

***TOWN OF WESTFIELD
SCHOOL DISTRICT
COUNTY OF UNION, NEW JERSEY***

***AUDITORS MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS –
FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015***

HODULIK & MORRISON, P.A.
*CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS
PUBLIC SCHOOL ACCOUNTANTS
HIGHLAND PARK, N.J.*

WESTFIELD SCHOOL DISTRICT
UNION COUNTY, NEW JERSEY

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

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Tax ID Number 226002405

HODULIK & MORRISON, P.A
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS
PUBLIC SCHOOL ACCOUNTANTS
1102 RARITAN AVENUE, P.O. BOX 1450
HIGHLAND PARK, NJ 08904
(732) 393-1000
(732) 393-1196 (FAX)

ANDREW G. HODULIK, CPA, RMA, PSA
ROBERT S. MORRISON, CPA, RMA, PSA

JO ANN BOOS, CPA, PSA

MEMBERS OF:
AMERICAN INSTITUTE OF CPA'S
NEW JERSEY SOCIETY OF CPA'S
REGISTERED MUNICIPAL ACCOUNTANTS OF N.J.

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Town of Westfield School District
Union County, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey, the basic financial statements of the Board of Education of the Town of Westfield School District in the County of Union 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 Town of Westfield 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.

Hodulik & Morrison, P.A.

HODULIK & MORRISON, P.A.
Certified Public Accountants
Registered Municipal Accountants
Public School Accountants

Robert S. Morrison

Robert S. Morrison
Certified Public Accountant
Public School Accountant #871

Highland Park, New Jersey
November 30, 2015

ADMINISTRATIVE FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING

Scope of Audit

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

The audit did not and could not determine the character of services rendered for which payment had been made nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the approval of such claims. Revenues and receipts were established and verified as to sources and amount only insofar as the records permitted.

ADMINISTRATIVE PRACTICES AND PROCEDURES

Insurance

Fire insurance coverage was carried in amounts as detailed on Exhibit J-20 of the District's CAFR. The details of the various additional insurance coverages carried by the Board are also presented on this Exhibit. No attempt was made to determine the adequacy of coverage as part of this report. Adequacy of coverage is the responsibility of the Board of Education.

Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32)

The following position was covered by a Surety Bond as at June 30, 2015:

Dana Sullivan, School Business Administrator/Board Secretary	\$405,500.00
--------------------------------------------------------------	--------------

The Surety Bond coverage for the School Business Administrator/Board Secretary exceeded the minimum requirement as promulgated by the Department of Education.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. Differences in actual costs, as certified by the Department of Education pursuant to the provisions of N.J.A.C. 6A:23-3.1(f)3, from estimated costs billed by the Board during the period were adjusted as required.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING

Examination of Claims

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

Payroll Account

The Board maintained the Net Payroll and Agency Account method for the depositing and payment of its payrolls. The net payrolls from all sources are deposited in the payroll account and all payroll deductions, together with the Board's share, are deposited to the agency account.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (Cont'd.)

Payroll Account (Cont'd)

All payrolls were approved by the Superintendent and were certified by the Chairman of the Finance Committee and Board Secretary/School Business Administrator. Tests were made of these records with no exceptions noted.

Salary withholdings were promptly remitted to the proper agencies.

Reserve for Encumbrances, Liability (Current) for 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. The use of blanket orders during the school year was based on operating efficiencies, and controls over their utilization were good.

Tests of purchase orders classified as accounts payable at June 30, 2015 yielded no exceptions.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2(g) as part of our test of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-2.4. As a result of the procedures performed, no coding errors were noted.

Unemployment Compensation Insurance Trust Fund

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. Exhibit "H-2" sets forth the activity of this fund for the period under review. The amount reported in the financial statements, which does not reflect unbilled liabilities to the State, as available at June 30, 2015 to pay future claims amounted to \$109,661.37.

