



**SPOTSWOOD BOROUGH SCHOOL DISTRICT  
SPOTSWOOD, NEW JERSEY**

**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  
Spotswood Borough School District  
County of Middlesex, New Jersey

We have audited, in accordance with generally accepted auditing 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 Spotswood Borough School District, County of Middlesex for the year ended June 30, 2015, and have issued our report thereon dated December 16, 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 Spotswood Borough Board of Education's management and Board members and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

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December 16, 2015  
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SPOTSWOOD BOROUGH SCHOOL DISTRICT

ADMINISTRATIVE FINDINGS-FINANCIAL,  
COMPLIANCE AND PERFORMANCE

JUNE 30, 2015

**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 and the records of the various funds under the auspices of the Board of Education.

**Administrative Practices and Procedures**

Insurance

Insurance coverage was carried in the amounts as detailed on Exhibit 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>
Mark Resnick	Board Secretary/Interim School Business Administrator	\$500,000
Barbara Petren	Treasurer of School Moneys through 1/30/2015	500,000
Brian DeLucia	Treasurer of School Moneys as of 2/1/2015	500,000

There is a Public Employees’ Faithful Performance Bond with the New Jersey School Boards Association Insurance Group covering all other employees with coverage of \$500,000.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The Board made a proper adjustment (“billing”) to sending Districts for the increase (decrease) in per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f)3, which is performed as part of the District’s annual budget process.

**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.

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account and employees’ payroll deductions and employer’s share of fringe benefits were deposited in the Payroll Agency Account.

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

SPOTSWOOD BOROUGH SCHOOL DISTRICT

ADMINISTRATIVE FINDINGS-FINANCIAL,  
COMPLIANCE AND PERFORMANCE

JUNE 30, 2015

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

Our review of the payroll account did not indicate any exceptions with respect to deposit of employee's payroll deductions and fringe benefits or salary withholdings and proper approval.

Our review of the payroll account revealed the following exception:

***Finding 2015-001:***

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendent and business administrator) to the NJ Department of Treasury did not include all of the administrators that were required to be reflected in the certification. The District omitted the assistant superintendent position from the certification.

***Recommendation:***

We suggest that the District, in the future, include all required administrator positions on the E-CERT1 certification form.

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 noted no exceptions.

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 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% 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.

Treasurer's Records

Our review of the financial and accounting records maintained by the Treasurer disclosed no exceptions.

SPOTSWOOD BOROUGH SCHOOL DISTRICT

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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 (NCLB) Act of 2001

The E.S.E.A./I.A.S.A./NCLB financial exhibits are contained within the Special Revenue Section of the Comprehensive Annual Financial Report (CAFR). This section of the CAFR documents the financial position pertaining to the projects under the NCLB.

The study of compliance for E.S.E.A./I.A.S.A./N.C.L.B. indicated 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 Schedules A (K-3) and B (K-4) 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 no exceptions.

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. The following item was noted during our testing of TPAF reimbursements:

**Finding 2015-002:**

A TPAF FICA reimbursement for retroactive pay from December 2014 was inadvertently not submitted timely to the State of New Jersey.

**Recommendation:**

We suggest that the District implement additional procedures to ensure that bi-weekly and retroactive pay TPAF reimbursement requests are submitted timely and collection of those amounts are followed up on if not received within a reasonable amount of time.

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.

SPOTSWOOD BOROUGH SCHOOL DISTRICT

ADMINISTRATIVE FINDINGS-FINANCIAL,  
COMPLIANCE AND PERFORMANCE

JUNE 30, 2015

Nonpublic State Aid

Our review of the Nonpublic State Aid completion reports disclosed no exceptions.

**School Purchasing Programs**

Contracts and Agreements Requiring Advertisement for Bids

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 transportation contracts under *N.J.S.A. 18A:39-3* is currently \$18,300.

The District 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.

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.

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

No exceptions were noted.

**School Food Service**

The financial transactions and statistical records of the school food services fund were reviewed on a test basis and appear to be maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. No exceptions were noted.

Cash receipts and bank records were reviewed on a test basis for timely deposit, without exception.

