



**SCHOOL DISTRICT OF NEPTUNE TOWNSHIP
NEPTUNE TOWNSHIP BOARD OF EDUCATION**

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

JUNE 30, 2015



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INDEPENDENT AUDITORS' REPORT

Honorable President and Members
of the Board of Education
Neptune Township Board of Education
County of Monmouth, 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 Neptune Township School District, County of Monmouth as of and for the year ended June 30, 2015, and have issued our report thereon dated December 14, 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 Neptune Township Board of Education's management, Board of Education members, others within the entity and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Scott A. Clelland
Scott A. Clelland
Licensed Public School Accountant
No. 1049
Wiss & Company
WISS & COMPANY, LLP

Iselin, New Jersey
December 14, 2015

**NEPTUNE 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, 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 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>
Peter J. Leonard	School Business Administration/Board Secretary	\$ 300,000
Peter I. Bartlett	Asst. Business Administrator/Asst. Board Secretary	300,000
Sandra Lampinen	Bookkeeping Coordinator	300,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were greater than or less than estimated costs. The District made a proper adjustment to the billings to sending Districts for the increase (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

An examination of claims paid during the period did not indicate any discrepancies with respect to signatures, certification or supporting documentation. No discrepancies or exceptions were noted.

Payroll Account

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

**NEPTUNE TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL,
COMPLIANCE AND PERFORMANCE**

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

Payrolls were delivered to the Secretary of the Board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

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 noted.

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% overall 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 disclosed no exceptions.

Elementary and Secondary Education Act (ESEA)/Improving America's Schools Act (IASA) as reauthorized by the No Child Left Behind Act of 2001

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

The study of compliance for E.S.E.A. /I.A.S.A. /N.C.L.B. indicated no exceptions.

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.

**NEPTUNE TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL,
COMPLIANCE AND PERFORMANCE**

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 Federal OMB Circular A-133 or State Circular 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 reports for all applicable 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 expenditures were reviewed subsequent to the reimbursement and no exceptions were noted.

Non-Public State Aid

Our review of non-public state aid did not disclose any exceptions.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2011 and thereafter, the bid thresholds in accordance with *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 bidding for public school student transportation contracts under 18A:39-3 is currently \$18,300 for 2014-2015.

The District 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.

**NEPTUNE TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL,
COMPLIANCE AND PERFORMANCE**

The following area of improvement was identified:

Finding 2015-001

Finding

During testing of bids and the local public contracts law, we noted that the total of payments and invoices within a contract year for one vendor exceeded the statutory bid threshold and the District did not go through the formal bid process.

Recommendation

We suggest that the District bid for items that would have a chance of exceeding the threshold in a given year.

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 services fund were reviewed on a test check basis. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis and no exceptions were noted.

Cash receipts and bank records were reviewed on a test basis for timely deposit and no exceptions were noted.

The District utilizes a food service management company (FSMC) and is depositing and expending 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 generate a return of \$107,688. The operating results provision has been met.

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

Applications for free and reduced price meals were reviewed 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 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 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.

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

**NEPTUNE TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL,
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The District does not have any School Food Services employees authorized by the Board of Education.

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.

USDA Food Donation program commodities were received and a separate 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 B of the CAFR.

Student Body Activities

During our audit of the student activity funds, we noted the following opportunities for improvement:

Finding 2015-002

Finding

New Jersey local school districts are political subdivisions of the State of New Jersey. Their purchases, except purchases of energy, are exempt from New Jersey sales and use taxes, pursuant to Section 9(a)(1) of the New Jersey Sales and Use Tax Act. An exempt organization certificate or number is not required for the local school district, public school or board of education to make tax exempt purchases. ST-5 Exempt Organization Certificates are never issued to New Jersey government entities, including public schools. Their official letterhead or official purchase order, signed by a school official, is sufficient proof to the vendor that they are exempt from paying sales taxes. Payment must be made by a school check, including a student activity fund check, or a school voucher. However, for incidental purchases made with a cash advance of \$150 or less from the school, a ST-4 Exempt Use Certificate must be used for proof of exemption. Our testing revealed one transaction in which sales tax was paid with student activity funds.