Investment of Idle Funds

During the period under audit, the Board had all of the idle funds in its governmental fund types invested in interest bearing accounts. At June 30, 2015, the District's governmental funds cash and investments increased with the issuance of school bonds in the amount of \$3,471,000 in order to fund capital project expenditures of current and prior years.

Board Secretary's Records

The minutes maintained by the Board Secretary were in good condition.

During school year 2014-2015, the District performed cash reconciliation and transactional proof procedures to assure the accuracy of District generated records and timely bank reconciliations. These procedures allowed for the timely preparation of the monthly report of the Board Secretary. Cash balances were in agreement with the financial records of the Business Office.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (Cont'd.)

Report of the Treasurer (Form A-149)

The Report of the Treasurer was performed timely for the 2014-15 School Year, and no adjustments for amounts reported at June 30, 2015 were required. The Report of the Treasurer was found to be in agreement with the records maintained by the Business Office.

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./NCLB 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, III, IV and V 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.

The financial exhibits are contained within the Special Revenue section of the CAFR, which documents the financial position pertaining to the aforementioned special projects on a grant accounting budgetary basis and reports the financial position of the fund on a GAAP basis at June 30, 2015.

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.

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditures 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 as a result.

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 \$17,500.00, 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 quotes. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9) 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 general delegation of the power to negotiate and award such contracts pursuant to this section."

Contracts and Agreements Requiring Advertisement for Bids

"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 to 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, 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."

"Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection a. of N.J.S.18A:18A-5 may be awarded for a period not exceeding 12 consecutive months."

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 (as amended) and 18A:18-3(a) are \$36,000.00 (with a Qualified Purchasing Agent) and \$26,000.00 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$18,300.

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

The expenditure/disbursement accounting software does not provide for an accumulation of payments for categories for the performance of any work or the furnishing of any materials or supplies, and therefore an aggregation of the aforementioned categories could not be not made. However, encumbrances and disbursements were reviewed to determine whether any material violations existed.

SCHOOL PURCHASING PROGRAMS (CONT'D)

The results of the examination indicated that no individual payments, contracts or agreements were made "for the performance of any 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.

The expenditure/disbursement accounting records do 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. However, the results of our audit procedures indicated use of this authorized procurement method during the period under review.

The results of the audit indicated that the existing procurement policies and procedures were adequate to identify contemplated purchases, which required additional procedures (quotes, bids, etc.) to comply with the provisions of the School Contracts Law, and no instances of non-compliance were identified by the audit.

School Food Service Fund

The financial transactions and statistical records of the school food services were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test check basis. There were no exceptions noted for items tested.

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 vouchers were timely filed, and meals claimed were in agreement with meal count records. There were no exceptions noted for items tested.

The District utilizes a food service management company and is depositing and expending monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. No exceptions noted for items tested.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications on file, times the number of operating days, on a school by school basis. The free and reduced price meal 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. There were no exceptions noted for items tested.

Expenses were separately recorded as food, labor, benefits, and other costs. Vendor invoices were reviewed and costs verified and expenditure records were maintained in order to substantiate the status of the Food Service Fund.

Amounts collected for food sales are deposited to a Board account. The appropriate revenue and expense 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 expenses.

School Food Service Fund (Cont'd)

The contractor maintained inventory on a first-in, first-out basis for the Food Distribution Program commodities received. The contractor maintains a separate inventory record for Food Distribution Program commodities, which is reconciled on a monthly basis to the physical inventory counts. There were no exceptions noted for items tested.

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

Enterprise Fund – WRAP Program/School

During the school year ended June 30, 2015, the District maintained the Kindergarten Wrap-Around Program at Lincoln School within the District.

Exhibits reflecting WRAP School/Program operations are included in the section entitled Enterprise Funds, Section G of the CAFR.

