

**PEMBERTON TOWNSHIP SCHOOL DISTRICT**

Pemberton, New Jersey  
County of Burlington

**Auditor's Management Report on Administrative Findings -  
Financial, Compliance and Performance  
for The Year Ended FOR THE FISCAL YEAR ENDED JUNE 30, 2015**



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

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**REPORT OF INDEPENDENT AUDITORS  
AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS, FINANCIAL COMPLIANCE AND PERFORMANCE**

Honorable President and Members  
of the Board of Education  
Pemberton Township  
County of Burlington  
Pemberton, New Jersey 08068

We have audited, in accordance with generally accepted audit standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Pemberton Township School District in the County of Burlington for the year ended June 30, 2015, and have issued our report thereon 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 thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the Pemberton Township 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.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia  
Certified Public Accountant  
Public School Accountant  
No. 1011

Medford, New Jersey  
November 30, 2015

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Honorable President and Members  
of the Board of Education  
Pemberton Township  
County of Burlington  
Pemberton, New Jersey 08068

**ADMINISTRATIVE FINDINGS  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

**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 Athletic Fund, 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.

**Official Bonds**

<b>Name</b>	<b>Position</b>	<b>Amount</b>
Patricia Austin	Business Administrator	\$510,000

**Tuition Charges**

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The Board made a proper adjustment to the billings to sending districts for the decrease in per pupil costs in accordance with *N.J.A.C.6:20-3.1(e)4*.

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

An examination of claims paid during the period under review indicated that the vouchers were in satisfactory condition.

### **Payroll Account**

The net salaries of all employees of the Board were deposited in the Payroll Account. Employee's 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.

### **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, 2015.

### **Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C.6A:23-1.2* 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. As a result of the procedures performed, no transaction errors were 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 were found to be 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 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, IV, and VI of the Elementary and Secondary Education Act as amended and reauthorized.

## **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.

## **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.

## **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 school contracts in general is available on the website <http://www.state.nj.us/njded/pscl/index.html>.

*N.J.S.A.18A:18A-3* 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 \$17,500, 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 therefore, except that the board of education may adopt a resolution to set a lower threshold for the receipts of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. (pending before the Legislature as section 15 of this bill) of section 9 of P.L. 1971, c.198 (C.40A:119) the board of education may establish that the bid threshold may be up to \$25,000. 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.18A:18A-2 (pending before the Legislature as section 50 of this bill), and shall round the adjustment to the nearest \$1,000. 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 the year in which it is made."

*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 therefore,

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

except as is provided otherwise in this chapter or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or calculated by the Governor pursuant to *N.J.S.A.18A:18A-3* except by contract or agreement.”

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 Agent) 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 \$17,500. The Pemberton Township Board of Education currently has a Qualified Purchasing Agent.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year (contract year for July 1, 2010 and thereafter). 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 provision of *N.J.S.A.18A:18A-4*.

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.

### **School Food Service**

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.

Cash receipts and bank records were reviewed for timely deposit.

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.

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 price meal and free milk policy is uniformly administered 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 was completed and available for review.

**School Food Service (continued):**

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.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education.

Net cash resources did not exceed three months average expenditures.

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 nonprofit status of the school food service. Net cash resources did not exceed three months average expenditures.

USDA Food Distribution Program 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.

**Student Body Activities**

The financial transactions of the student body activities were maintained in satisfactory condition.

**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. 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 contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

### **Follow-up on Prior Years' Findings**

There were no prior year findings.

### **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.

Should you have any questions concerning our comments or should you desire any assistance, please call me.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia  
Certified Public Accountant  
Public School Accountant  
No. 1011

Medford Office  
November 30, 2015

**ADDITIONAL INFORMATION**

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**SCHEDULE OF MEAL COUNT ACTIVITY - FEDERAL**

**PEMBERTON TOWNSHIP BOARD OF EDUCATION  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - FEDERAL  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE	(OVER)/ UNDER CLAIM
School Lunch Program (Severe Rate)	Paid	146,573	49,102	49,102	NONE	0.30	NONE
	Reduced	68,554	22,966	22,966	NONE	2.60	NONE
	Free	291,693	97,717	97,717	NONE	3.00	NONE
	Total	<u>506,820</u>	<u>169,785</u>	<u>169,785</u>	<u>NONE</u>		<u>NONE</u>
School Breakfast Program (Severe Rate)	Paid	26,904	9,013	9,013	NONE	0.28	NONE
	Reduced	15,189	5,088	5,088	NONE	1.63	NONE
	Free	123,238	41,285	41,285	NONE	1.93	NONE
	Total	<u>165,331</u>	<u>55,386</u>	<u>55,386</u>	<u>NONE</u>		<u>NONE</u>
After School Snack Program	Amount	14,085	4,718	4,718	NONE	0.82	NONE
	Total	<u>14,085</u>	<u>4,718</u>	<u>4,718</u>	<u>NONE</u>		<u>NONE</u>

