

Auditor's Management Report

for the

*Jackson Township
School District*

in the

*County of Ocean
New Jersey*

for the

*Fiscal Year Ended
June 30, 2015*

**AUDITOR'S MANAGEMENT REPORT OF ADMINISTRATIVE
FINDINGS FINANCIAL AND COMPLIANCE**

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Tax ID Number 21-6000344



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Jackson Township School District
County of Ocean
Jackson, New Jersey 08527

We have audited, in accordance with U.S. generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Township of Jackson School District in the County of Ocean for the year ended June 30, 2015, and have issued our report dated November 30, 2015.

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

This report is intended solely for the information of the Township of Jackson School District, County of Ocean, New Jersey, the New Jersey Department of Education and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 93

November 30, 2015

**Independent Auditor's Management Report of Administrative
Findings Financial and Compliance**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, the activities of the Jackson Township School District Board of Education, 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 in the District's CAFR. (See Exhibit J-20)

Official Bonds

| <u>NAME</u> | <u>POSITION</u> | <u>AMOUNT OF BOND</u> |
|------------------------|---|---------------------------|
| Brian Falkowski | Treasurer of School Monies | \$750,000.00 |
| Michelle D. Richardson | Board Secretary/ School Business Administrator | \$250,000.00 |
| All Employees | Blanket Position Bond | \$500,000.00 |

Adequacy of insurance coverage is the responsibility of the Board of Education.

Financial Planning, Accounting and Reporting

Examination of Claims

Our audit of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Payroll Accounts

The net salaries of all employees of the Board were deposited in the Net 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 Board Secretary/Business Administrator.

Salary withholdings were promptly remitted to the proper agencies

Independent Auditor's Management Report of Administrative Findings Financial and Compliance

Position Control Roster

The Position Control Roster was reviewed and compared to payroll records, employee benefit records and charges made to the general ledger to ensure proper and consistent financial reporting and that employee benefits are only offered to current employees.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, 2014 for proper classification of orders as reserve for encumbrances and accounts payable.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2 (g) 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 selecting a test sample our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23 A-2.4 As a result of the procedures performed, no exceptions were noted.

Board Secretary's Records

The records maintained by the Board Secretary were in satisfactory condition.

Treasurer's Records

The records maintained by the Treasurer of School Monies were in satisfactory condition.

Elementary and Secondary Education Act of 1965 (E.S.E.A.) / Improving America's Schools (IASA) as Reauthorized by the No Child Left Behind Act of 2001

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 Title I, Title II Part A, and Title III of the Elementary and Secondary Education Act.

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.

**Independent Auditor's Management Report of Administrative
Findings Financial and Compliance**

T.P.A.F. Reimbursement

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

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. No exceptions were noted.

SCHOOL PURCHASING PROGRAMS

N.J.S.A. 18A:18A-1, et seq. states:

"a. When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$26,000, the contract may be awarded by a purchasing agent when so authorized by resolution of the board of education without public advertising for bids and bidding therefor, except that the board of education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b of section 9 of P.L. 1971 c. 198 (C.40A:11-9) the board of education may establish that the bid threshold may be up to \$36,000.00. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Commencing in the fifth year after the year in which P.L. 1999 c. 440 takes effect, and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the board of education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2 and shall round the adjustment to the nearest \$1,000.00. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of every year in which it is made. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection a. of N.J.S.A. 18A:18A-5 may be awarded for a period not exceeding 12 consecutive months."

**Independent Auditor's Management Report of Administrative
Findings Financial and Compliance**

SCHOOL PURCHASING PROGRAMS

Contracts and Agreements Requiring Advertisement for Bids (Continued)

N.J.S.A.18A:18A-4 states, "Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this chapter or specifically by any other law."

The board of education may, by resolution approve by the majority of the board of education and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the board of education finds that it has had negative prior experience with the bidder."

Effective July 1, 2010, the bid threshold in accordance with N.J.S.A. 18A:18A-3(a) and (c) is \$26,000.00. In accordance with N.J.S.A. 40A:11-9 (b) the bid threshold for all purchases made by the District's qualified purchasing agent is \$36,000.00. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18:39-3 is currently \$18,300.00.

