

**AUDITORS MANAGEMENT REPORT  
ON ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
MANCHESTER REGIONAL  
HIGH SCHOOL DISTRICT  
COUNTY OF PASSAIC, NEW JERSEY  
JUNE 30, 2015**

**AUDITORS MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS**  
**- FINANCIAL, COMPLIANCE AND PERFORMANCE**  
**MANCHESTER REGIONAL HIGH SCHOOL DISTRICT**  
**COUNTY OF PASSAIC, NEW JERSEY**

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## REPORT OF INDEPENDENT AUDITORS

Honorable President and  
Members of the Board of Education  
Manchester Regional High School District  
County of Passaic, 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 Manchester Regional High School District in the County of Passaic for the year ended June 30, 2015, and have issued our report thereon dated November 24, 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 for the information of the Manchester Regional High School Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

*James Cerullo*

James Cerullo, C.P.A.  
Licensed Public School Accountant  
No. 881

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November 24, 2015

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

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, the activities of the Board of Education, the records of the Student Activity Fund, Food Service Fund and Special Revenue Fund 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 district's CAFR.

Officials Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
John A. Serapiglia, Jr.	Board Secretary/School Business Administrator	\$100,000

There is a Public Employees' Faithful Performance Blanket Position Bond with the Selective Insurance Company covering all other employees with multiple coverage of \$500,000.

**Financial Planning, Accounting and Reporting**

Examination of Claims

An examination of claims paid during the period under review did not reveal any material discrepancies with respect to signature, certification or supporting documentation.

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/School Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefit withholding.

## **Financial Planning, Accounting and Reporting, (continued)**

### Payroll Account, (continued)

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents, and business administrator) to the NJ Department of Treasury was filed by the March 15 due date.

Reporting of employee compensation for income tax related purposes did comply with federal and state regulations regarding the compensation which is required to be reported.

### Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

### Travel

**Finding 2015-001:** One professional day request form included in our test of travel expenditures did not have the signatures of the principal and superintendent.

**Recommendation:** That procedures be implemented to insure that professional day request forms contain the required signatures.

### 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 classification to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. As a result of the procedures performed, a transaction error rate of 0.00% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

### Board Secretary's Records

The Board Secretary's records were found to be in good condition.

### Fixed Assets

The General Fixed Asset records were updated for the additions and disposal of general fixed assets made during the year.

## **Financial Planning, Accounting and Reporting, (continued)**

### **Elementary and Secondary Education Act (E.S.E.A.) Improving America's School Act (IASA) as Reauthorized by the No Child Left Behind Act of 2001 (NCLB)**

The E.S.E.A./NCLB financial exhibits contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to Title I and II of the Elementary and Secondary Education Act as amended.

The study of compliance for E.S.E.A. indicated that there were no areas of noncompliance and/or questionable costs.

### **Other Special Federal and/or State Projects**

The District's Special Projects were approved as listed on 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.

The study of compliance for the special projects indicated that there were no areas of noncompliance.

### **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.

### **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 (or charter school or renaissance school project) for those employees whose salaries are identified as being paid from federal funds was made prior to the end of 60 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

### **Nonpublic State Aid**

Project completion reports were finalized and transmitted to the State Department of Education by the due date.

## School Purchasing Programs

### Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-2 contains definitions for terms used throughout N.J.S.A. 18A:18A-1 et seq. It includes as subsection (p) the term ‘competitive contracting’, which is defined as “the method described in N.J.S.A. 18A:18A-4.1 through 18A:18A-4.5 and in rules promulgated by DCA at N.J.A.C. 5:34-4 of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal proposals are evaluated by the purchasing agent or counsel or school business administrator; and the board of education awards a contract to a vendor or vendors from among the formal proposals received.” Also, subsection (aa) defines the term ‘concession’ to exclude vending machines.

N.J.S.A. 18A:18A-3(a) sets forth the bid threshold and requires award by board resolution. There is a higher threshold when there is a “Qualified Purchasing Agent” (QPA) in the district as defined at N.J.A.C. 5:34-1.1 and certified upon approval of an application submitted to DCA. Pursuant to N.J.S.A. 18A:18A-3(b), the bid threshold may be adjusted by the Governor, in consultation with the Department of Treasury, every five years.

N.J.S.A. 18A:18A-4.4 provides boards of education the authority to pass a resolution authorizing the use of competitive contracting. “In order to initiate competitive contracting, the board of education shall pass a resolution authorizing the use of competitive contracting each time specialized goods or services enumerated in sections 45 of L. 1999, c.440 are desired to be contracted.”

Effective July 1, 2010 and thereafter, the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$36,000 (with a Qualified Purchasing Agency) and \$26,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$18,300.

