

**TOWNSHIP OF MONROE
SCHOOL DISTRICT
COUNTY OF GLOUCESTER**

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

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

TOWNSHIP OF MONROE 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
Township of Monroe School District
County of Gloucester, 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 Board of Education of the Township of Monroe Township School District, in the County of Gloucester, 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 8, 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 Board of Education of the Township of Monroe 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



Michael D. Cesaro
Certified Public Accountant
Public School Accountant No. CS 01191

Voorhees, New Jersey
December 8, 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 Board Designee's Records, 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>
Lisa Schultz	Board Secretary / School Business Administrator	\$ 389,000.00
Bonnie Biddick	Board Designee	389,000.00

There is a Public Employees' Faithful Performance Blanket Position Bond with School Alliance Insurance Fund covering all other employees with multiple coverage of \$500,000.00.

Tuition Charges (not applicable to charter schools or renaissance school projects)

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 Board Secretary / School Business Administrator who then deposited warrants in separate bank accounts for net payroll and withholdings.

Employee Position Control Roster

A sample of the Employee Position Control Roster indicated that it was in satisfactory condition.

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

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 reviewed 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 reviewed 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.

Board Designee's Records

Our audit of the financial and accounting records maintained by the Board Designee 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.

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.

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

TPAF 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.

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&softpage=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 reviewed on a sample basis. No exceptions were noted.

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

The School 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 \$187,633.00. The operating results provision has been met.

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.

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.

SCHOOL FOOD SERVICE (CONT'D)

Sampled applications for free and reduced price meals were reviewed for completeness and accuracy. 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 counting and claiming requirements. 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 a review 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. No exceptions were noted in our sample of transportation related purchases of goods and services.

MISCELLANEOUS

Continuing Disclosure Agreements

The School District complied with its most recent continuing disclosure agreements made in relation to prior year bond issuances.

FOLLOW-UP ON PRIOR YEAR'S FINDINGS

In accordance with Government Auditing Standards, our procedures included a review of all prior year recommendations. Corrective action had been taken on all prior year findings.

We have also reviewed the findings contained in the audit report issued by the Office of Fiscal Accountability and Compliance (OFAC). The report, issued on November 9, 2015, contained findings on the School District's NCLB Title I program and contained \$33,615.47 in questioned costs. The School District accepted the report on November 11, 2015 and intends to partially appeal the report's findings and \$10,947.09 of the questioned costs. As a result of the appeal, no corrective action has been taken.

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



Michael D. Cesaro
Certified Public Accountant
Public School Accountant No. CS 01191

TOWNSHIP OF MONROE 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	202,039	1,180	1,900	720	\$ 0.28	\$ 201.60
	Reduced	38,916	234	234		2.58	
	Free	192,426	1,204	484	(720)	2.98	(2,145.60)
	HHFKA*	<u>433,381</u>	<u>2,618</u>	<u>2,618</u>		0.06	
	Total	<u>866,762</u>	<u>5,236</u>	<u>5,236</u>	<u>---</u>		<u>(1,944.00)</u>
School Breakfast (Regular Rate)	Paid	439	4	40	36	0.28	10.08
	Reduced	191	4	22	18	1.32	23.76
	Free	<u>1,666</u>	<u>10</u>	<u>(44)</u>	<u>(54)</u>	1.62	<u>(87.48)</u>
	Total	<u>2,296</u>	<u>18</u>	<u>18</u>	<u>---</u>		<u>(53.64)</u>
School Breakfast (Severe Rate)	Paid	25,868	146	830	684	0.28	191.52
	Reduced	8,959	52	34	(18)	1.63	(29.34)
	Free	<u>81,916</u>	<u>470</u>	<u>(196)</u>	<u>(666)</u>	1.93	<u>(1,285.38)</u>
	Total	<u>116,743</u>	<u>668</u>	<u>668</u>	<u>---</u>		<u>(1,123.20)</u>
Special Milk	Paid	16,640		-	-	0.2300	-
	Free	<u>12,793</u>		-	-	Average Cost	-
	Total	<u>29,433</u>	<u>---</u>	<u>---</u>	<u>---</u>		<u>---</u>
After School Snacks	Paid					0.07	
	Reduced					0.41	
	Free (Area Eligible)					0.82	
	Total	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>		<u>---</u>
CACFP (d) - Food					2.98		
CACFP (d) - Cash-in-Lieu of USDA Foods					0.2475		
Total Net Underclaim / (Overclaim)						<u>\$ (3,120.84)</u>	