The 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.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies; the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The results of our examination indicated that no individual payments, contracts or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," 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.

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.

**Independent Auditor's Management Report of Administrative
Findings Financial and Compliance**

School Food Service Funds

The financial transactions and statistical records of the School Food Services were maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

The number of meals claimed for reimbursement was verified against sales and meal count records. As part of the claims review process the edit check worksheet was completed. Reimbursement vouchers were properly computed and timely filed. Meals claimed agreed with the meal count records tested.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served did not exceed the number of valid applications on file, times the number of operating days, on a school by school basis. The free and reduced priced meal policy is uniformly administered throughout the School system. The required verification procedures for free and reduced price applications were completed and available for review.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified.

The cash disbursements records reflected expenditures for program related goods and services. The Board is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34 and 19-1 through 19-4.1. 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.

Cash Receipts and bank records were reviewed for timely deposit.

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

The District utilizes a food service management company 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 break even. The operating results provision has been met.

Food Distribution Program Commodities were received and an inventory was maintained on a first-in, first-out basis. No exceptions were noted

Exhibits reflecting Child Nutrition Program operations are included in Section G of the CAFR.

**Independent Auditor's Management Report of Administrative
Findings Financial and Compliance**

Student Body Activities

The records for the Student Body Activities were maintained in satisfactory condition.

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 minor exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

Our procedures included a review of the SDA grant agreements for consistency with recording SDA revenue, transfer of local funds from the general or capital reserve account, and awarding of contracts for eligible facilities construction. No exceptions were noted.

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 onroll, private schools for the disabled, 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 without exception. The information that was included on the workpapers was verified with minor exceptions. 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.

FOLLOW-UP ON PRIOR YEAR'S FINDINGS

Not Applicable.

**Independent Auditor's Management Report of Administrative
Findings Financial and Compliance**

RECOMMENDATIONS

None

**SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014**

| | 2015-2016 Application for State School Aid (10/15/14 data) | | | | Sample for Verification | | | | Private School for Disabled | | | | | |
|-------------------------|--|--------------|--------------------------------|--------------|---------------------------------|------------|--------------------------------|------------|------------------------------|--------|-----------------------------|--------|-------------------------|-------------|
| | Reported as on Roll | | Reported on Workpapers on Roll | | Sample Selected from Workpapers | | Verified per Registers on Roll | | Errors per Registers on Roll | | Reported on Private Schools | | Sample for Verification | |
| | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Full | Shared |
| Half Day Kindergarten | 444.0 | | 444.0 | | 18.0 | | 18.0 | | | | | | | |
| One | 520.0 | | 520.0 | | 22.0 | | 22.0 | | | | | | | |
| Two | 504.0 | | 504.0 | | 20.0 | | 20.0 | | | | | | | |
| Three | 587.0 | | 587.0 | | 25.0 | | 25.0 | | | | | | | |
| Four | 578.0 | | 578.0 | | 24.0 | | 24.0 | | | | | | | |
| Five | 600.0 | | 600.0 | | 25.0 | | 25.0 | | | | | | | |
| Six | 560.0 | | 560.0 | | 20.0 | | 20.0 | | | | | | | |
| Seven | 638.0 | | 638.0 | | 23.0 | | 23.0 | | | | | | | |
| Eight | 619.0 | | 619.0 | | 20.0 | | 20.0 | | | | | | | |
| Nine | 594.0 | | 594.0 | | 21.0 | | 21.0 | | | | | | | |
| Ten | 658.0 | | 658.0 | | 20.0 | | 20.0 | | | | | | | |
| Eleven | 594.0 | 61.0 | 594.0 | 61.0 | 19.0 | 2.0 | 19.0 | 2.0 | | | | | | |
| Twelve | 557.0 | 55.0 | 557.0 | 55.0 | 18.0 | 2.0 | 18.0 | 2.0 | | | | | | |
| Post-Graduate | | | | | | | | | | | | | | |
| Adult H.S. (15+ CR.) | | | | | | | | | | | | | | |
| Adult H.S. (1-14 CR.) | | | | | | | | | | | | | | |
| Subtotal | 7,453.0 | 116.0 | 7,453.0 | 116.0 | 275.0 | 4.0 | 275.0 | 4.0 | | | | | | |
| Sp. Ed. - Elementary | 471.0 | | 471.0 | | 15.0 | | 15.0 | | | | 13.5 | | 10.0 | 10.0 |
| Sp. Ed. - Middle School | 297.0 | | 297.0 | | 8.0 | | 8.0 | | | | 10.0 | | 10.0 | 10.0 |
| Sp. Ed. - High School | 386.0 | 84.0 | 386.0 | 84.0 | 8.0 | 2.0 | 8.0 | 2.0 | | | 29.0 | | 20.0 | 20.0 |
| Subtotal | 1,154.0 | 84.0 | 1,154.0 | 84.0 | 31.0 | 2.0 | 31.0 | 2.0 | | | 52.5 | | 40.0 | 40.0 |
| Co. Voc. - Regular | | | | | | | | | | | | | | |
| Co. Voc. Ft. Post Sec. | | | | | | | | | | | | | | |
| Totals | 8,607.0 | 200.0 | 8,607.0 | 200.0 | 306.0 | 6.0 | 306.0 | 6.0 | | | 52.5 | | 40.0 | 40.0 |
| Percentage Error | | | | | 0% | | 0% | | 0% | | 0% | | 0% | 0% |

