

**CITY OF BRIDGETON SCHOOL DISTRICT
COUNTY OF CUMBERLAND**

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

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

CITY OF BRIDGETON SCHOOL DISTRICT
 Auditor's Management Report on Administrative
 Findings - Financial, Compliance and Performance

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

The Honorable President and
Members of the Board of Education
City of Bridgeton School District
County of Cumberland, 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 basic financial statements of the City of Bridgeton School District, in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2015, which were separately issued in the Comprehensive Annual Financial Report dated December 21, 2015.

As part of our audit, we also performed procedures required by the Division of Administration and Finance, Department of Education, State of New Jersey, 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 City of Bridgeton School District, for the fiscal year ended June 30, 2015, and is intended for the information of the School District's management and the New Jersey Department of Education and should not be used by anyone other than these specified parties.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Henry J. Ludwigsen
Certified Public Accountant
Public School Accountant No. CS 001112

Woodbury, New Jersey
December 21, 2015

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

SCOPE OF AUDIT

The audit covered the financial transactions of the Board Secretary / School Business Administrator and the 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 School District's Comprehensive Annual Financial Report ("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>
Nicole M. Albanese	Board Secretary / School Business Administrator	\$ 2,000
Jerry Vargas	Assistant School Business Administrator	\$ 2,000
Mary Pierce	Treasurer	\$ 423,000

There is a Public Employees' Faithful Performance Blanket Position Bond with the New Jersey School Boards Association Insurance Group covering all other employees with multiple coverage of \$500,000.

Tuition Charges

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

FINANCIAL PLANNING, ACCOUNTING, AND REPORTING

Examination of Claims

Sampled claims paid during the fiscal year under audit did not indicate any reportable noncompliance with respect to signatures, certification, or supporting documentation.

Payroll Account

The net salaries of sampled employees of the School District were deposited in the net payroll account. Employees' payroll deductions and the employer's share of fringe benefits were deposited in the agency payroll account.

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

Sampled salary withholdings were promptly remitted to the proper agencies, including health benefit premium withholdings due to the General Fund.

Payrolls were delivered to the Treasurer of School Moneys who then deposited warrants in separate bank accounts for net payroll and withholdings.

FINANCIAL PLANNING, ACCOUNTING, AND REPORTING (CONT'D)

Employee Position Control Roster

A sample of the Employee Position Control Roster indicated that it was in satisfactory condition and was approved by the county office submission with the 2014-2015 budget review checklist.

Encumbrances and Accounts Payable

A sample of outstanding issued purchase orders was made as of June 30 for proper classification of orders as encumbrances and accounts payable. Our sample did not indicate any reportable noncompliance with respect to classification of orders.

Travel

A sample of travel expenditures during the fiscal year under audit did not indicate any reportable noncompliance.

Classification of Expenditures

The coding of expenditures was inspected for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our randomly sampled expenditure transactions. We also inspected the coding of all expenditures included in our compliance and single audit sampling procedures. In addition, a sample was selected that specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. Our samples did not indicate any reportable noncompliance with respect to classification of expenditures.

Board Secretary's Records

Our audit of the financial and accounting records maintained by the Board Secretary indicated that they were in satisfactory condition.

Treasurer of School Moneys' Records

Our audit of the financial and accounting records maintained by the Treasurer of School Moneys indicated that they were in satisfactory condition.

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 Act (N.C.L.B.) of 2001

The E.S.E.A. / N.C.L.B. 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 and III of the Elementary and Secondary Education Act as amended and reauthorized.

The audit of compliance for E.S.E.A. did not indicate any reportable noncompliance.

Other Special Federal and / or State Projects

The School District's Other Special Projects were approved as listed on Exhibits K-3 and K-4 located in the CAFR.

Our audit of the federal and state funds on a sample 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 other special projects.

The audit of compliance for Other Special Projects did not indicate any reportable noncompliance.

FINANCIAL PLANNING, ACCOUNTING, AND REPORTING (CONT'D)

T.P.A.F. Reimbursement

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

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Reports 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 inspected subsequent to the reimbursement and 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 the school contracts in general, are available on the following website:

<http://www.state.nj.us/dca/divisions/dlgs/programs/lpcl.html>

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&oftpage=TOC_Frame_Pg42

Based on the results of our audit, 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 provision 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.