Student Body Activity Accounts and Records

The record keeping of the various student activity accounts were reviewed for the school year ended June 30, 2015. Student Activity Funds and records presented for audit were found to be in generally good condition as a result of the continual monitoring by the Business Office

Application for State School Aid (A.S.S.A.)

Our audit included a test of information reported in the October 15, 2014 Application for State School Aid (ASSA) for on-roll, private schools for the handicapped, low-income and bilingual. We also performed a review of District procedures relating to its completion. The information on the ASSA was compared to the District workpapers without exception. The information included on the workpapers was verified without exceptions. 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 written procedures are adequate for the recording of student enrollment data.

Pupil Transportation

Our procedures included a test of on-roll status reported in the 2014-15 District Report of Resident Transported 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.

Capital Assets

For the school year ended June 30, 2015, the District has engaged for an outside firm to prepare an inventory listing of Capital Assets. The amounts developed by the inventory have been included in the District's financial statements for the year ended June 30, 2015.

SUMMARY OF RECOMMENDATIONS

None

Status of Prior Year Findings:

None

ACKNOWLEDGMENT

During the course of our audit, we received the complete cooperation of all the officials of the school district, and we greatly appreciate the courtesies extended to us.

Respectfully submitted,



HODULIK & MORRISON, P.A.
Certified Public Accountants
Public School Accountants



Robert S. Morrison
Certified Public Accountant
Public School Accountant #871

NET CASH RESOURCE SCHEDULE

Net cash resources did/did not exceed three months of expenditures Proprietary Funds - Food Service FYE 2015

<u>Net Cash Resources:</u>		Food Service B - 4/5	
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 378,919
B-4		Due from Other Gov'ts	4,866
B-4		Accounts Receivable	7,032
B-4		Investments	0
CAFR		Current Liabilities	
B-4		Less Accounts Payable	-90,296
B-4		Less Accruals	0
B-4		Less Due to Other Funds	0
B-4		Less Deferred Revenue	-26,875
		Net Cash Resources	<u>\$ 273,647</u> (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.		1,161,518	
B-5	Less Depreciation		-6,339	
	Adj. Tot. Oper. Exp.		<u>\$ 1,155,179</u>	(B)

Average Monthly Operating Expense:

B / 10 **\$ 115,518** (C)

Three times monthly Average:

3 X C **\$ 346,554** (D)

TOTAL IN BOX A	\$	<u>273,647</u>
LESS TOTAL IN BOX D	\$	<u>346,554</u>
NET	\$	<u>(72,907)</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.**

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

SOURCE - USDA resource management comprehensive review form

SCHEDULE OF AUDITED ENROLLMENTS

**WESTFIELD SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014**

	2015-16 Application for State School Aid						Sample for Verification						Private Schools for Handicapped						
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected From Workpapers		Verified per Registers On Roll		Errors		Reported on A.S.S.A. Private Schools	Reported on Workpapers On Roll		Sample for Veri- fication	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared		Full	Shared				
Half Day PreK- 3 yr	10		10		-														
Full Day PreK- 3 yr	17		17		-			2		2									
Half Day Kindergarten	191		191		-			10		10									
One	433		433		-			22		22									
Two	460		460		-			23		23									
Three	469		469		-			23		23									
Four	469		469		-			23		23									
Five	439		439		-			22		22									
Six	419		419		-			21		21									
Seven	448		448		-			22		22									
Eight	412		412		-			21		21									
Nine	424		424		-			21		21									
Ten	368		368		-			18		18									
Eleven	378	2	378	2	-			19		19									
Twelve	357	4	357	4	-			18		18									
Subtotals	5,294	6	5,294	6	-			265	0	265	0								
Sp Ed - Elementary	373		373		-			19		19			23	23		18	18		
Sp Ed - Middle School	262		262		-			13		13			24	24		18	18		
Sp Ed - High School	304	16	304	16	-			15		15			37	37		28	28		
Subtotals	939	16	939	16	-			47	0	47	0		84	84	0	64	64		
Totals	6,233	22	6,233	22	-			312	0	312	0		84	84	0	64	64		
Percentage Error					0.00%	0.00%													0.00%