**TOWNSHIP OF JACKSON SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014**

| | 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 3 Yrs | 85.0 | 85.0 | | | 14.0 | 1.0 | 4.0 | 4.0 | | | | |
| Half Day Preschool 4 Yrs | 135.0 | 135.0 | | 22.0 | 22.0 | | 15.0 | 15.0 | | 12.0 | 12.0 | 2.0 |
| Full Day Preschool 3 Yrs | 132.0 | 132.0 | | 21.0 | 21.0 | | 4.0 | 4.0 | | 3.0 | 3.0 | 3.0 |
| Full Day Preschool 4 Yrs | 125.0 | 125.0 | | 20.0 | 20.0 | | 11.0 | 11.0 | | 9.0 | 9.0 | 9.0 |
| Half Day Kindergarten | 129.0 | 129.0 | | 20.0 | 20.0 | | 5.0 | 5.0 | | 4.0 | 4.0 | 4.0 |
| One | 139.0 | 139.0 | | 19.0 | 19.0 | | 3.0 | 3.0 | | 2.0 | 2.0 | 2.0 |
| Two | 95.0 | 95.0 | | 17.0 | 17.0 | | 1.0 | 1.0 | | 1.0 | 1.0 | 1.0 |
| Three | 153.0 | 153.0 | | 22.0 | 22.0 | | 2.0 | 2.0 | | 1.0 | 1.0 | 1.0 |
| Four | 122.0 | 122.0 | | 17.0 | 17.0 | | 5.0 | 5.0 | | 3.0 | 3.0 | 3.0 |
| Five | 118.0 | 118.0 | | 17.0 | 17.0 | | 1.0 | 1.0 | | 1.0 | 1.0 | 1.0 |
| Six | 126.0 | 126.0 | | 15.0 | 15.0 | | 4.0 | 4.0 | | 3.0 | 3.0 | 3.0 |
| Seven | 114.0 | 114.0 | | 14.0 | 14.0 | | 4.0 | 4.0 | | 3.0 | 3.0 | 3.0 |
| Eight | 112.0 | 112.0 | | 13.0 | 13.0 | | 2.0 | 2.0 | | 2.0 | 2.0 | 2.0 |
| Subtotal | 1,585.0 | 1,585.0 | | 232.0 | 231.0 | 1.0 | 61.0 | 61.0 | | 46.0 | 46.0 | 46.0 |
| Special Ed - Elementary | 161.0 | 161.0 | | 20.0 | 20.0 | | | | | | | |
| Special Ed - Middle | 98.0 | 98.0 | | 15.0 | 15.0 | | | | | | | |
| Special Ed - High | 132.0 | 132.0 | | 17.0 | 17.0 | | | | | | | |
| Subtotal | 391.0 | 391.0 | | 52.0 | 52.0 | | | | | | | |
| Co. Voc. - Regular | 1,976.0 | 1,976.0 | | 284.0 | 283.0 | 1.0 | 61.0 | 61.0 | | 46.0 | 46.0 | 46.0 |
| Co. Voc. Ft. Post Sec. | | | | | | | | | | | | |
| Totals | 1,976.0 | 1,976.0 | 0% | 284.0 | 283.0 | 0.35% | 61.0 | 61.0 | 0% | 46.0 | 46.0 | 0% |
| Percentage Error | | | | | | | | | | | | |