SCHOOL FOOD SERVICE

The financial transactions and statistical records of the school food service fund were audited. The financial accounts, meal count records, and eligibility applications were inspected on a sample basis. No exceptions were noted.

Cash receipts and bank records were sampled for timely deposit. No exceptions were noted.

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

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. Net cash resources did not exceed three months average expenditures.

Sampled time sheets were inspected and labor costs verified. Payroll records were maintained on all School food service employees authorized by the School District. No exceptions were noted.

SCHOOL FOOD SERVICE (CONT'D)

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

Sampled applications for free and reduced price meals were inspected for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications and / or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy was inspected for uniform administration throughout the school system. The required verification procedures for free and reduced price applications were completed and available for audit.

USDA Food Distribution Program (food and / or 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 Enterprise Funds, Section G of the CAFR.

STUDENT BODY ACTIVITIES

Our audit of the financial and accounting records for student activities indicated that they were in satisfactory condition.

APPLICATION FOR STATE SCHOOL AID

Our audit procedures included a sample of information reported in the October 15, 2014 Application for State School Aid ("A.S.S.A.") for on-roll, private schools for the disabled, low-income, and bilingual. We also performed an inspection of the School District procedures related to its completion. The information on the A.S.S.A. was compared to the School District workpapers without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The School District maintained workpapers on the prescribed State forms or their equivalent.

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

PUPIL TRANSPORTATION

Our audit procedures included a sample of on-roll status reported in the 2014-2015 District Report of Transported Resident Students ("DRTRS"). The information that was reported on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a sample of transportation related contracts and purchases. Based on our sample, the School 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 sample of transportation related purchases of goods and services.

MISCELLANEOUS

Continuing Disclosure Agreements

Not applicable – no outstanding bonds

FOLLOW-UP ON PRIOR YEAR'S FINDINGS

There were no audit findings for the fiscal year ended June 30, 2014.

There were no Office of Fiscal Accountability and Compliance audit reports issued during the fiscal year ended June 30, 2015.

ACKNOWLEDGMENT

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Public School Accountant No. CS 001112

CITY OF BRIDGETON SCHOOL DISTRICT
 Schedule of Meal Count Activity
 Food Service Fund
 Number of Meals Served and (Over) / Underclaim - Federal
 Enterprise Fund
 For the Fiscal Year Ended June 30, 2015

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>Estimated (Over) / Under Claim</u>
National School Lunch (Regular Rate)	Paid	42,438	42,438	42,438	-	\$ 0.30	\$ -
	Reduced	40,306	40,306	40,306	-	2.60	-
	Free	<u>772,519</u>	<u>772,519</u>	<u>772,519</u>	<u>-</u>	3.00	<u>-</u>
	Total	<u>855,263</u>	<u>855,263</u>	<u>855,263</u>	<u>-</u>		<u>-</u>
School Breakfast (Regular Rate)	Paid	23,706	23,706	23,706	-	0.28	-
	Reduced	24,347	24,347	24,347	-	1.63	-
	Free	<u>566,509</u>	<u>566,509</u>	<u>566,509</u>	<u>-</u>	1.93	<u>-</u>
	Total	<u>614,562</u>	<u>614,562</u>	<u>614,562</u>	<u>-</u>		<u>-</u>
Special Milk	Paid				-	0.2025	-
	Free				-	Average Cost	-
	Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>
After School Snacks (Non-Area Eligible)	Paid				-	0.07	-
	Reduced				-	0.40	-
	Free	<u>59,314</u>	<u>59,314</u>	<u>59,314</u>	<u>-</u>	0.82	<u>-</u>
	Total	<u>59,314</u>	<u>59,314</u>	<u>59,314</u>	<u>-</u>		<u>-</u>
Total Net Underclaim / (Overclaim)						<u>\$ -</u>	

CITY OF SALEM SCHOOL DISTRICT
 Schedule of Net Cash Resources
 Net Cash Resources Did Not Exceed Three Months of Expenditures
 Proprietary Funds - Food Service Fund
 For the Fiscal Year Ended June 30, 2015

<u>Net Cash Resources:</u>	<u>Food Service B - 4/5</u>	
CAFR	Current Assets	
B-4	Cash & Cash Equivalents	\$ 3,916.37
B-4	Due from Other Governments	318,409.63
B-4	Due from Other Funds	1,126,135.57
B-4	Other Accounts Receivable	1,559.42
CAFR	Current Liabilities	
B-4	Less Accounts Payable	(179,795.46)
B-4	Less Accruals	
B-4	Less Due to Other Funds	
B-4	Less Deferred Revenue	(24,921.91)
	Net Cash Resources	<u><u>\$ 1,245,303.62</u></u> (A)