Recommendation

We suggest all schools review the current Board policy and ensure that proper documentation is submitted to the vendor for the transaction to avoid sales tax.

Finding 2015-003

Finding

In accordance with N.J.A.C. 6A:23A-6.12, adoption of a formal board policy that includes all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices, which includes prompt deposit of funds in the bank. Two deposits were identified that were not considered to meet the definition of prompt.

Recommendation

We suggest all schools implement procedures to ensure funds are deposited promptly to the bank.

**NEPTUNE TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL,
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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 minor exceptions as identified in the Schedule of Audited Enrollments. The information that was included on the workpapers was verified as presented in the Schedule of Audited Enrollments. 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 no 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. 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.

Other Suggestions to Management

We noted that the District does not currently have a policy in place that requires periodic password changes relating to the District's financial and human resource/payroll operating systems. Although the District already has certain safeguards in place to prevent unauthorized access, we suggest the District implement a policy to require periodic changes to passwords to further safeguard assets and minimize the risk of improper activity and access to the District's financial and human resource/payroll operating systems when software features make it possible.

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 has been taken on all prior year findings. 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.

SCHEDULE OF AUDITED ENROLLMENTS

**Neptune Township Board of Education
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014**

	2015-2016 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 Verifi- cation	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Half Day Preschool																	
Full Day Preschool	444	-	444	-	-	-	122	-	122	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	265	-	265	-	-	-	57	-	57	-	-	-	-	-	-	-	-
One	272	-	272	-	-	-	50	-	50	-	-	-	-	-	-	-	-
Two	255	-	255	-	-	-	40	-	40	-	-	-	-	-	-	-	-
Three	256	-	256	-	-	-	60	-	60	-	-	-	-	-	-	-	-
Four	240	-	240	-	-	-	48	-	48	-	-	-	-	-	-	-	-
Five	194	-	194	-	-	-	47	-	47	-	-	-	-	-	-	-	-
Six	247	-	247	-	-	-	247	-	247	-	-	-	-	-	-	-	-
Seven	202	-	202	-	-	-	202	-	202	-	-	-	-	-	-	-	-
Eight	219	-	219	-	-	-	219	-	219	-	-	-	-	-	-	-	-
Nine	286	1	287	1	(1)	-	286	1	287	1	(1)	-	-	-	-	-	-
Ten	295	-	294	-	1	-	295	-	294	-	1	-	-	-	-	-	-
Eleven	267	4	267	4	-	-	267	4	267	4	-	-	-	-	-	-	-
Twelve	258	7	258	7	-	-	258	7	258	7	-	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>3,700</u>	<u>12</u>	<u>3,700</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>2,198</u>	<u>12</u>	<u>2,198</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special Ed - Elementary	208	-	227	-	(19)	-	31	-	31	-	-	-	14	9	9	-	-
Special Ed - Middle School	184	-	161	-	23	-	173	-	173	-	-	-	14	13	13	-	-
Special Ed - High School	236	68	240	68	(4)	-	247	58	247	58	-	-	57	43	43	-	-
Subtotal	<u>628</u>	<u>68</u>	<u>628</u>	<u>68</u>	<u>-</u>	<u>-</u>	<u>451</u>	<u>58</u>	<u>451</u>	<u>58</u>	<u>-</u>	<u>-</u>	<u>85</u>	<u>65</u>	<u>65</u>	<u>-</u>	<u>-</u>
Co. Voc. - Regular																	
Co. Voc. Ft. Post Sec.																	
Totals	<u>4,328</u>	<u>80</u>	<u>4,328</u>	<u>80</u>	<u>-</u>	<u>-</u>	<u>2,649</u>	<u>70</u>	<u>2,649</u>	<u>70</u>	<u>-</u>	<u>-</u>	<u>85</u>	<u>65</u>	<u>65</u>	<u>-</u>	<u>-</u>
Percentage Error					<u>0.00%</u>	<u>0.00%</u>					<u>0.00%</u>	<u>0.00%</u>					<u>0.00%</u>