Transportation

| | Reported on DRTS by DOE/county | | | Reported on DRTS by District | | | Errors | | | |
|----------------------------------|--------------------------------|--------|----------|------------------------------|--------|----------|--------|--------|----------|--------|
| | Reported on | Tested | Verified | Reported on | Tested | Verified | Errors | Tested | Verified | Errors |
| Reg. - Public Schools, col. 2 | 5,200.0 | 235.0 | 235.0 | 5,197.1 | 235.0 | 235.0 | 2.9 | | | |
| Reg - SpEd, col. 8 | 903.5 | 50.0 | 50.0 | 903.5 | 50.0 | 50.0 | | | | |
| Transported - Non-Public, col. 6 | 302.0 | 15.0 | 15.0 | 302.0 | 15.0 | 15.0 | | | | |
| Special Ed Spec, col. 11 | 554.5 | 12.0 | 12.0 | 554.5 | 12.0 | 12.0 | | | | |
| Totals | 6,960.0 | 312.0 | 312.0 | 6,957.1 | 312.0 | 312.0 | 2.9 | | | |
| Percentage Error | | | | | | | 0.04% | | | |

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

| | | | |
|----------|------|---------------|------|
| Reported | 4.86 | Re-Calculated | 4.86 |
| Reported | 4.86 | Re-Calculated | 4.86 |
| Reported | 7.2 | Re-Calculated | 7.2 |

TOWNSHIP OF JACKSON SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

| | Resident LEP NOT Low Income | | | Sample for Verification | | |
|-------------------------|--------------------------------------|--|--------|---------------------------------|--------------------------------------|---------------|
| | Reported on A.S.A. as NOT Low Income | Reported on Workpapers as NOT Low Income | Errors | Sample Selected from Workpapers | Verified to Application and Register | Sample Errors |
| Half Day Kindergarten | | | | | | |
| One | 2.0 | 2.0 | | 1.0 | 1.0 | |
| Two | 5.0 | 5.0 | | 3.0 | 3.0 | |
| Three | 4.0 | 4.0 | | 4.0 | 4.0 | |
| Four | 2.0 | 2.0 | | 2.0 | 2.0 | |
| Five | 2.0 | 2.0 | | 2.0 | 2.0 | |
| Six | 1.0 | 1.0 | | 1.0 | 1.0 | |
| Seven | | | | | | |
| Eight | 1.0 | 1.0 | | 1.0 | 1.0 | |
| Nine | 1.0 | 1.0 | | 1.0 | 1.0 | |
| Ten | | | | | | |
| Eleven | 1.0 | 1.0 | | 1.0 | 1.0 | |
| Twelve | | | | | | |
| Post-Graduate | | | | | | |
| Adult H.S. (15+CR.) | | | | | | |
| Adult H.S. (1-14 CR.) | | | | | | |
| Subtotal | 19.0 | 19.0 | | 16.0 | 16.0 | |
| Special Ed - Elementary | | | | | | |
| Special Ed - Middle | 2.0 | 2.0 | | 2.0 | 2.0 | |
| Special Ed - High | | | | | | |
| Subtotal | 2.0 | 2.0 | | 2.0 | 2.0 | |
| Co. Voc. - Regular | | | | | | |
| Co. Voc. Ft. Post Sec. | | | | | | |
| Totals | 21.0 | 21.0 | | 18.0 | 18.0 | |
| Percentage Error | | | 0% | | | 0% |

**TOWNSHIP OF JACKSON SCHOOL DISTRICT
NET CASH RESOURCE SCHEDULE - FOOD SERVICE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

A School Food Authority is required to maintain a nonprofit School Food Service. The nonprofit status of the School Food Service is determined by evaluating net cash resources. Net cash resources may not exceed three months average expenditures.