Net Adjusted Total Operating Expense:

B-5	Total Operating Expenditures	\$ 4,475,361.14	
B-5	Less Depreciation	(57,210.00)	
	Adjusted Total Operating Expense	<u><u>\$ 4,418,151.14</u></u> (B)	

Average Monthly Operating Expense:

B / 10	<u><u>\$ 441,815.11</u></u> (C)
--------	--

Three Times Monthly Average:

3 X C	<u><u>\$ 1,325,445.34</u></u> (D)
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TOTAL IN BOX A	\$ 1,245,303.62
LESS TOTAL IN BOX D	\$ 1,325,445.34
NET	<u><u>\$ 80,141.72</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.	

CITY OF BRIDGETON SCHOOL DISTRICT
 Application for State School Aid Summary
 Enrollment as of October 15, 2014

Grade	2015-2016 Application for State School Aid (10/15/14 Data)						Sample for Verification			Private Schools for the 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					
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared		
Half Day Preschool - 3 Year Old	386		386					386												
Full Day Preschool - 3 Years Old	504		504					504												
Half Day Preschool - 4 Year Old	517		517					517												
Full Day Preschool - 4 Years Old	487		487					487												
Half Day Kindergarten	471		471					471												
Full Day Kindergarten	421		421					421												
One	384		384					384												
Two	351		351					351												
Three	330		330					330												
Four	337		337					337												
Five	387		387					387												
Six	277	3	277	3				277	3											
Seven	181	51	181	51				181	51											
Eight	187	26	187	26				187	26											
Nine																				
Ten																				
Eleven																				
Twelve																				
Post-Graduate																				
Adult H.S. (15+CR.)																				
Adult H.S. (1-14CR.)																				
Subtotal	5,220	80	5,220	80	-	-	5,220	80	5,220	80	-	-	-	-	-	-	-	-	-	
Special Education Elementary	187		187					17	20											
Special Education Middle School	110		110					7	4											
Special Education High School	131	1	131	1			1	1	1											
Subtotal	428	1	428	1	-	-	25	-	25	-	-	-	-	-	28	22	22	22	-	
Co. Voc. - Regular																				
Co. Voc. Ft. Post Sec.																				
Totals	5,648	81	5,648	81	-	-	5,245	80	5,245	80	-	-	-	28	22	22	22	22	-	
Percentage Error																				

CITY OF BRIDGETON SCHOOL DISTRICT
 Application for State School Aid Summary
 Enrollment as of October 15, 2014

	Reported on A.S.S.A. as Low Income		Low Income		Sample for Verification		Reported on A.S.S.A. as LEP Low Income		Resident LEP Low Income		Sample for Verification	
	Income	Errors	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool - 3 Years Old												
Full Day Preschool - 3 Years Old												
Half Day Preschool - 4 Years Old												
Full Day Preschool - 4 Years Old												
Half Day Kindergarten												
Full Day Kindergarten	468.0	-	468.0	-	82.0	82.0	258.0	-	258.0	81.0	81.0	-
One	475.0	-	475.0	-	49.0	49.0	246.0	-	246.0	52.0	52.0	-
Two	462.0	-	462.0	-	47.0	47.0	220.0	-	220.0	46.0	46.0	-
Three	435.0	-	435.0	-	37.0	37.0	99.0	-	99.0	24.0	24.0	-
Four	394.0	-	394.0	-	33.0	33.0	56.0	-	56.0	16.0	16.0	-
Five	350.0	-	350.0	-	10.0	10.0	19.0	-	19.0	8.0	8.0	-
Six	319.0	-	319.0	-	5.0	5.0	9.0	-	9.0	2.0	2.0	-
Seven	289.0	-	289.0	-	2.0	2.0	12.0	-	12.0	4.0	4.0	-
Eight	304.0	-	304.0	-	5.0	5.0	18.0	-	18.0	4.0	4.0	-
Nine	339.0	-	339.0	-	11.0	11.0	35.0	-	35.0	10.0	10.0	-
Ten	226.0	-	226.0	-	6.0	6.0	16.0	-	16.0	5.0	5.0	-
Eleven	156.5	-	156.5	-	2.0	2.0	7.0	-	7.0	1.0	1.0	-
Twelve	156.0	-	156.0	-	8.0	8.0	5.0	-	5.0	1.0	1.0	-
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14CR.)												
Subtotal	4,373.5	-	4,373.5	-	297.0	297.0	1,000.0	-	1,000.0	254.0	254.0	-
Special Education-Elementary	174.0	-	174.0	-	2.0	2.0	41.0	-	41.0	4.0	4.0	-
Special Education-Middle School	105.0	-	105.0	-	2.0	2.0	3.0	-	3.0	3.0	3.0	-
Special Education-High School	112.0	-	112.0	-	2.0	2.0	5.0	-	5.0	5.0	5.0	-
Subtotal	391.0	-	391.0	-	6.0	6.0	49.0	-	49.0	-	-	-
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Sent to Private School for Disabled	7.0	-	7.0	-	-	-	-	-	-	-	-	-
Sent to Regional Day School												
Sent to County Special Service	46.5	-	46.5	-	-	-	-	-	-	-	-	-
Sent to Others	58.0	-	58.0	-	-	-	-	-	-	-	-	-
Sent to Head Start Preschool												
Sent to Provider Preschool												
Subtotal	111.5	-	111.5	-	-	-	-	-	-	-	-	-
Totals	4,876.0	-	4,876.0	-	303.0	303.0	1,049.0	-	1,049.0	254.0	254.0	-
Percentage Error												