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 return a gross surplus of at least \$38,477. The operating results provision has not been met.

Expenses were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified on a test check basis. 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.

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.

**SPOTSWOOD BOROUGH SCHOOL DISTRICT**

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

**JUNE 30, 2015**

Net cash resources did not exceed three months average expenditures.

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

Applications for free and reduced price meals were reviewed for completeness and accuracy on a test check basis. The number of free and reduced price meals claimed as served was compared to the number of valid applications and 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 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. No exceptions were noted.

USDA Food donation program commodities were received and a single inventory was maintained on a first-in, first-out basis by the District's food service management company. No exceptions were noted.

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

***Finding 2015-003:***

During our audit of the District's food service operations, we noted several outstanding balances related to special function revenue at June 30, 2015 due from other District accounts.

***Recommendation:***

We suggest that the District develop a plan in consultation with its Food Service Management Company to ensure that personnel from the Food Service Management Company provides information regarding uncollected invoices due from other organizations or district funds on a monthly basis.

**Student Body Activities**

During our audit of the student activity funds, we noted no exceptions

**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 no material exceptions as presented in the Schedule of Audited Enrollments. The information that was included on the workpapers was verified and presented in the Schedule of Audited Enrollments with no exceptions identified. 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.

# SPOTSWOOD BOROUGH SCHOOL DISTRICT

## ADMINISTRATIVE FINDINGS-FINANCIAL, COMPLIANCE AND PERFORMANCE

JUNE 30, 2015

### **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. The District did not purchase any buses during the 2014-2015 school year.

### **Facilities and Capital Assets**

Our procedures included a review of the New Jersey Schools Development Authority (“NJSDA”) grant agreements for consistency with recording NJSDA revenue, transfer of local funds from the general fund or from the capital reserve account and awarding of contracts for eligible facilities construction. No exceptions were noted.

### **Follow-up on Prior Year Findings**

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

**SPOTSWOOD BOROUGH SCHOOL DISTRICT**

SCHEDULE OF AUDITED ENROLLMENTS  
APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 15, 2014

	2015-2016 Application for State School Aid (10/15/14 data)						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 Verification	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Full Day Preschool - 3 Years	23.0	-	23.0	-	-	-	23.0	-	23.0	-	-	-				
Full Day Preschool - 4 Years	17.0	-	17.0	-	-	-	17.0	-	17.0	-	-	-				
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-				
Full Day Kindergarten	83.0	-	83.0	-	-	-	83.0	-	83.0	-	-	-				
One	91.0	-	91.0	-	-	-	91.0	-	91.0	-	-	-				
Two	104.0	-	104.0	-	-	-	104.0	-	104.0	-	-	-				
Three	101.0	-	101.0	-	-	-	101.0	-	101.0	-	-	-				
Four	106.0	-	106.0	-	-	-	106.0	-	106.0	-	-	-				
Five	107.0	-	107.0	-	-	-	107.0	-	107.0	-	-	-				
Six	85.0	-	85.0	-	-	-	85.0	-	85.0	-	-	-				
Seven	97.0	-	97.0	-	-	-	97.0	-	97.0	-	-	-				
Eight	104.0	-	104.0	-	-	-	104.0	-	104.0	-	-	-				
Nine	160.0	-	160.0	-	-	-	160.0	-	160.0	-	-	-				
Ten	181.0	-	181.0	-	-	-	181.0	-	181.0	-	-	-				
Eleven	181.0	2.0	181.0	2.0	-	-	181.0	2.0	181.0	2.0	-	-				
Twelve	139.0	-	139.0	-	-	-	139.0	-	139.0	-	-	-				
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-				
Adult H.S. (15 + CR)	-	-	-	-	-	-	-	-	-	-	-	-				
Adult H.S. (1-14 CR)	-	-	-	-	-	-	-	-	-	-	-	-				
Subtotal	1,579.0	2.0	1,579.0	2.0	-	-	1,579.0	2.0	1,579.0	2.0	-	-				
Special Ed. Elementary	85.0	-	85.0	-	-	-	85.0	-	85.0	-	-	-	4.0	4.0	4.0	-
Special Ed. Middle	30.0	-	30.0	-	-	-	30.0	-	30.0	-	-	-	1.0	1.0	1.0	-
Special Ed. High School	72.0	1.0	72.0	1.0	-	-	72.0	1.0	72.0	1.0	-	-	3.5	3.0	3.0	-
Subtotal	187.0	1.0	187.0	1.0	-	-	187.0	1.0	187.0	1.0	-	-	8.5	8.0	8.0	-
County Vocational - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
County Vocational - First Post Secondary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	1,766.0	3.0	1,766.0	3.0	-	-	1,766.0	3.0	1,766.0	3.0	-	-	8.5	8.0	8.0	-
Percentage Error					0.0%	0.0%					0.0%	0.0%				0.0%

