

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
COUNTY OF MORRIS  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
COUNTY OF MORRIS  
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
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November 16, 2015

The Honorable President and Members  
of the Board of Education  
West Morris Regional High School District  
County of Morris, 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 financial statements of the Board of Education of the West Morris Regional High School District in the County of Morris for the fiscal year ended June 30, 2015, and have issued our report thereon dated November 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 letter does not affect our report dated November 16, 2015, on the financial statements of the Board.

We will review the status of the comments, if any, during our next audit engagement. We have already discussed any comments and suggestions with various management personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended for the information of the West Morris Regional High School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script that reads "Nisivoccia, LLP".

NISIVOCCIA, LLP

A handwritten signature in cursive script that reads "Kathryn L. Mantell".

Kathryn L. Mantell  
Licensed Public School Accountant #884  
Certified Public Accountant

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Multi-peril insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the District's CAFR.

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Jonathan S. Rheinhardt	Treasurer	\$ 300,000
L. Douglas Pechanec	School Business Administrator/Board Secretary	500,000

There is a Public Employees' Faithful Performance Blanket Position Bond with Utica Mutual Insurance Company 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 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.6A:23A-3.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid on a test basis, during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account and Position Control Roster

The net salaries of 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. Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the General Fund.

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

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 was filed in a timely manner.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made on a test basis as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable.

Classification of General and Administrative 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 as a test sample, we also reviewed administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. 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

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Board Secretary's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted herein.

Treasurer's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Treasurer's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted herein.

No Child Left Behind (N.C.L.B.)

The N.C.L.B. financial exhibits are contained within the Special Revenue Section of the District's CAFR. This section of the CAFR documents the financial position pertaining to projects under Title II of the No Child Left Behind Consolidated Grant.

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.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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.

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The T.P.A.F. Reimbursement to the State for Federal Salary Expenditures was remitted to the State of New Jersey prior to the required deadline of October 1, 2015. The reimbursement form was reviewed and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

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 receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c. 198 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.A. 18A:18A-2, 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, except as is provided otherwise in this chapter or specifically by any other law . . . ."

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 \$18,300.

As per N.J.S.A. 18A:18A-3, the Board passed a resolution authorizing the Business Administrator as a qualified purchasing agent and increasing the bid threshold to \$36,000.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

School Purchasing Programs (Cont'd)

Contracts and Agreements Requiring Advertisement for Bids (Cont'd)

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 Attorney'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. General compliance was noted.

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.

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

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 Service Fund were reviewed. The financial accounts were reviewed on a test-check basis; however, since the District does not participate in the National School Lunch Program, meal count records and eligibility applications were not reviewed.

Cash receipts and bank records were reviewed for timely deposit.

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

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 Fund. Net cash resources did not exceed three months average expenditures.

Timesheets were reviewed and labor costs were verified on a test check basis. Payroll records were maintained on all School Food Service employees authorized by the Board of Education. No exceptions were noted.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FOR THE FISCALYEAR ENDED JUNE 30, 2015  
(Continued)

School Food Service (Cont'd)

The District utilizes a food service management company (FSMC) and is depositing and expending program 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 a profit based upon a certain number of operating days and average daily enrollment. The operating profit was not met; however, the number of operating days and average daily enrollment were also not met.

Finding:

The District's food service operations have resulted in deficits for the past two years. In order to address the situation, the District solicited proposals and hired a new food service management company during the current fiscal year. Operation results were not as projected, and the District has subsequently been closely monitoring monthly operating results and actively communicating to the FSMC the need to improve the ongoing results of the District's food service operations and to meet future contract provisions. Due to the measures the District has already taken, a formal recommendation is judged to be unwarranted at this time.

The District has a Type 2 SOC1 report (Service Organization Controls Report) of the food service management company on file as required by state requirements.

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

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the records of the Student Activities Fund for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted herein.

Application for State School Aid

Our audit procedures included a test of enrollments and related services reported in the October 15, 2014 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, bilingual and low income students. 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 one minor exception. The information that was included on the workpapers was verified on a test basis 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.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

Pupil Transportation

Our audit procedures included a test of on-roll students 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 of the SDA grant agreements for consistency with recording SDA revenue, transfer of local funds from the General Fund or from the Capital Reserve Account and awarding of contracts for eligible facilities construction.

Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal policy and procedure pertaining to travel and expense reimbursement for its employees and board members. The regulations require the District to establish a maximum travel for the fiscal year and to ensure that the maximum amount is not exceeded. The regulations also require that all travel be preapproved by the Board of Education and Superintendent and that a brief report detailing the key issues addressed at the travel event must be submitted after the travel event has occurred.

Our review of the travel policies and records revealed that the District is in general compliance with the travel regulations.

Management Suggestions

Deferred Compensation Plans

The District has a fiduciary responsibility to its employees related to the deferred compensation plans offered by the District. The District should consider a periodic review of the benefits, features, costs, and performance of its deferred compensation plans and make that information available to employees to assist employees in making suitable choices for investing their retirement funds while fulfilling the District's fiduciary responsibilities.

Independent Contractors vs. Employees

The District should consider reviewing the status of "Independent Contractors" utilized by the District with Internal Revenue Service guidelines for determination of employment status. The IRS has been reviewing employers, including governments, to determine compliance. A proactive approach may help to minimize or eliminate potential penalties related to incorrect employment status determination.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

Other

Single Audit

Effective for the fiscal year ended June 30, 2016, there will be significant changes to the Single Audit. These changes include the following:

- An increase in the single audit threshold
- Low risk auditee criteria
- Type A and B threshold
- Coverage requirements for major programs tested for both low risk and non-low risk auditees.

Additionally, the cost principles and administrative requirements such as A-87 have been consolidated under the *OMB Uniform Guidance: Cost Principles, Audit and Administrative Requirements for Federal Awards*. This guidance was effective December 26, 2014 for all new federal awards and for any additional funding for existing awards made after December 26, 2014.

Governmental Accounting Standards Board Statements

The next Governmental Accounting Standards Board (“GASB”) statement which will have a significant impact on the District will be GASB#75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, will be effective for the fiscal year ending June 30, 2018. This standard replaces GASB#45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. It is similar to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* GASB#68 in that successful implementation of this standard will require the provision of certain key financial and non-financial information from the New Jersey Division of Pensions.

Status of Prior Fiscal Year's Findings/Recommendations

The District had no prior fiscal year findings or recommendations.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF MEAL COUNT ACTIVITY  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(MEMORANDUM ONLY)

NOT APPLICABLE

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF NET CASH RESOURCES  
FOOD SERVICE FUND  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(MEMORANDUM ONLY)

NOT APPLICABLE

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2014

	2015-2016 Application for State School Aid						Sample for Verification					
	Reported on		Reported on		Errors		Sample		Verified per		Errors per	
	ASSA		Workpapers				Selected from		Registers		Registers	
	On Roll		On Roll		Workpapers		On Roll		on Roll			
Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	
Grade Nine	536		536					536				
Grade Ten	569		569					569				
Grade Eleven	558	5	558	5				558	5			
Grade Twelve	566	2	566	2				566	2			
Subtotal	2,229	7	2,229	7				2,229	7			
Special Education:												
High School	427	20	427	20				23	2			
Subtotal	427	20	427	20				23	2			
Totals	2,656	27	2,656	27	-0-	-0-	2,252	9	2,252	9	-0-	-0-
Percentage Error					0.00%	0.00%					0.00%	0.00%

	Private Schools for Disabled			
	Reported on ASSA as Private Schools	Sample for Verification	Sample Verified	Sample Errors
Special Education:				
High School	31	6	6	
Subtotals	31	6	6	
Totals	31	6	6	-0-
Percentage Error			0.00%	

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2014

	Resident Low Income			Sample for Verification		
	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Grade Nine	9	9		2	2	
Grade Ten	8	8		2	2	
Grade Eleven	3	3				
Grade Twelve	4	4		1	1	
Subtotal	24	24	-0-	5	5	-0-
Special Education:						
High School	9	10	(1)	2	2	
Subtotal	9	10	(1)	2	2	-0-
Totals	33	34	(1)	7	7	-0-
Percentage Error			3.03%			0.00%

	Resident LEP Low Income			Sample for Verification		
	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Errors
Grade Nine	1	1		1	1	
Grade Ten	2	2		1	1	
Totals	3	3	-0-	2	2	-0-
Percentage Error			0.00%			0.00%

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on ASSA as LEP NOT Low Income	Reported on Workpapers as LEP NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Grade Ten	2	2		1	1	
Grade Twelve	1	1				
Special Education:						
High School	1	1		1	1	
Totals	4	4	-0-	2	2	-0-
Percentage Error			0.00%			0.00%