SCHEDULE OF AUDITED ENROLLMENTS

Neptune Township Board of Education
 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	-	-	-	27	27	-	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	164	164	-	18	18	-	15	15	-	12	12	-
One	183	183	-	18	18	-	10	10	-	8	8	-
Two	162	162	-	13	13	-	17	17	-	12	12	-
Three	167	167	-	24	24	-	16	16	-	11	11	-
Four	139	139	-	13	13	-	8	8	-	5	5	-
Five	124	124	-	20	20	-	0	0	-	0	0	-
Six	163	163	-	17	17	-	3	3	-	3	3	-
Seven	116	116	-	12	12	-	3	3	-	3	3	-
Eight	131	131	-	14	14	-	5	5	-	2	2	-
Nine	149	149	-	13	13	-	5	5	-	2	2	-
Ten	144	144	-	14	14	-	4	4	-	2	2	-
Eleven	145	145	-	14	14	-	7	7	-	3	3	-
Twelve	139	139	-	16	16	-	5	5	-	2	2	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	1,926	1,926	-	233	233	-	98	98	-	65	65	-
Special Ed - Elementary	150	150	-	16	16	-	-	-	-	1	1	-
Special Ed - Middle	136	136	-	21	21	-	1	1	-	-	-	-
Special Ed - High	200	200	-	21	21	-	1	1	-	1	1	-
Subtotal	486	486	-	58	58	-	2	2	-	2	2	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	2,412	2,412	-	291	291	-	100	100	-	67	67	-
Percentage Error			0.00%			0.00%			0.00%			0.00%

	Transportation					
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools, col. 1	943	943	-	164	164	-
Reg -SpEd, col. 4	145	145	-	26	26	-
Transported - Non-Public, col. 3	273	273	-	48	48	-
Special Ed Spec, col. 6	264	264	-	37	37	-
Totals	1,624	1,624	-	275	275	-
Percentage Error						0.00%

	Reported	Recalculated
Reg Avg.(Mileage) = Regular Including Grade PK students (Part A)	3.4	3.4
Reg Avg.(Mileage) = Regular Excluding Grade PK students (Part B)	3.5	3.5
Spec Avg. = Special Ed with Special Needs	6.4	6.4

Neptune Township Board of Education

SCHEDULE OF AUDITED ENROLLMENTS

APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 15, 2014

	<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 Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	1	1	-	1	1	-
One	1	1	-	1	1	-
Two	-	-	-	-	-	-
Three	3	3	-	2	2	-
Four	-	-	-	-	-	-
Five	-	-	-	-	-	-
Six	-	-	-	-	-	-
Seven	1	1	-	1	1	-
Eight	-	-	-	-	-	-
Nine	1	1	-	1	1	-
Ten	-	-	-	-	-	-
Eleven	-	-	-	-	-	-
Twelve	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-
Subtotal	<u>7</u>	<u>7</u>	<u>-</u>	<u>6</u>	<u>6</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>7</u>	<u>7</u>	<u>-</u>	<u>6</u>	<u>6</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