The board of education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

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 provision of N.J.S.A. 18A:18A-4, amended.

**Finding 2015-002:** There was a vendor paid in excess of \$36,000.00 for services provided that was not put out to bid.

**Recommendation:** When it is determined that expenditures for services will exceed the bid threshold, bids should be solicited.

## **School Purchasing Programs, (continued)**

### **Contracts and Agreements Requiring Advertisement for Bids, (continued)**

Resolutions were adopted authorizing the awarding of contract or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

**Finding 2015-003:** In two instances, Political Contribution Disclosure Forms were not available from vendor's being paid in excess of \$17,500.00.

**Recommendation:** That procedures be implemented to insure that vendor's being paid in excess of \$17,500.00 provide Political Contribution Disclosure Forms to the District.

### **School Food Service**

The financial transactions and statistical records of the School Food Services Fund 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 claims were submitted/certified in a timely manner. Meals claimed did agree with meal count records.

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 on file, times the number of operating days, on a school by school basis. The free and reduced price meal and free milk policy is uniformly administered throughout the School System. The required verification procedures for free and reduced price applications was 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. No exceptions were noted.

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

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.

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

U.S.D.A. commodities were received and a separate inventory was maintained on a first-in, first-out basis.

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

### **Student Activity Fund/DECA Program**

During our review of the student activity funds, the following items were noted.

Cash receipt and disbursement records were maintained in good order.

### **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, 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 without exception. 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 without exception. 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 SCC Grant Agreement for consistency with recording SCC revenue, transfer of local funds from the General Fund or from Capital Reserve Account, and awarding of contracts for eligible facilities construction.

### **Follow-up on Prior Year 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, except for those items marked with an “\*”.

**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.

Respectfully submitted,

*James Cerullo*

James Cerullo, C.P.A.  
Licensed Public School Accountant  
No. 881

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SCHEDULE OF MEAL COUNT ACTIVITY

MANCHESTER REGIONAL HIGH SCHOOL DISTRICT  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - FEDERAL  
ENTERPRISE FUNDS  
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>(Over)/ Under Claim</u>
National School Lunch  (High Rate)	Paid	8,505	8,505	8,505	0	0.30	0.00
	Reduced	13,311	13,311	13,311	0	2.600	0.00
	Free	<u>99,516</u>	<u>99,516</u>	<u>99,516</u>	<u>0</u>	3.000	<u>0.00</u>
	Total	<u>121,332</u>	<u>121,332</u>	<u>121,332</u>	<u>0</u>		<u>0.00</u>
	HHFKA	<u>121,332</u>	<u>121,332</u>	<u>121,332</u>	<u>0</u>	0.06	<u>0.00</u>
School Breakfast (Severe Need Rate)	Paid	1,204	1,204	1,204	0	0.28	0.00
	Reduced	11,776	11,776	11,776	0	1.63	0.00
	Free	<u>64,233</u>	<u>64,233</u>	<u>64,233</u>	<u>0</u>	1.93	<u>0.00</u>
	Total	<u>77,213</u>	<u>77,213</u>	<u>77,213</u>	<u>0</u>		<u>0.00</u>
TOTAL NET UNDERCLAIM / (OVERCLAIM)							<u><u>0.00</u></u>

SCHEDULE OF MEAL COUNT ACTIVITY

MANCHESTER REGIONAL HIGH SCHOOL DISTRICT  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - STATE  
ENTERPRISE FUNDS  
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>(Over)/ Under Claim</u>
State Reimbursement							
National School Lunch	Paid	8,505	8,505	8,505	0	0.04	0.00
(Regular Rate)	Reduced	13,311	13,311	13,311	0	0.055	0.00
	Free	<u>99,516</u>	<u>99,516</u>	<u>99,516</u>	<u>0</u>	0.055	<u>0.00</u>
	Total	<u>121,332</u>	<u>121,332</u>	<u>121,332</u>	<u>0</u>		<u>0.00</u>
TOTAL NET UNDERCLAIM / (OVERCLAIM)							<u><u>0.00</u></u>

# NET CASH RESOURCE SCHEDULE

MANCHESTER REGIONAL HIGH SCHOOL

Net cash resources did not exceed three months of expenditures

Proprietary Funds - Food Service

FYE 2015

<u>Net Cash Resources:</u>		Food Service B - 4/5	
<b>CAFR</b>	*	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	\$ 242,347.74
B-4		Due from Other Gov'ts	32,235.95
<b>CAFR</b>		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	(9,407.91)
B-4		Less Due to Other Funds	<u>(78,883.83)</u>
		<b>Net Cash Resources</b>	<b><u>\$ 186,291.95</u></b> (A)