* For "Federal PB Lunch" Healthy Hunger-Free Kids Act of 2010

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Net Cash Resources
 Net Cash Resources Did/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	\$ 551,268.56
B-4	Due from Other Governments	159,035.41
B-4	Other Accounts Receivable	56,619.83
CAFR	Current Liabilities	
B-4	Less Accounts Payable	(107,541.48)
B-4	Less Deferred Revenue	(38,775.84)
	Net Cash Resources	<u><u>\$ 620,606.48</u></u> (A)

Net Adjusted Total Operating Expense:

B-5	Total Operating Expenditures	2,204,598.12	
B-5	Less Depreciation	<u>(29,043.00)</u>	
	Adjusted Total Operating Expense	<u><u>\$ 2,175,555.12</u></u>	(B)

Average Monthly Operating Expense:

B / 10	<u><u>\$ 217,555.51</u></u>	(C)
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Three Times Monthly Average:

3 X C	<u><u>\$ 652,666.54</u></u>	(D)
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TOTAL IN BOX A	<u>\$ 620,606.48</u>
LESS TOTAL IN BOX D	<u>\$ 652,666.54</u>
NET	<u><u>\$ 32,060.06</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.

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Application for State School Aid Summary
 Schedule of Audited Enrollments
 Enrollment as of October 15, 2014

	2015-2016 Application for State School Aid						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 Veri- cation	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	343		343				71		71							
Full Day Kindergarten																
One	398		398				96		96							
Two	412		412				133		133							
Three	390		390				95		95							
Four	397		397				68		68							
Five	383		383				383		383							
Six	423		423				423		423							
Seven	397		397				397		395		2					
Eight	408		408				408		408							
Nine	435		435				435		435							
Ten	352		352				352		352							
Eleven	382		382				382		382							
Twelve	375		375				375		375							
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14CR.)																
Subtotal	5,095	---	5,095	---	---	---	3,618	---	3,616	---	2	---	---	---	---	---
Special Ed - Elementary	400		400				97		97				12	10	10	
Special Ed - Middle School	268		268				268		268				9	8	8	
Special Ed - High School	296	2	296	2			296	2	296	2			12	10	10	
Subtotal	964	2	964	2	---	---	661	2	661	2	---	---	33	28	28	---
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Subtotal	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Totals	6,059	2	6,059	2	---	---	4,279	2	4,277	2	2	---	33	28	28	---
Percentage Error					0.0%	0.0%					0.05%	0.0%				0.0%

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Application for State School Aid Summary
 Schedule of Audited Enrollments
 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 Application, Test Score and Register	Sample Errors
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten	103	103		4	4		7	7		6	6	
Full Day Kindergarten												
One	142	142		7	7		10	10		7	7	
Two	127	127		11	11		7	7		5	5	
Three	110	110		4	4		8	8		7	6	1
Four	122	122		5	5		2	2		2	2	
Five	120	120		25	25		1	1		1	1	
Six	131	131		26	25	1						
Seven	110	110		22	22		1	1		1	1	
Eight	121	121		25	25							
Nine	142	142		29	29		6	6		6	6	
Ten	108	108		22	22		1	1		1	1	
Eleven	107	107		21	21		1	1		1	1	
Twelve	102	102		21	21							
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14CR.)												
Subtotal	1,545	1,545	---	222	221	1	44	44	---	37	36	1
Special Education-Elementary	196	196		10	10		1	1				
Special Education-Middle School	157	157		30	30							
Special Education-High School	120	120		22	20	2						
Subtotal	473	473	---	62	60	2	1	1	---	---	---	---
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Subtotal	---	---	---	---	---	---	---	---	---	---	---	---
Totals	2,018	2,018	---	284	281	3	45	45	---	37	36	1
Percentage Error			0.0%			1.06%			0.0%			2.70%
Transportation												
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors				Reported	Re-Calculated	
Reg. - Public Schools, Col. 1	2,574	2,571	3	219	215	4	Reg. Avg. (Mileage) = Regular Including Grade PK students (Part A)			3.9	3.9	
Reg. - SpEd, Col. 4	761	765	(4)	64	65	(1)	Reg. Avg. (Mileage) = Regular Excluding Grade PK students (Part B)			3.9	3.9	
Transported - Non-Public, Col. 3	153	159	(6)	13	13		Spec. Avg. (Mileage) = Special Ed. with Special Needs			13.2	13.9	
Special Needs, Col. 6	93	93		7	6	1						
Totals	3,581	3,588	(7)	303	299	4						
Percentage Error			-0.2%			1.3%						