**SCHEDULE OF MEAL COUNT ACTIVITY - STATE**

**PEMBERTON TOWNSHIP BOARD OF EDUCATION  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - STATE  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE	(OVER)/ UNDER CLAIM
National School Lunch (Regular Rate)	Paid	146,573	49,102	49,102	NONE	0.040	NONE
	Reduced	68,554	22,966	22,966	NONE	0.055	NONE
	Free	281,809	94,406	94,406	NONE	0.055	NONE
	Total	496,936	166,474	166,474	NONE		NONE

# NET CASH RESOURCE SCHEDULE

Net cash resources "DID NOT" exceed three months of expenditures  
**Proprietary Funds - Food Service**  
**FYE 2015**

<u>Net Cash Resources:</u>		<b>Food Service B - 4/5</b>	
<b>CAFR</b>	<b>Current Assets</b>		
B-4	Cash & Cash Equiv.	\$ (91,709)	
B-4	Due from Other Gov'ts	270,698	
B-4	Accounts Receivable	49,498	
<b>CAFR</b>	<b>Current Liabilities</b>		
B-4	Less Accounts Payable	(287)	
B-4	Less Accrued Salaries	(9,080)	
	<b>Net Cash Resources</b>	<b>\$ 219,120</b>	<b>(A)</b>

<b><u>Net Adj. Total Operating Expense:</u></b>			
B-5	Tot. Operating Exp.	2,006,769	
	Adj. Tot. Oper. Exp.	<b>\$ 2,006,769</b>	<b>(B)</b>

<b><u>Average Monthly Operating Expense:</u></b>			
	B / 10	\$ 200,677	<b>(C)</b>

<b><u>Three times monthly Average:</u></b>			
	3 X C	\$ 602,031	<b>(D)</b>

TOTAL IN BO	\$	219,120	
LESS TOTAL	\$	602,031	
NET	\$	<b>(382,911)</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 (1)

PEMBERTON 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		Workpapers		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools		Sample for Verification	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Full Day Preschool - 3 Yr. Old	214	-	214	-	-	-	15	-	15	-	-	-	-	-	-	-
Full Day Preschool - 4 Yr. Old	354	-	354	-	-	-	20	-	20	-	-	-	-	-	-	-
Full Day Kindergarten	373	-	373	-	-	-	20	-	20	-	-	-	-	-	-	-
One	338	-	338	-	-	-	20	-	20	-	-	-	-	-	-	-
Two	384	-	384	-	-	-	20	-	20	-	-	-	-	-	-	-
Three	319	-	319	-	-	-	20	-	20	-	-	-	-	-	-	-
Four	325	-	325	-	-	-	20	-	20	-	-	-	-	-	-	-
Five	295	-	295	-	-	-	15	-	15	-	-	-	-	-	-	-
Six	320	-	320	-	-	-	15	-	15	-	-	-	-	-	-	-
Seven	266	-	266	-	-	-	15	-	15	-	-	-	-	-	-	-
Eight	324	-	324	-	-	-	15	-	15	-	-	-	-	-	-	-
Nine	265	-	265	-	-	-	15	-	15	-	-	-	-	-	-	-
Ten	218	-	218	-	-	-	15	-	15	-	-	-	-	-	-	-
Eleven	185	-	185	-	-	-	15	-	15	-	-	-	-	-	-	-
Twelve	164	-	164	-	-	-	15	-	15	-	-	-	-	-	-	-
Subtotal	4,344	-	4,344	-	-	-	255	-	255	-	-	-	-	-	-	-
Special Ed - Elementary	314	-	314	-	-	-	19	-	19	-	-	-	-	7	7	7
Special Ed - Middle School	163	-	163	-	-	-	19	-	19	-	-	-	-	8	8	8
Special Ed - High School	204	-	204	-	-	-	19	-	19	-	-	-	-	29	29	29
Subtotal	681	-	681	-	-	-	57	-	57	-	-	-	-	44	44	44
Totals	5,025	-	5,025	-	-	-	312	-	312	-	-	-	-	44	44	44

Percentage Error

SCHEDULE OF AUDITED ENROLLMENTS (2)