CITY OF BRIDGETON SCHOOL DISTRICT
 Application for State School Aid Summary
 Enrollment as of October 15, 2014

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application, Test Score and Register	Sample Errors
Half Day Preschool - 3 Years Old			-			-
Full Day Preschool - 3 Years Old			-			-
Half Day Preschool - 4 Years Old			-			-
Full Day Preschool - 4 Years Old			-			-
Half Day Kindergarten			-			-
Full Day Kindergarten	12.0	12.0	-	1.0	1.0	-
One	8.0	8.0	-	1.0	1.0	-
Two	4.0	4.0	-			-
Three	4.0	4.0	-	1.0	1.0	-
Four	6.0	6.0	-	2.0	2.0	-
Five	3.0	3.0	-	3.0	3.0	-
Six	1.0	1.0	-	1.0	1.0	-
Seven	2.0	2.0	-	2.0	2.0	-
Eight	-	-	-			-
Nine	6.0	6.0	-			-
Ten	3.0	3.0	-			-
Eleven			-			-
Twelve			-			-
Post-Graduate			-			-
Adult H.S. (15+CR.)			-			-
Adult H.S. (1-14CR.)			-			-
Subtotal	49.0	49.0	-	11.0	11.0	-
Special Education-Elementary	4.0	4.0	-			-
Special Education-Middle School			-			-
Special Education-High School			-			-
Subtotal	4.0	4.0	-	-	-	-
Co. Voc. - Regular			-			-
Co. Voc. Ft. Post Sec.			-			-
Totals	53.0	53.0	-	11.0	11.0	-
Percentage Error						

Transportation						
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools, Col. 1	448.0	448.0	-	152.0	152.0	-
Aid-in-Lieu, Col. 2	46.0	46.0	-	15.0	15.0	-
Reg. - SpEd, Col. 4	79.0	79.0	-	28.0	28.0	-
Transported - Non-Public, Col. 3	-	-	-			-
Special Needs, Col. 6	127.0	127.0	-	42.0	42.0	-
Totals	700.0	700.0	-	237.0	237.0	-
Percentage Error						

	Reported	Recalculated
Reg. Avg. (Mileage) = Regular Including Grade PK students	5.4	5.4
Reg. Avg. (Mileage) = Regular Excluding Grade PK students	5.6	5.6
Spec. Avg. (Mileage) = Special Ed. with Special Needs	11.5	11.5