SCHEDULE OF AUDITED ENROLLMENTS

**WESTFIELD SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014**

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. As Low Income</u>	<u>Reported on Workpapers As Low Income</u>	<u>Errors</u>	<u>Sample Selected From Workpapers</u>	<u>Verified to Application And Register</u>	<u>Sample Errors</u>	<u>Reported on A.S.S.A. as LEP Low Income</u>	<u>Reported on Workpapers as LEP Low Income</u>	<u>Sample Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Test Score and Register</u>	<u>Sample Errors</u>
Kindergarten												
One	5	5	0	2	2	-			0			-
Two	6	6	0	5	5	-			0			-
Three	5	5	0	3	3	-	2	2	0	2	2	-
Four	7	7	0	5	5	-			0			-
Five	7	7	0	4	4	-			0			-
Six	6	6	0	3	3	-	1	1	0	1	1	-
Seven	2	2	0	1	1	-			0			-
Eight	11	11	0	8	8	-	1	1	0	1	1	-
Nine	9	9	0	7	7	-			0			-
Ten	7	7	0	4	4	-			0			-
Eleven	3.5	3.5	0	3	3	-			0			-
Twelve	8	8	0	5	5	-			0			-
Subtotals	76.5	76.5	0	50	50	-	5	5	0	5	5	-
Sp Ed - Elementary	21	21	0	15	15	-	1	1	0	1	1	-
Sp Ed - Middle School	17	17	0	13	13	-			0			-
Sp Ed - High School	29.5	29.5	0	20	20	-			0			-
Subtotals	67.5	68	0	48	48	-	1	1	0	1	1	0
Totals	144	144.0	0	98	98	-	6	6	0	6	6	0
Percentage Error			0.0%			0%						

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	<u>Transportation</u>						<u>Reported</u>	<u>Recalculated</u>
	<u>Reported on DRTRS by DOE</u>	<u>Reported on DRTRS by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>		
Reg. - Public Schools	205	205	-	71	71	-		
Reg. - Sp Ed	88	88	-	30	30	-		
Transported Non-Public	70	70	-	24	24	-		
AIL Non-Public	266	266	-	92	92	-	Ave. Mileage - Regular Inc. PK Students	6.4
Special Ed Spec	42	42	-	15	15	-	Ave. Mileage - Regular Exc. PK Students	6.4
Totals	671	671	-	232	232	-	Ave. Mileage - Special Ed. With Special Needs	11.7
Percentage Error					0.0%			

SCHEDULE OF AUDITED ENROLLMENTS

**WESTFIELD 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 Application and Register	Sample Errors
Half Day Preschool 3 Yrs.			-			-
Half Day Preschool 4 Yrs.			-			-
Full Day Preschool 3 Yrs.			-			-
Full Day Preschool 4 Yrs.			-			-
Half Day Kindergarten	8	8	-	7	7	-
Full Day Kindergarten			-			-
One	7	7	-	6	6	-
Two	3	3	-	2	2	-
Three	3	3	-	2	2	-
Four	1	1	-	1	1	-
Five	1	1	-	1	1	-
Six	1	1	-	1	1	-
Seven	4	4	-	3	3	-
Eight	1	1	-			-
Nine	1	1	-	1	1	-
Ten			-			-
Eleven	1	1	-	1	1	-
Twelve			-			-
Post-Graduate			-			-
Adult H.S. (15+CR.)			-			-
Adult H.S. (1-14 CR.)			-			-
Subtotal	31	31	-	25	25	-
Special Ed - Elementary	4	4	-	4	4	-
Special Ed - Middle			-			-
Special Ed - High			-			-
Subtotal	4	4	-	4	4	0
Co. Voc. - Regular			-			-
Co. Voc. Ft. Post Sec.			-			-
Totals	35	35	-	29	29	0
Percentage Error			0.00%			0.00%

