

**BOARD OF EDUCATION OF THE  
TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT  
COUNTY OF CAMDEN**

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

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



**TOWNSHIP OF PENNSAUKEN 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  
Pennsauken Township School District  
County of Camden, 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 Pennsauken School District, in the County of Camden, 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 17, 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 Pennsauken 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*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Daniel M. DiGangi*

Daniel M. DiGangi  
Certified Public Accountant  
Public School Accountant No. CS 002376

Voorhees, New Jersey  
December 17, 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 Treasurer of School Moneys, 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>
John J.Deserable	Board Secretary / School Business Administrator	\$375,000.00
Walter Nicgorski	Treasurer	425,000.00

There is employee dishonesty coverage for all other employees with multiple coverage of \$100,000.00.

**Tuition Charges**

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.

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

**Payroll Account (Cont'd)**

The following item was noted during our review of payroll.

***Finding No. 2015-001***

The reconciliation of payroll deductions payable was not performed on a monthly basis.

***Recommendation***

That the reconciliation of payroll deductions payable be completed on a monthly basis.

**Employee Position Control Roster**

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

**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.

**Treasurer's Records**

Our audit of the financial and accounting records maintained by the Treasurer of School Moneys 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.

No exceptions were noted in our review of compliance for E.S.E.A. projects.

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

**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.

**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&sftpage=TOC\\_Frame\\_Pg42](http://lis.njleg.state.nj.us/cgi-bin/om_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headingswithhits=on&infobase=statutes.nfo&sftpage=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.

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.

**SCHOOL FOOD SERVICE (CONT'D)**

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.

Sampled time sheets were reviewed and labor costs verified. Payroll records were maintained on all School food service employees authorized by the School District. No exceptions were noted.

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.

Sampled Applications for free and reduced price meals were inspected for completeness and accuracy. The free and reduced price meal policy was reviewed for uniform administration throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review.

USDA Food Distribution Program (food and 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 an inspection 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 any findings contained in the audit reports issued by the Office of Fiscal Accountability and Compliance (OFAC). Subsequent to June 30, 2015, corrective action had been taken on all findings in the report dated July 2015.

**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*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Daniel M. DiGangi*

Daniel M. DiGangi  
Public School Accountant No. 002376

**TOWNSHIP OF PENNSAUKEN 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 (High Rate)	Paid	121,777	5,818	5,818	-	\$ 0.30	\$ -
	Reduced	80,621	3,881	3,881	-	2.60	-
	Free	450,079	19,746	19,746	-	3.00	-
	HHFKA*	<u>652,477</u>	<u>29,445</u>	<u>29,445</u>	<u>-</u>	0.06	<u>-</u>
	Total	<u>1,304,954</u>	<u>58,890</u>	<u>58,890</u>	<u>-</u>		<u>-</u>
School Breakfast (Severe Need Rate)	Paid	28,267	1,020	1,020	-	0.28	-
	Reduced	37,288	1,444	1,444	-	1.63	-
	Free	<u>298,969</u>	<u>10,869</u>	<u>10,869</u>	<u>-</u>	1.93	<u>-</u>
	Total	<u>364,524</u>	<u>13,333</u>	<u>13,333</u>	<u>-</u>		<u>-</u>
Special Milk	Paid	8,264	56	56	-	0.2300	-
	Free	<u>12,481</u>	<u>105</u>	<u>105</u>	<u>-</u>	Average Cost	<u>-</u>
	Total	<u>20,745</u>	<u>161</u>	<u>161</u>	<u>-</u>		<u>-</u>
Total Net Underclaim / (Overclaim)							<u>\$ -</u>

\* For "Federal Performance Based Lunch" Healthy Hunger-Free Kids Act of 2010

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Schedule of Meal Count Activity  
 Food Service Fund  
 Number of Meals Served and (Over) / Underclaim - State  
 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	121,777	5,818	5,818	-	\$ 0.040	\$ -
	Reduced	80,621	3,881	3,881	-	0.055	-
	Free	<u>450,079</u>	<u>19,746</u>	<u>19,746</u>	<u>-</u>	0.055	<u>-</u>
	Total	<u>652,477</u>	<u>29,445</u>	<u>29,445</u>	<u>-</u>		
Total Net Underclaim / (Overclaim)							<u>\$ -</u>