EXCESS SURPLUS CALCULATION

SCHOOL BASED BUDGET DISTRICT

SECTION 1

2% Calculation of Excess Surplus

2014-15 Total General Fund Expenditures Reported on CAFR Exhibit C-1	<u>97,108,044.23</u> (A)
Increased by Applicable Operating Transfers:	
Transfer from Capital Outlay to Capital Projects Fund	<u>-</u> (A1a)
Transfer from Capital Reserve to Capital Projects Fund	<u>-</u> (A1a)
Transfer from General Fund to Special Revenue Fund for Preschool - Regular	<u>182,805.00</u> (A1a)
Transfer from General Fund to Special Revenue Fund for Preschool - Inclusion	<u>-</u> (A1a)
Less: Expenditures Allocated to Restricted Federal Resources as reported on Exhibit D-2	<u>-</u> (A1b)
2014-15 Adjusted General Fund & Other State Expenditures [(A)+(A1a)-(A1b)]	<u>97,290,849.23</u> (A2)
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>7,962,995.89</u> (A3)
Assets Acquired Under Capital Leases:	
General Fund 10 Assets Acquired Under Capital Leases Reported on Exhibit C-1a	<u>447,277.16</u> (A4)
Add: General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases: Assets Acquired Under Capital Leases in Fund 15 Reported on Exhibit C-1a	<u>-</u> (A5)
Combined General Fund Contribution & State Resources % of Fund 15 Resources Reported on Exhibit D-2	<u>98.2947%</u> (A6)
General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases [(A5)*(A6)]	<u>-</u> (A7)
Total Assets Acquired Under Capital Leases [(A4)+(A7)]	<u>447,277.16</u> (A8)
2014-15 General Fund Expenditures [(A2)-(A3)-(A8)]	<u>88,880,576.18</u> (A9)
2% of Adjusted 2014-15 General Fund Expenditures [(A9) times .02]	<u>1,777,611.52</u> (A10)
Enter Greater of (A10) or \$250,000	<u>1,777,611.52</u> (A11)
Increased by: Allowable Adjustment *	<u>126,549.00</u> (K)
Maximum Unassigned Fund Balance [(A11)+(K)]	<u>1,904,160.52</u> (M)

EXCESS SURPLUS CALCULATION (CONT'D)

SCHOOL BASED BUDGET DISTRICT

SECTION 2

Total General Fund - Fund Balances at June 30, 2015	<u>19,798,671.86</u> (C)
Decreased by:	
Year-end Encumbrances	<u>417,955.02</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>-</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	<u>4,555,456.22</u> (C3)
Other Restricted Fund Balances ****	<u>6,576,521.80</u> (C4)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	<u>3,237,952.78</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	<u><u>5,010,786.04</u></u> (U)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U)-(M)] IF NEGATIVE ENTER -0-	<u><u>3,106,625.52</u></u> (E)
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Recapitulation of Excess Surplus as of June 30, 2015

Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	<u>4,555,456.22</u> (C3)
Restricted - Excess Surplus *** [(E)]	<u>3,106,625.52</u> (E)
Total Excess Surplus [(C3)+(E)]	<u><u>7,662,081.74</u></u> (D)

Footnotes:

* This adjustment line (as detailed below) is to be utilized when applicable for:

Federal Impact Aid. The passage of P.L.2015, c46 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, 2015 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).

Sale & Lease-Back, Extraordinary Aid, Additional Nonpublic School Transportation Aid, Recognized current year School Bus Advertising Revenue, and Family Crisis Transportation Aid. Refer to the Audit Program Section II, Chapter 10.

Detail of Allowable Adjustments

Federal Impact Aid	<u>-</u> (H)
Sale & Lease-Back	<u>-</u> (I)
Extraordinary Aid	<u>114,323.00</u> (J1)
Additional Nonpublic School Transportation Aid	<u>12,226.00</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><u>126,549.00</u></u> (K)

EXCESS SURPLUS CALCULATION (CONT'D)

SCHOOL BASED BUDGET DISTRICT

Footnotes: (Cont'd)

- ** This amount represents the June 30, 2014 Excess Surplus (C3 above) and must be included in the Audit Summary Line 90031. This amount was to be appropriated in the 2015-2016 general fund budget.
- *** Amounts must agree to the June 30, 2015 CAFR and must agree to Audit Summary Line 90030.
- **** Amount for Other Restricted 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.

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal	-
Sale/lease-back reserve	-
Capital reserve	<u>3,546,935.72</u>
Maintenance reserve	<u>2,929,586.08</u>
Emergency reserve	<u>100,000.00</u>
Tuition reserve	-
School bus advertising 50% fuel offset reserve	-
School bus advertising 50% fuel offset reserve	-
Impact Aid General Fund Reserve (Sections 8002 and 8003)	-
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	-
Other state/government mandated reserves	-
[Other Restricted Fund Balance not noted above]****	-
Total Other Restricted Fund Balance	<u><u>6,576,521.80</u></u> (C4)