As Illustrated in the schedule below, the Districts Net Cash Resources (\$227,360.43) do not exceed three months average expenditures (\$829,767.12)

| <u>Net Cash Resources:</u> | | Food Service B - 4/5 |
|--|----------------------------|---|
| CAFR | Current Assets* | |
| B-4 | Cash & Cash Equivalents | \$232,859.71 |
| B-4 | Accounts Receivable | 65,216.25 |
| | | |
| CAFR | Current Liabilities | |
| B-4 | Less Accruals | (586.90) |
| B-4 | Less Due to Other Funds | (297.00) |
| B-4 | Less Unearned Revenue | <u>(69,831.63)</u> |
| | Net Cash Resources | <u><u>\$227,360.43</u></u> (A) |
| | | |
| <u>Net Adj. Total Operating Expense:</u> | | |
| B-5 | Tot. Operating Exp. | \$2,856,911.52 |
| B-5 | Less Depreciation | <u>(91,021.12)</u> |
| | Adj. Tot. Oper. Exp. | <u><u>\$2,765,890.40</u></u> (B) |
| | | |
| <u>Average Monthly Operating Expense:</u> | | |
| | B / 10 | <u><u>\$276,589.04</u></u> (C) |
| | | |
| <u>Three times monthly Average:</u> | | |
| | 3 X C | <u><u>\$829,767.12</u></u> (D) |

| | | |
|--|-------------------------------------|-----------------------|
| TOTAL IN BOX A | <u>\$227,360.43</u> | |
| LESS TOTAL IN BOX D | <u>(\$829,767.12)</u> | |
| NET | <u><u>(\$602,406.69)</u></u> | <--- Excess |
| | | |
| 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.

EXCESS SURPLUS CALCULATION

SECTION 1

| | | |
|--|-----------------|------------------------------|
| General Fund Expenditures: | | |
| Fiscal Year Ended June 30, 2015 | | \$137,410,648.27 |
| Increased by: | | |
| Transfer from Capital Outlay to Capital Projects | | \$8,112,748.00 |
| | | \$145,523,396.27 |
| Less On-Behalf TPAF Pension and Social Security | \$11,379,527.43 | |
| Assets Acquired Under Capital Leases | 960,671.00 | |
| | | <u>12,340,198.43</u> |
| Adjusted General Fund Expenditures | | 133,183,197.84 |
| Excess Surplus Percentage | | <u>2.00%</u> |
| Subtotal | | 2,663,663.96 |
| Increased by: | | |
| Extraordinary Aid (Unbudgeted) | 255,166.00 | |
| Non-Public Transportation Aid (Unbudgeted) | 51,904.00 | |
| | | <u>307,070.00</u> |
| Maximum Unreserved/Undesignated Fund Balance | | <u><u>\$2,970,733.96</u></u> |

SECTION 2

| | | |
|---|---------------|------------------------------|
| Total General Fund Balance | | \$ 14,868,822.33 |
| Decreased by: | | |
| Year End Encumbrances | \$ 524,391.20 | |
| Legally Restricted: | | |
| Excess Surplus - Designated for Subsequent Year's Expenditures | 3,946,312.70 | |
| Capital Reserve | 1,653,459.48 | |
| Assigned Fund Balance - Designated for Subsequent Year's Expenditures | 1,268,082.48 | |
| | | <u>7,392,245.86</u> |
| Total Unassigned Fund Balance | | <u>7,476,576.47</u> |
| Reserved Fund Balance-Excess Surplus | | <u><u>\$4,505,842.51</u></u> |

SECTION 3

| | | |
|--|--|------------------------------|
| Recapitulation of Excess Surplus as of June 30, 2015 | | |
| Reserved Excess Surplus-Designated for Subsequent Years Expenditures | | \$3,946,312.70 |
| Reserved Excess Surplus | | <u>4,505,842.51</u> |
| Total | | <u><u>\$8,452,155.21</u></u> |