**PENNSAUKEN TOWNSHIP 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>	
<b>CAFR</b>	<b>Current Assets</b>	
B-4	Cash & Cash Equivalents	\$ 896,033.05
B-4	Due from Other Governments	163,746.89
B-4	Due from Other Funds	
B-4	Other Accounts Receivable	3,484.97
<b>CAFR</b>	<b>Current Liabilities</b>	
B-4	Less Accounts Payable	(76,515.07)
B-4	Less Accruals	(9,997.27)
B-4	Less Due to Other Funds	(410,382.97)
B-4	Less Unearned Revenue	(10,773.76)
	<b>Net Cash Resources</b>	<u><u>\$ 555,595.84</u></u> <b>(A)</b>
<b><u>Net Adjusted Total Operating Expense:</u></b>		
B-5	Total Operating Expenditures	\$ 3,362,986.53
B-5	Less Depreciation	(76,864.31)
	<b>Adjusted Total Operating Expense</b>	<u><u>\$ 3,286,122.22</u></u> <b>(B)</b>
<b><u>Average Monthly Operating Expense:</u></b>		
	B / 10	<u><u>\$ 328,612.22</u></u> <b>(C)</b>
<b><u>Three Times Monthly Average:</u></b>		
	3 X C	<u><u>\$ 985,836.67</u></u> <b>(D)</b>

TOTAL IN BOX A	\$ 555,595.84
LESS TOTAL IN BOX D	\$ 985,836.67
NET	<u><u>\$ (430,240.83)</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 PENNSAUKEN SCHOOL DISTRICT**  
 Application for State School Aid Summary  
 Enrollment as of October 15, 2014

	2014-2015 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		Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools		Sample for Verification		Sample Errors		
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	
Half Day Preschool	150		150				76		76										
Full Day Preschool	1		1				1		1										
Half Day Kindergarten	340		340				20		20										
One	369		369				103		103										
Two	331		331				79		79										
Three	327		327				38		38										
Four	321		321				50		50										
Five	310		310				310		310										
Six	319		319				319		319										
Seven	293		293				293		293										
Eight	335		335				335		335										
Nine	295		295				295		295										
Ten	285		285				285		285										
Eleven	276		276				276		276										
Twelve	284		284				284		284										
Post-Graduate																			
Adult H.S. (15+CR.)																			
Adult H.S. (1-14CR.)																			
<b>Subtotal</b>	<b>4,236</b>		<b>4,236</b>				<b>2,764</b>		<b>2,764</b>										
Special Education-Elementary	344		344				17		17										
Special Education-Middle School	214		214				8		8										
Special Education-High School	278		278				47		47										
<b>Subtotal</b>	<b>836</b>		<b>836</b>				<b>72</b>		<b>72</b>										
Co. Voc. - Regular																			
Co. Voc. Ft. Post Sec.																			
<b>Subtotal</b>																			
<b>Totals</b>	<b>5,072</b>		<b>5,072</b>				<b>2,836</b>		<b>2,836</b>										
Percentage Error																			