PEMBERTON 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 & Register	Sample Errors
Full Day Kindergarten	172	172	-	21	21	-	3	3	-	3	3	-
One	157	157	-	21	21	-	7	7	-	7	7	-
Two	189	189	-	21	21	-	7	7	-	7	7	-
Three	163	163	-	21	21	-	4	4	-	4	4	-
Four	165	165	-	21	21	-	2	2	-	2	2	-
Five	136	136	-	21	21	-	-	-	-	-	-	-
Six	168	168	-	21	21	-	1	1	-	1	1	-
Seven	113	113	-	20	20	-	-	-	-	-	-	-
Eight	148	148	-	21	21	-	-	-	-	-	-	-
Nine	123	123	-	20	20	-	1	1	-	1	1	-
Ten	84	84	-	15	15	-	-	-	-	-	-	-
Eleven	65	65	-	15	15	-	-	-	-	-	-	-
Twelve	48	48	-	15	15	-	-	-	-	-	-	-
Subtotal	1,731	1,731	-	253	253	-	25	25	-	25	25	-
Special Ed - Elementary	200	200	-	11	11	-	3	3	-	3	3	-
Special Ed - Middle School	95	95	-	10	10	-	2	2	-	2	2	-
Special Ed - High School	112	112	-	10	10	-	-	-	-	-	-	-
Subtotal	407	407	-	31	31	-	5	5	-	5	5	-
Totals	2,138	2,138	-	284	284	-	30	30	-	30	30	-
Percentage Error												

Transportation

	Reported on DRTS by DOE/county		Reported on DRTS by District		Errors		Tested		Verified		Errors	
	Errors	Reported on	Errors	Reported on	Errors	Tested	Verified	Errors	Tested	Verified	Errors	
Reg. - Public Schools, col. 1	-	2,877	-	2,877	-	200	200	-	-	-	-	-
Reg -SpEd, col. 4	-	586	-	586	-	75	75	-	-	-	-	-
AIL, col. 2	-	72	-	72	-	4	4	-	-	-	-	-
Transported - Non-Public, col. 3	-	-	-	-	-	-	-	-	-	-	-	-
Special Ed Spec, col. 6	-	170	-	170	-	20	20	-	-	-	-	-
Totals	-	3,705	-	3,705	-	299	299	-	-	-	-	-
Percentage Error												

**SCHEDULE OF AUDITED ENROLLMENTS (3)**

**PEMBERTON TOWNSHIP BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2014**

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application & Register	Sample Errors
Full Day Kindergarten	3	3	-	3	3	-
One	1	1	-	1	1	-
Two	4	4	-	4	4	-
Three	-	-	-	-	-	-
Four	2	2	-	2	2	-
Five	3	3	-	3	3	-
Six	-	-	-	-	-	-
Seven	-	-	-	-	-	-
Eight	1	1	-	1	1	-
Nine	-	-	-	-	-	-
Ten	1	1	-	1	1	-
Eleven	1	1	-	1	1	-
Twelve	1	1	-	1	1	-
Subtotal	<u>17</u>	<u>17</u>	<u>-</u>	<u>17</u>	<u>17</u>	<u>-</u>
Special Ed - Elementary	3	3	-	3	3	-
Special Ed - Middle School	1	1	-	1	1	-
Special Ed - High School	-	-	-	-	-	-
Subtotal	<u>4</u>	<u>4</u>	<u>-</u>	<u>4</u>	<u>4</u>	<u>-</u>
Totals	<u><u>21</u></u>	<u><u>21</u></u>	<u><u>-</u></u>	<u><u>21</u></u>	<u><u>21</u></u>	<u><u>-</u></u>
Percentage Error		<u><u>-</u></u>			<u><u>-</u></u>	

## EXCESS SURPLUS CALCULATION

### SECTION 1

Calculation A: 2% Excess Surplus:

All Districts required to use school-based budgeting are required to complete this calculation using 2% on line A10.