**WESTFIELD SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION**

SECTION 1 - REGULAR DISTRICT

A. 2% Calculation of Excess Surplus

2014-2015 Total General Fund Expenditures per the CAFR "C-1"	\$ <u>103,159,425.16</u> (B)
Increased by Applicable Operating Transfers:	
Transfer from Capital Outlay to Capital Projects Fund	\$ _____ (B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ <u>522,017.00</u> (B1b)
Transfer from General Fund to SFR for Pre-K Regular	\$ _____ (B1c)
Transfer from General Fund to SFR for Pre-K Inclusion	\$ _____ (B1d)
Decreased by:	
On-Behalf TPAF Pension & Social Security	\$ <u>9,768,341.52</u> (B2a)
Assets Acquired Under Capital Leases	\$ <u>0.00</u> (B2b)
Adjusted 2014-15 General Fund Expenditures [(B)+(B1s)-B2s]	<u>93,913,100.64</u> (B3)
2% of Adjusted 2013-2014 General Fund Expenditures [(B3) times .02]	\$ <u>1,878,262.03</u> (B4)
Enter Greater of (B4) or \$250,000	\$ <u>1,878,262.03</u> (B5)
Increased by: Allowable Adjustment*	\$ <u>328,039.00</u> (K)
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]	\$ <u><u>2,206,301.03</u></u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6/30/15 (Per CAFR Budgetary Comparison schedule/statement)	\$ <u>7,739,061.06</u> (C)
Decreased by:	
Reserve for Encumbrances	\$ <u>722,022.46</u> (C1)
Legally Restricted -Designated for Subsequent Year's Expenditures	\$ _____ (C2)
Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>996,959.00</u> (C3)
Other Reserved Fund Balances****	\$ <u>2,610,737.57</u> (C4)
Assigned Unreserved Fund Balance - Designated for Subsequent Year's Expenditures	\$ <u>3,041.00</u> (C5)
Total Unreserved/Undesignated Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ <u><u>3,406,301.03</u></u> (U1)

SECTION 3

Restricted Fund Balance-Excess Surplus ***((U1)-(M)) If negative enter -0-	\$ <u>1,200,000.00</u> (E)
Recapitulation of Excess Surplus as of June 30, 2015	
Reserved Excess Surplus-Designated for Subsequent Year's Expenditures**	\$ <u>996,959.00</u> (C3)
Reserved Excess Surplus*** (E)	\$ <u>1,200,000.00</u> (E)
Total Excess Surplus [(C3) +(E)]	\$ <u><u>2,196,959.00</u></u> (D)

Footnotes:

*Allowable adjustment to expenditures on line K must be 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 NJSA 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, 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 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 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4).

(I) Sale and Leaseback (Refer to 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

Notes to auditor: Refer to audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid, and Additional Non public School Transportation Aid

Detail of Allowable Adjustments

Impact Aid	\$	(H)
Sale & Lease-back	\$	(I)
Extraordinary Aid	\$	264,472.00 (J1)
Additional Nonpublic School Transportation Aid	\$	63,567.00 (J2)
Current year School Bus Advertising Rev. Recognized	\$	0.00 (J3)
Family Crisis Transportation Aid	\$	(J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)]	\$	328,039.00 (K)

** This amount represents the June 30, 2015 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 Worksheet 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 any other type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Division of Finance prior to September 30.

Detail of Other Reserved Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$	
Capital Outlay for a district with a capital outlay SGLA	\$	
Sale/lease-back reserve	\$	
Capital Reserve	\$	1,996,414.50
Maintenance Reserve	\$	614,323.07
Tuition Reserve	\$	
Emergency Reserve	\$	
Waiver Offset reserve	\$	
(Other Reserved Fund Balance not noted above)****	\$	
Total Other Reserved Fund Balance	\$	2,610,737.57 (C4)