3) times .02]	<u>\$ 1,727,555</u> (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 1,727,555</u> (B5)
Increased by: Allowable Adjustment*	<u>\$ 933,009</u> (K)
Maximum Unassigned Undesignated - Unreserved Fund Balance [(B5) + (K)]	<u>\$ 2,660,564</u> (M)

SECTION 2

Total General Fund - Fund Balances at 6-30-15 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 17,631,348</u> (C)
Decreased by:	
Year End Encumbrances	<u>\$ 79,179</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	<u>\$ 1,184,310</u> (C3)
Other Restricted Fund Balances****	<u>\$ 10,987,965</u> (C4)
Assigned Fund Balance-Unreserved- Designated for Subsequent Year's Expenditures	<u>\$ 874,000</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	<u>\$ 4,505,894</u> (U1)

BERNARDS TOWNSHIP SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2015

SECTION 3

Restricted Fund Balance - Excess Surplus ***
[(U1)-(M)] IF NEGATIVE ENTER -0- \$ 1,845,330 (E)

Recapitulation of Excess Surplus as of June 30, 2015

Reserved Excess Surplus - Designated for Subsequent Year's
Expenditures ** \$ 1,184,310 (C3)
Reserved Excess Surplus *** [(E)] \$ 1,845,330 (E)

Total Excess Surplus [(C3)+(E)] \$ 3,029,640 (D)

Footnotes:

- * This adjustment line (as detailed below) is to be utilized when applicable for Impact Aid; Sale and Lease-back (Refer to the Audit program, Section II, Chapter 10); Extraordinary Aid; Additional and Nonpublic School Transportation Aid; and recognized current year School Bus Advertising Revenue. Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid and Additional Nonpublic School Transportation Aid.

Detail of Allowable Adjustments

Impact Aid	<u>\$ -</u> (H)
Sales & Lease-back	<u>\$ -</u> (I)
Extraordinary Aid	<u>\$ 861,871</u> (J1)
Additional Nonpublic School Transportation Aid	<u>\$ 71,138</u> (J2)
Current Year School Bus Advertising Revenue Recognized	<u>\$ -</u> (J3)
Family Crisis Transportation Aid	<u>\$ -</u> (J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	<u>\$ 933,009</u> (K)

- ** This amount represents the June 30, 2014 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

- *** Amount must agree to the June 30, 2015 CAFR and must agree to Audit Summary 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.

BERNARDS TOWNSHIP SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2015

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$ -
Sale/lease-back reserve	\$ -
Capital reserve	\$ 6,074,624
Emergency reserve	\$ 327,280
Maintenance reserve	\$ 4,586,061
Tuition reserve	\$ -
School Bus Advertising 50% Fuel Offset-current year	\$ -
School Bus Advertising 50% Fuel Offset-prior year	\$ -
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ -
Impact Aid General Fund Reserve (Sections 8007 and 8008)	\$ -
Other State / government madated reserve	\$ -
[Other Restricted Fund Balance not noted above]****	\$ -
Total Other Restricted Fund Balance	\$ 10,987,965 (C4)