**SPOTSWOOD BOROUGH SCHOOL DISTRICT**  
**SCHEDULE OF AUDITED ENROLLMENTS**  
**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
Full Day Preschool - 3 Years	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool - 4 Years	-	-	-	2	2	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	12	12	-	7	7	-	1	1	-	-	-	-
One	20	20	-	9	9	-	2	2	-	2	2	-
Two	16	16	-	7	7	-	2	2	-	3	3	-
Three	22	22	-	8	8	-	-	-	-	-	-	-
Four	18	18	-	8	8	-	-	-	-	-	-	-
Five	12	12	-	9	9	-	-	-	-	-	-	-
Six	19	19	-	6	6	-	-	-	-	-	-	-
Seven	18	18	-	7	7	-	1	1	-	1	1	-
Eight	20	20	-	9	9	-	-	-	-	-	-	-
Nine	12	12	-	4	4	-	-	-	-	-	-	-
Ten	17	17	-	11	11	-	-	-	-	-	-	-
Eleven	20	20	-	16	16	-	-	-	-	-	-	-
Twelve	18	18	-	16	16	-	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15 + CR)	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	224	224	-	119	119	-	6	6	-	6	6	-
Special Ed. Elementary	28	28	-	14	14	-	1	1	-	-	-	-
Special Ed. Middle	12	12	-	5	5	-	-	-	-	-	-	-
Special Ed. High School	21	21	-	11	11	-	-	-	-	-	-	-
Subtotal	61	61	-	30	30	-	1	1	-	-	-	-
County Vocational - Regular	-	-	-	-	-	-	-	-	-	-	-	-
County Vocational - First Post Secondar	-	-	-	-	-	-	-	-	-	-	-	-
Total	285	285	-	149	149	-	7	7	-	6	6	-
Percentage Error			0.0%			0.0%			0.0%			0.0%

**SPOTSWOOD BOROUGH SCHOOL DISTRICT**

SCHEDULE OF AUDITED ENROLLMENTS  
APPLICATION FOR STATE SCHOOL AID SUMMARY (continued)

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 Application and Register	Sample Errors
Full Day Preschool - 3 Years	-	-	-	-	-	-
Full Day Preschool - 4 Years	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	2	2	-	2	2	-
One	-	-	-	-	-	-
Two	-	-	-	-	-	-
Three	1	1	-	1	1	-
Four	-	-	-	-	-	-
Five	-	-	-	-	-	-
Six	-	-	-	-	-	-
Seven	-	-	-	-	-	-
Eight	-	-	-	-	-	-
Nine	1	1	-	1	1	-
Ten	-	-	-	-	-	-
Eleven	-	-	-	-	-	-
Twelve	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15 + CR)	-	-	-	-	-	-
Adult H.S. (1-14 CR)	-	-	-	-	-	-
Subtotal	<u>4</u>	<u>4</u>	-	<u>4</u>	<u>4</u>	-
Special Ed. Elementary	-	-	-	-	-	-
Special Ed. Middle	-	-	-	-	-	-
Special Ed. High School	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
County Vocational - Regular	-	-	-	-	-	-
County Vocational - First Post Secondary	-	-	-	-	-	-
Total	<u>4</u>	<u>4</u>	-	<u>4</u>	<u>4</u>	-
			0.0%			0.0%