**Net Adj. Total Operating Expense:**

B-5		Tot. Operating Exp.	541,958.53
B-5		Less Depreciation	<u>(17,298.84)</u>
		Adj. Tot. Oper. Exp.	<b><u>\$ 524,659.69</u></b> (B)

**Average Monthly Operating Expense:**

B / 10 **\$ 52,465.97** (C)

**Three times monthly Average:**

3 X C **\$ 157,397.91** (D)

TOTAL IN BOX A	\$	186,291.95	
LESS TOTAL IN BOX D	\$	(157,397.91)	
NET	\$	<b><u>28,894.04</u></b>	
From above:			
<b>A is greater than D, cash exceeds 3 X average monthly operating expenses.</b>			
<b>D is greater than A, cash does not exceed 3 X average monthly operating expenses.</b>			

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

SOURCE - USDA resource management comprehensive review form

**SCHEDULE OF AUDITED ENROLLMENTS**

**MANCHESTER REGIONAL HIGH SCHOOL**  
**Application for State School Aid Summary**  
**Enrollment as of October 15, 2014**

<u>Enrollment Category</u>	<u>2015 - 2016 Application for State School Aid</u>			<u>Sample for Verification</u>			<u>Private School for Handicapped</u>			
	<u>Reported on</u> <u>ASSA on Roll</u>	<u>Full</u>	<u>Errors</u>	<u>Sample Selected</u> <u>from</u> <u>Workpapers</u>	<u>Verified per</u> <u>Registers on Roll</u>	<u>Errors</u>	<u>Reported on</u> <u>ASSA as</u> <u>Private School</u>	<u>Sample for</u> <u>Verification</u>	<u>Sample</u> <u>Verified</u>	<u>Errors</u>
Nine	185	185	0	185	185	0				
Ten	180	180	0	180	180	0				
Eleven	194	194	0	194	194	0				
Twelve	201	201	0	201	201	0				
<b>Subtotal</b>	<b>760</b>	<b>760</b>	<b>0</b>	<b>760</b>	<b>760</b>	<b>0</b>				
<b>Special Ed - High School</b>	<b>139</b>	<b>139</b>	<b>0</b>	<b>36</b>	<b>36</b>	<b>0</b>	<b>15</b>	<b>13</b>	<b>13</b>	<b>0</b>
<b>Subtotal</b>	<b>139</b>	<b>139</b>	<b>0</b>	<b>36</b>	<b>36</b>	<b>0</b>	<b>15</b>	<b>13</b>	<b>13</b>	<b>0</b>
<b>Totals</b>	<b>899</b>	<b>899</b>	<b>0</b>	<b>796</b>	<b>796</b>	<b>0</b>	<b>15</b>	<b>13</b>	<b>13</b>	<b>0</b>
<b>Percentage Error</b>			<b>0.00%</b>			<b>0.00%</b>				<b>0.00%</b>

SCHEDULE OF AUDITED ENROLLMENTS (cont.)

MANCHESTER REGIONAL HIGH SCHOOL  
Application for State School Aid Summary  
Enrollment as of October 15, 2014

<u>Enrollment Category</u>	<u>Resident LEP NOT Low Income</u>		<u>Sample for Verification</u>		
	<u>Reported on</u> <u>ASSA as LEP</u> <u>Not Low Income</u>	<u>Reported on</u> <u>Workpapers LEP</u> <u>not Low Income</u>	<u>Sample Selected</u> <u>from</u> <u>Workpapers</u>	<u>Verified to</u> <u>Application</u> <u>and Register</u>	<u>Errors</u>
Nine	4	4	3	3	0
Ten					0
Eleven	2	2	2	2	0
Twelve					0
Subtotal	6	6	5	5	0
Special Ed - High School					0
Subtotal	0	0	0	0	0
Totals	6	6	5	5	0
Percentage Error					<u>0.00%</u>

SCHEDULE OF AUDITED ENROLLMENTS (cont.)