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2014

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	1,761	1,761		25	25	
Regular - Special Ed	330.5	330.5		25	25	
Transported - Non Public	197	197		20	20	
AIL	79	79		8	8	
Special Needs - Public	33.5	33.5		6	6	
Special Needs - Private	32	32		6	6	
Totals	<u>2,433</u>	<u>2,433</u>	<u>-0-</u>	<u>90</u>	<u>90</u>	<u>-0-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>
				<u>Reported</u>	<u>Re- calculated</u>	
Average Mileage:						
Regular Including Grade PK Students				6.4	6.4	
Regular Excluding Grade PK Students				6.4	6.4	
Special Education with Special Needs				21.8	21.8	

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

**REGULAR DISTRICT****SECTION 1****2% Calculation of Excess Surplus**

2014-15 Total General Fund Expenditures per the CAFR, Ex. C-1	<u>\$50,393,644</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	<u>\$</u> (B1a)
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ 1,321,709</u> (B1b)
Transfer from Maintenance Reserve to Capital Projects Fund	<u>\$ 133,760</u> (B1c)
Transfer from General Fund to SRF for PreK - Regular	<u>\$</u> (B1d)
Transfer from General Fund to SRF for PreK - Inclusion	<u>\$</u> (B1e)
Decreased by:	
On-Behalf TPAF Pension and Social Security	<u>\$ 4,383,274</u> (B2a)
Assets Acquired Under Capital Leases	<u>\$ 216,401</u> (B2b)
Adjusted 2014-15 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$47,249,438</u> (B3)
2% of Adjusted 2014-15 General Fund Expenditures [(B3) times .02]	<u>\$ 944,989</u> (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 944,989</u> (B5)
Increased by: Allowable Adjustments	<u>\$ 425,358</u> (K)
Maximum Unassigned Fund Balance [(B5)+(K)]	<u>\$1,370,347</u> (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6/30/15 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 7,055,060</u> (C)
Decreased by:	
Year-End Encumbrances	<u>\$ 162,093</u> (C1)
Legally Restricted:	
Designated for Subsequent Year's Expenditures	<u>\$</u> (C2)
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 2,031,086</u> (C3)
Other Restricted Fund Balances	<u>\$ 1,178,285</u> (C4)
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	<u>\$ 278,146</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	<u>\$3,405,450</u> (U1)

**SECTION 3**

Restricted Fund Balance - Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0-	<u>\$2,035,103</u> (E)
--	------------------------

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

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

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$2,031,086</u> (C3)
Restricted Excess Surplus [(E)]	<u>\$2,035,103</u> (E)
Total [(C3)+(E)]	<u><u>\$4,066,189</u></u> (D)

**Detail of Allowable Adjustments**

Impact Aid	<u>\$ -0-</u> (H)
Sale & Lease-back	<u>\$ -0-</u> (I)
Extraordinary Aid	<u>\$ 395,119</u> (J1)
Additional Nonpublic School Transportation Aid	<u>\$ 30,239</u> (J2)
Current Year School Bus Advertising Revenue Realized	<u>\$ -0-</u> (J3)
Family Crisis Transportation Aid	<u>\$ -0-</u> (J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	<u><u>\$ 425,358</u></u> (K)

**Detail of Other Restricted Fund Balances**

Statutory Restrictions:	
Approved Unspent Separate Proposal	<u>\$ -0-</u>
Sale/Lease-back Reserve	<u>\$ -0-</u>
Capital Reserve	<u>\$ 806,321</u>
Maintenance Reserve	<u>\$ 371,964</u>
Emergency Reserve	<u>\$ -0-</u>
Tuition Reserve	<u>\$ -0-</u>
School Bus Advertising 50% Fuel Offset Reserve - Current Year	<u>\$ -0-</u>
School Bus Advertising 50% Fuel Offset Reserve - Prior Year	<u>\$ -0-</u>
Impact Aid General Fund Reserve (Sections 8002 and 8003)	<u>\$ -0-</u>
Impact Aid General Fund Reserve (Sections 8007 and 8008)	<u>\$ -0-</u>
Other State/Government Mandated Reserve	<u>\$ -0-</u>
Other Restricted Fund Balances Not Noted Above	<u>\$ -0-</u>
Total Other Restricted Fund Balances	<u><u>\$1,178,285</u></u> (C4)

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
SUMMARY OF RECOMMENDATIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

It is recommended that:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Program

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Status of Prior Fiscal Year's Findings/Recommendations

The District had no prior fiscal year findings or recommendations.