**Transportation**

	Reported on	Reported on	Errors	Tested	Verified	Errors
	DRTRS by DOE/County	DRTRS by District				
Regular - Public	304	304	-	147	147	-
Transportation Non-Public	16	16	-	8	8	-
ALL - Non Public	27	27	-	13	13	-
Special Education - Public	-	-	-	-	-	-
Special Education/ Special Needs	41	41	-	20	20	-
Charter Schools	-	-	-	-	-	-
Totals	<u>388</u>	<u>388</u>	-	<u>188</u>	<u>188</u>	-
Percentage Error			0.0%			0.0%

	<u>Reported</u>	<u>Recalculated</u>
Average mileage - regular including Grade PK students	3.5	3.5
Average mileage - regular excluding Grade PK students	3.5	3.5
Average mileage - special education with special needs	5.6	5.6

SPOTSWOOD BOROUGH SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2015

SECTION 1

A. 2% Calculation of Excess Surplus

2014-15 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ 27,555,323 (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	\$ 2,568,209 (B2a)
Assets Acquired Under Capital Leases	\$ - (B2b)
Adjusted 2014-15 General Fund Expenditures [(B) + (B1s) - (B2s)]	\$ 24,987,114 (B3)
2% of Adjusted 2014-15 General Fund Expenditures [(B3) times .02]	\$ 499,742 (B4)
Enter Greater of (B4) or \$250,000	\$ 499,742 (B5)
Increased by: Allowable Adjustment*	\$ 103,873 (K)
Maximum UnassignedUndesignated - Unreserved Fund Balance [(B5) + (K)]	\$ 603,615 (M)

SECTION 2

Total General Fund - Fund Balances at 6-30-15 (Per CAFR Budgetary Comparison Schedule C-1)	\$ 3,050,223 (C)
Decreased by:	
Year End Encumbrances	\$ 67,258 (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ - (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ 295,379 (C3)
Other Restricted Fund Balances****	\$ 1,245,537 (C4)
Assigned Fund Balance-Unreserved- Designated for Subsequent Year's Expenditures	\$ 238,769 (C5)
Assigned Fund Balance ARRA/SEMI - Unreserved - Designated for Subsequent Year's Expenditures	\$ 9,575 (C6)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ 1,193,705 (U1)

**SPOTSWOOD BOROUGH SCHOOL DISTRICT**

**EXCESS SURPLUS CALCULATION**

**JUNE 30, 2015**

**SECTION 3**

Restricted Fund Balance - Excess Surplus \*\*\*  
 [(U1)-(M)] IF NEGATIVE ENTER -0- \$ 590,090 (E)

**Recapitulation of Excess Surplus as of June 30, 2014**

Reserved Excess Surplus - Designated for Subsequent Year's  
 Expenditures \*\* \$ 295,379 (C3)  
 Reserved Excess Surplus \*\*\* [(E)] \$ 590,090 (E)  
  
 Total Excess Surplus [(C3)+(E)] \$ 885,469 (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 School Transportation Aid;
  - (J3) Recognized current year School Bus Advertising Revenue; and
  - (J4) Family Crisis Transportation Aid.

**Detail of Allowable Adjustments**

Impact Aid	\$ <u>          </u> - (H)
Sales & Lease-back	\$ <u>          </u> - (I)
Extraordinary Aid	\$ <u>97,355</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>6,518</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>103,873</u> (K)

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

\*\*\* Amount must agree to the June 30, 2015 CAFR and must agree to Audit Summary Line 90030.

Amount for Other Reserved 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.

SPOTSWOOD BOROUGH SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2015

Detail of Other Restricted Fund Balance

**Statutory restrictions:**

Approved unspent separate proposal	\$ -
Sale/lease-back reserve	\$ -
Capital reserve	\$ 611,467
Emergency reserve	\$ -
Maintenance reserve	\$ 634,070
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 State / government madated reserve	\$ -
[Other Restricted Fund Balance not noted above]****	\$ -
Total Other Restricted Fund Balance	\$ 1,245,537 (C4)