MANCHESTER REGIONAL HIGH SCHOOL  
Application for State School Aid Summary  
Enrollment as of October 15, 2014

Enrollment Category	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on ASSA as Low Income	Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Errors	Reported on ASSA as Low Income	Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Errors
Nine	143	143	0	46	46	0	9	9	0	8	8	0
Ten	151	151	0	49	49	0	5	5	0	4	4	0
Eleven	158	158	0	51	51	0	8	8	0	7	7	0
Twelve	146	146	0	47	47	0	6	6	0	5	5	0
Subtotal	598	598	0	193	193	0	28	28	0	24	24	0
Special Ed - High School	123	123	0	40	40	0	0	0	0	0	0	0
Subtotal	123	123	0	40	40	0	0	0	0	0	0	0
Totals	721	721	0	233	233	0	28	28	0	24	24	0
Percentage Error			0.00%			0.00%			0.00%			0.67%

	Transportation						Re- Calculated
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors	
Regular - Public Schools, col. 1	233	233	0	114	114	0	
Regular Special Ed, col. 4	6.5	6.5	0	3	3	0	
Transported - Non-Public, col. 3	116	116	0	56	56	0	
Special Ed. Special, col. 6	22.5	22.5	0	11	11	0	
Totals	378	378	0	184	184	0	
Percentage Error			0.00%			0.00%	
				Reported	Calculated		
				5	5		
				5.3	5.3		

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

**MANCHESTER REGIONAL HIGH SCHOOL DISTRICT**  
**EXCESS SURPLUS CALCULATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**REGULAR DISTRICT**

**SECTION 1**

**A. 2% Calculation of Excess Surplus**

2014-15 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>18,487,584.20</u>	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$ _____	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ _____	(B1b)
Transfer from General Fund to SRF for PreK - Regular	\$ _____	(B1c)
Transfer from General Fund to SRF for PreK - Inclusion	\$ _____	(B1d)
Decreased by:		
On-Behalf TPAF Pension & Social Security	\$ <u>1,224,615.89</u>	(B2a)
Assets Acquired Under Capital Leases	\$ _____	(B2b)
Adjusted 14-15 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ <u>17,262,968.31</u>	(B3)
2% of Adjusted 2014-15 General Fund Expenditures [(B3) times .02]	\$ <u>345,259.37</u>	(B4)
Enter Greater of (B4) or \$250,000	\$ <u>345,259.37</u>	(B5)
Increased by: Allowable Adjustment*	\$ <u>132,057.00</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]		\$ <u>477,316.37</u> (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-15 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>2,862,637.06</u>	(C)
Decreased by:		
Year End Encumbrances Encumbrances	\$ <u>78,121.04</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ _____	(C2)
Legally Restricted Excess Surplus - Designated for Designated for Subsequent Year's Expenditures**	\$ _____	(C3)
Other Restricted Fund Balances****	\$ <u>2,238,635.79</u>	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ _____	(C5)
Total Unreserved/Undesignated Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		\$ <u>545,880.23</u> (U1)

**SECTION 3**

Restricted Fund Balance - Excess Surplus\*\*\*[(U1)-(M)] IF NEGATIVE ENTER -0- \$ 68,563.86 (E)

**Recapitulation of Excess Surplus as of June 30, 2015**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ _____ (C3)
Reserved Excess Surplus***[(E)]	\$ <u>68,563.86</u> (E)
Total [(C3)+(E)]	\$ <u>68,563.86</u> (D)

**Footnotes:**

- \* 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:7-F-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), Extraordinary Aid;
    - (J1) Extraordinary Aid;
    - (J1) Additional Nonpublic School Transportation Aid
    - (J3) Current Year School Bus Advertising Revenue Recognized
    - (J4) Family Crisis Transportation Aid.
- Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid and Additional Nonpublic School Transportation Aid.

**Detail of Allowable Adjustments**

Impact Aid	\$ _____ (H)
Sale & Lease-back	\$ _____ (I)
Extraordinary Aid	\$ <u>117,197.00</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>14,860.00</u> (J2)
Current Year School Bus Advertising Revenue Recognized	_____ (J3)
Family Crisis Transportation Aid	\$ _____ (J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	\$ <u>132,057.00</u> (K)

- \*\* This amount represents the June 30, 2014 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.
- \*\*\* Amounts must agree to the June 30, 2015 CAFR and the sum of the two lines must agree to Audit Summary Worksheet Line 90030.
- \*\*\*\* Amount of Other Reserved Fund Balance 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 Finance prior to September 30.

**Detail of Other Restricted Fund Balance**

Statutory restrictions:

Approved unspent separate proposal

\$ \_\_\_\_\_

Sale/lease-back reserve

\$ \_\_\_\_\_

Capital reserve

\$ 1,118,491.32

Maintenance reserve

\$ 141,702.90

Emergency reserve

\$ 188,441.57

Tuition reserve

\$ 790,000.00

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 General Fund Reserve (Sections 8007 and 8008)

\$ \_\_\_\_\_

Other state/government mandated reserve

\$ \_\_\_\_\_

[Other Restricted Fund Balance not noted above]\*\*\*\*

\$ \_\_\_\_\_

Total Other Restricted Fund Balance

\$ 2,238,635.79 (C4)