Neptune Township Board of Education

EXCESS SURPLUS CALCULATION

JUNE 30, 2015

SECTION 1 - Regular District

B. 2% Calculation of Excess Surplus

2014-15 Total General Fund Expenditures Reported on Exhibit C-1	<u>\$ 81,248,484</u>	(A)
Increased by Applicable Operating Transfers:		
Transfer from Capital Outlay to Capital Projects	\$ _____	(A1a)
Transfer from Capital Reserve to Capital Projects	\$ _____	(A1a)
Transfer from General Fund to SRF for PreK-Regular	\$ _____	(A1a)
Transfer from General Fund to SRF for PreK-Inclusion	\$ _____	(A1a)
Less: Expenditures Allocated to Restricted Federal Sources as Reported on Exhibit D-2		
	<u>\$ 1,535,199</u>	(A1)
2014-15 adjusted General Fund and Other State Expenditures [(A) - (A1)]	<u>\$ 79,713,285</u>	(A2)
Decreased by:		
On-Behalf TPAF Pension and Social Security	\$ 6,319,011	(A3)
Assets acquired under Capital Leases:	\$ _____	
General Fund 10 assets acquired under Capital Leases reported on Exhibit C-1a	\$ _____	(A4)
Add:		
General Fund and State Resources Portion of Fund 15 Assets Acquired under Capital Leases:	\$ _____	
Assets Acquired under Capital Leases in Fund 15 reported on Exhibit C-1a	\$ _____	(A5)
Combined General Fund Contribution and State Resources % of Fund 15 resources reported on Exhibit D-2		<u>96.36%</u> (A6)
General Fund and State Resources Portion of Fund 15 Assets Acquired under Capital Leases [(A5) * (A6)]	\$ _____	(A7)
Total Assets Acquired under Capital Leases [(A4) + (A7)]	\$ _____	(A8)
Adjusted 2014-15 General Fund Expenditures [(A2)-(A3)-(A8)]	<u>\$ 73,394,274</u>	(A9)
2% of Adjusted 2014-15 General Fund Expenditures [(A9) times 0.02]	<u>\$ 1,467,885</u>	(A10)
Enter Greater of (A10) or \$250,000	<u>\$ 1,467,885</u>	(A11)
Increased by: Allowable Adjustment*	<u>\$ 186,742</u>	(K)
Maximum Unassigned/Undesignated - Unreserved Fund Balance [(A11)+(K)]	<u>\$ 1,654,627</u>	(M)

Neptune Township Board of Education

EXCESS SURPLUS CALCULATION

JUNE 30, 2015

SECTION 2

Total General Fund - Fund Balances at June 30, 2015 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>17,012,764</u> (C)
Decreased by:	
Year end Encumbrances	\$ _____ - (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ _____ - (C2)
Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ _____ - (C3)
Other Restricted / Reserved Fund Balances****	\$ <u>13,954,852</u> (C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ <u>213,117</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ <u>2,844,795</u> (U)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U)-(M)] IF NEGATIVE ENTER -0-	\$ <u>1,190,168</u> (E)
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Recapitulation of Excess Surplus as of June 30, 2015

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ _____ - (C3)
Restricted Excess Surplus *** [(E)]	\$ <u>1,190,168</u> (E)
Total [(C3)+(E)]	\$ <u>1,190,168</u> (D)

*Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:

- (H) Federal Impact Aid. The passage of P.L.2015, c.46 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);
- (I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);
- (J1) Extraordinary Aid;
- (J2) Additional Nonpublic School Transportation Aid;
- (J3) Recognized current year School Bus Advertising Revenue; and
- (J4) Family Crisis Transportation Aid.

Neptune Township Board of Education

EXCESS SURPLUS CALCULATION

JUNE 30, 2015

Detail of Allowable Adjustments

Impact Aid	\$	-	(H)
Sales & Lease-back	\$	-	(I)
Extraordinary Aid	\$	169,182	(J1)
Additional Non-public School Transportation Aid	\$	17,560	(J2)
Current Year School Bus Advertising Revenue Recognized	\$	-	(J3)
Family Crisis Transportation Aid	\$	-	(J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	\$	186,742	(K)

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

*** The amount entered must agree with the June 30, 2015 CAFR and Audit Summary Worksheet Line 90030.

**** Amount for Other Restricted/Reserved Fund Balance must be detailed for each source and request for approval to use amounts other than state imposed legal restrictions in the excess surplus calculation must be submitted to the Assistant Commissioner - Field Services prior to September 30.

- Capital reserve at June 30, 2015.
- Maintenance reserve minimum required under EFCFA.
- Tuition reserve at June 30, 2015.
- Emergency reserve at June 30, 2015
- School bus fuel offset reserve – current year – June 30, 2015
- School bus fuel offset reserve – prior year – June 30, 2015
- Impact Aid general fund reserve at June 30, 2015
- Impact Aid capital fund reserve at June 30, 2015

Neptune Township Board of Education

EXCESS SURPLUS CALCULATION

JUNE 30, 2015

Detail of Other Reserved Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	\$ -
Sale/lease-back reserve	\$ -
Capital reserve	\$ 12,979,852
Maintenance reserve	\$ 975,000
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	\$ -
Impact Aid Capital Fund Reserve	\$ -
Other Restricted/Reserved Fund Balance Not Noted Above	\$ -
Total Other Restricted / Reserved Fund Balance	\$ 13,954,852 (C4)