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 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 Application and Register	Sample Errors
Half Day Preschool	257	257		12	12		28	28		6	6	
Full Day Preschool	295	295		45	45		31	31		10	10	
Half Day Kindergarten	256	256		8	8		22	22		9	9	
Full Day Kindergarten	260	260		37	37		23	23		7	7	
One	234	234		17	17		10	10		6	6	
Two	244	244					8	8		7	7	
Three	241	241					4	4		4	4	
Four	221	221					6	6		6	6	
Five	235	235					6	6		11	11	
Six	204	204					10	10		9	9	
Seven	205	205		40	40		10	10		9	9	
Eight	169	169		129	129		13	13		7	7	
Nine	187	187					5	5		4	4	
Ten												
Eleven												
Twelve												
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14CR.)												
Subtotal	3,008	3,008	-	288	288	-	176	176	-	95	95	-
Special Education-Elementary	257	257		21	21					9	9	
Special Education-Middle School	187	187								1	1	
Special Education-High School	221	221								1	1	
Subtotal	665	665	-	21	21	-				11	11	-
Co. Voc. -Regular												
Co. Voc. Ft. Post Sec.												
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
Totals	3,673	3,673	-	309	309	-	176	176	-	106	106	-
Percentage Error												

  

Transportation					
Reported on DRTRS by DOE/County	Reported on DRTRS by District	Tested	Verified	Errors	Re-Calculated
2,749	2,749	201	201		3.8
523	523	38	38		3.8
241	241	18	18		12.4
286	286	22	22		
3,799	3,799	279	279		

Reg. - Public Schools, Col. 1  
 Reg. - SpEd, Col. 4  
 Transported - Non-Public, Col. 2  
 Special Needs, Col. 6

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

**TOWNSHIP OF PENNSAUKEN SCHOOL DISTRICT**  
 Application for State School Aid Summary  
 Enrollment as of October 15, 2014

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten	4	4		2	2	
One	4	4		2	2	
Two						
Three	3	3		1	1	
Four	2	2				
Five	1	1		1	1	
Six	1	1		1	1	
Seven						
Eight						
Nine				1	1	
Ten						
Eleven	1	1		2	2	
Twelve				1	1	
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14CR.)						
Subtotal	16	16	-	11	11	-
Special Education-Elementary						
Special Education-Middle School	2	2		1	1	
Special Education-High School						
Subtotal	2	2	-	1	1	-
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Subtotal	-	-	-	-	-	-
Totals	18	18	-	12	12	-
Percentage Error			-			-

**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	\$ 92,056,682.67 (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	3,695,836.00 (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	7,383,515.97 (B2a)
Assets Acquired Under Capital Leases	(B2b)
Adjusted 2014-15 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ 88,369,002.70 (B3)
2% of Adjusted 2014-15 General Fund Expenditures [(B3) times .02]	\$ 1,767,380.05 (B4)
Enter Greater of (B4) or \$250,000	\$ 1,767,380.05 (B5)
Increased by: Allowable Adjustment *	184,815.00 (K)
Maximum Unassigned Fund Balance [(B5) + (K)]	\$ 1,952,195.05 (M)

**SECTION 2**

Total General Fund - Fund Balances at June 30, 2015 (Per CAFR Budgetary Comparison Schedule, Ex. C-1)	\$ 18,537,322.32 (C)
Decreased by:	
Year-End Encumbrances	50,729.81 (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	7,599,679.06 (C3)
Other Restricted Fund Balances ****	3,160,289.34 (C4)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	350,763.60 (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ 7,375,860.51 (U1)

**SECTION 3**

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER -0-	\$ 5,423,665.46 (E)
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**Recapitulation of Excess Surplus as of June 30, 2015**

Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 7,599,679.06 (C3)
Restricted - Excess Surplus *** [(E)]	5,423,665.46 (E)
Total Excess Surplus [(C3)+(E)]	\$ 13,023,344.52 (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>\$ 102,636.00</u> (J1)
Additional Nonpublic School Transportation Aid	<u>82,179.00</u> (J2)
Current Year School Bus Advertising Revenue Recognized	_____ (J3)
Family Crisis Transportation Aid	_____ (J4)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	 <u>\$ 184,815.00</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>\$ 2,049,725.30</u>
Maintenance reserve	<u>500,000.00</u>
Emergency reserve	<u>436,191.93</u>
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	<u>174,372.11</u>
 [Other Restricted Fund Balance not noted above]****	 _____
 Total Other Restricted Fund Balance	 <u>\$ 3,160,289.34</u> (C4)