2014-2015 Total General Fund Expenditures Reported on Exhibit (C-1)	\$ <u>102,953,991</u> (A)
Increased by Applicable Operating Transfers:	
Transfer from Capital Outlay to Capital Projects	\$ <u>-</u> (A1a)
Transfer from Capital Reserve to Capital Projects	\$ <u>-</u> (A1a)
Transfer from General Fund to SRF for Preschool-Regular	\$ <u>-</u> (A1a)
Transfer from General Fund to SRF for Preschool-Inclusion	\$ <u>-</u> (A1a)
Less: Expenditures Allocated to Restricted Federal Resources as Reported on Exhibit D-2	\$ <u>-</u> (A1b)
2014-2015 Adjusted General Fund & Other State Expenditures [(A)-(A1)]	\$ <u>102,953,991</u> (A2)
Decreased by:	
On-Behalf TPAF Pension & Social Security	\$ <u>9,169,006</u> (A3)
Assets Acquired Under Capital Leases:	
General Fund 2015 Assets Acquired Under Capital Leases reported on Exhibit C-1a	\$ <u>-</u> (A4)
Add: General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases:	
Assets Acquired Under Capital Leases in Fund 15 Reported on Exhibit C-1a	\$ <u>-</u> (A5)
Combined General Fund Contribution & State Resources Percent of Fund 15 Resources Reported on Exhibit D-2	<u>-</u> % (A6)
General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases [(A5)*(A6)]	\$ <u>-</u> (A7)
Total Assets Acquired Under Capital Leases [(A4)+(A7)]	\$ <u>-</u> (A8)
2014-2015 General Fund Expenditures [(A-2)-(A-3)-(A-8)]	\$ <u>93,784,985</u> (A9)
2% of Adjusted 2014-2015 General Fund Expenditures [(A9) times .02]	\$ <u>1,875,700</u> (A10)
Enter Greater of (A10) or \$250,000	\$ <u>1,875,700</u> (A11)
Increased by: Allowable Adjustment *	\$ <u>339,163</u> (K)
Maximum Unassigned Fund Balance [(A11)+(K)]	\$ <u><u>2,214,863</u></u> (M)

**EXCESS SURPLUS CALCULATION (continued):**

**SECTION 2:**

Total General Fund - Fund Balances at June 30, 2015	\$ <u>28,562,333</u> (C)
Decreased by:	
Year-End Encumbrances	\$ <u>2,186,073</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ <u>2,250,000</u> (C2)
Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>-</u> (C3)
Other Restricted/Reserved Fund Balances ****	\$ <u>15,803,311</u> (C4)
Assigned - Designated for Subsequent Year's Expenditures	\$ <u>2,899,589</u> (C5)
Total Unassigned Fund Balance {(C)-(C1)-(C2)-(C3)-(C4)-(C5)}	\$ <u>5,423,360</u> (U)

**SECTION 3**

Restricted Fund Balance - Excess Surplus *** {(U)-(M)} IF NEGATIVE ENTER -0-	\$ <u>3,208,497</u> (E)
Restricted Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>-</u> (C3)
Restricted Excess Surplus *** {(E)}	\$ <u>3,208,497</u> (E)
Total [(C3) + (E)]	\$ <u><u>3,208,497</u></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: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 Transportation Aid;
  - (J3) Recognized current year School Bus Advertising Revenue; and
  - (J4) Family Crisis Transportation Aid.
- Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid and Additional Nonpublic School Transportation Aid.

***Detail of Allowable Adjustments***

Impact Aid	\$ <u>16,795</u> (H)
Sale & Lease-back	\$ <u>-</u> (I)
Extraordinary Aid	\$ <u>298,348</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>24,020</u> (J2)
Current Year School Bus Advertising Revenue Recognized	\$ <u>-</u> (J3)
Family Crisis Transportation Aid	\$ <u>-</u> (J4)
Total Adjustments {(H)+(I)+(J1)+(J2)+(J3)}	\$ <u>339,163</u> (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

**EXCESS SURPLUS CALCULATION (continued):**

**SECTION 3 (continued):**

\*\*\*\* Amount for Other Restricted Fund Balances 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 to the Commissioner for Finance prior to September 30.

- (N-1) Capital Reserve at June 30, 2015
- (N-2) Maintenance Reserve Minimum Required Under EFCFA.
- (N-3) Tuition Reserve at June 30, 2015
- (N-4) Emergency Reserve at June 30, 2015
- (N-5) School Bus Fuel Offset Reserve - current year
- (N-6) School Bus Fuel Offset Reserve - prior year

***Detail of Other Reserved Fund Balance***

Statutory Restrictions:

Approved Unspent Separate Proposal	\$ -
Sale/Lease-Back Reserve	\$ -
Capital Reserve (N-1)	\$ 5,615,806
Maintenance Reserve (N-2)	\$ 6,050,000
Tuition Reserve (N-3)	\$ 121,340
Emergency Reserve (N-4)	\$ 1,000,000
School Bus Advertising 50% Fuel Offset Reserve - current year (N-5)	\$ -
School Bus Advertising 50% Fuel Offset Reserve - prior year (N-6)	\$ -
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ 3,016,165
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$ -
Other State/Government Mandated Reserve	\$ -
Other Restricted/Reserved Fund Balance Not Noted Above ****	\$ -
 Total Other Restricted/Reserved Fund Balance	 \$ 15,803,311 (C4)