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Application for State School Aid Summary
 Schedule of Audited Enrollments
 Enrollment as of October 15, 2014

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low <u>Income</u>	Reported on Workpapers as NOT Low <u>Income</u>	<u>Errors</u>	Sample Selected from <u>Workpapers</u>	Verified to Application, Test Score and Register	Sample <u>Errors</u>
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten	5	5		2	2	
Full Day Kindergarten						
One	5	5		4	4	
Two	3	3		3	3	
Three	2	2		2	2	
Four						
Five						
Six						
Seven	2	2		1	1	
Eight	1	1		1	1	
Nine	1	1				
Ten	1	1				
Eleven						
Twelve						
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14CR.)						
Subtotal	<u>20</u>	<u>20</u>	<u>---</u>	<u>13</u>	<u>13</u>	<u>---</u>
Special Education-Elementary	1	1				
Special Education-Middle School						
Special Education-High School						
Subtotal	<u>1</u>	<u>1</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>21</u>	<u>21</u>	<u>---</u>	<u>13</u>	<u>13</u>	<u>---</u>
Percentage Error			<u>0.0%</u>			<u>0.0%</u>

EXCESS SURPLUS CALCULATION

REGULAR DISTRICT / CHARTER SCHOOL / RENAISSANCE SCHOOL PROJECT

SECTION 1

2% Calculation of Excess Surplus

2014-15 Total General Fund Expenditures Reported on CAFR Exhibit C-1	<u>\$ 87,737,011.00</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	<u>22,730.00</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>7,082,442.20</u> (B2a)
Assets Acquired Under Capital Leases	<u>275,861.29</u> (B2b)
Adjusted 2014-15 General Fund Expenditures [(B)+(B1s)-(B2s)]	<u>\$ 80,401,437.51</u> (B3)
2% of Adjusted 2014-15 General Fund Expenditures [(B3) times .02]	<u>\$ 1,608,028.75</u> (B4)
Enter Greater of (B4) or \$250,000	<u>1,608,028.75</u> (B5)
Increased by: Allowable Adjustment *	<u>65,803.00</u> (K)
Maximum Unassigned Fund Balance [(B5) + (K)]	<u>\$ 1,673,831.75</u> (M)

SECTION 2

Total General Fund - Fund Balances at June 30, 2015 (Per CAFR Budgetary Comparison Schedule, Ex. C-1)	<u>\$ 14,503,779.66</u> (C)
Decreased by:	
Year-End Encumbrances	<u>128,307.61</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>-</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	<u>5,359,228.19</u> (C3)
Other Restricted Fund Balances ****	<u>1,250,550.00</u> (C4)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	<u>90,323.61</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	<u>7,675,370.25</u> (U1)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER -0-	<u>\$ 6,001,538.50</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>5,359,228.19</u> (C3)
Restricted - Excess Surplus *** [(E)]	<u>6,001,538.50</u> (E)
Total Excess Surplus [(C3)+(E)]	<u>\$ 11,360,766.69</u> (D)

EXCESS SURPLUS CALCULATION (CONT'D)

REGULAR DISTRICT / CHARTER SCHOOL / RENAISSANCE SCHOOL PROJECT

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	-	(H)
Sale & Lease-back	-	(I)
Extraordinary Aid	<u>\$ 44,979.00</u>	(J1)
Additional Nonpublic School Transportation Aid	<u>20,824.00</u>	(J2)
Current Year School Bus Advertising Revenue Recognized	-	(J3)
Family Crisis Transportation Aid	-	(J4)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	 <u>65,803.00</u>	 (K)

** 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>\$ 1,250,550.00</u>
Maintenance reserve	-
Emergency reserve	-
Tuition reserve	-
School bus advertising 50% fuel offset reserve - current year	-
School bus advertising 50% fuel offset reserve - prior year	-
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>1,250,550.00</u> (C4)

