

**GLOUCESTER CITY SCHOOL DISTRICT
COUNTY OF CAMDEN**

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

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

GLOUCESTER CITY SCHOOL DISTRICT
Auditor's Management Report on Administrative
Findings - Financial, Compliance and Performance

Table of Contents

	<u>Page</u>
Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance	1
Scope of Audit	2
Administrative Practices and Procedures	2
Insurance	2
Official Bonds	2
Tuition Charges	2
Financial Planning, Accounting, and Reporting	2
Examination of Claims	2
Payroll Account and Position Control Roster	2
Encumbrances and Accounts Payable	3
Classification of Expenditures	3
• General Classifications	3
• Administrative Classifications	3
Board Secretary's Records	3
Treasurer's Records	3
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	3
Other Special Federal and / or State Projects	3
T.P.A.F. Reimbursement	4
School Purchasing Programs	4
Contracts and Agreements Requiring Advertisement for Bids	4
School Food Service	4
Student Body Activities	5
Application for State School Aid	5
Pupil Transportation	5
Miscellaneous	6
Follow-up on Prior Year Findings	6
Acknowledgment	6
Schedule of Meal Count Activity	7
Schedule of Net Cash Resources	8
Schedule of Audited Enrollments	9
Excess Surplus Calculation	12

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

The Honorable President and
Members of the Board of Education
Gloucester City 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 Gloucester City 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 18, 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 Gloucester City 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
Certified Public Accountants
& Consultants



Henry J. Ludwigen
Certified Public Accountant
Public School Accountant No. CS 001112

Woodbury, New Jersey
December 18, 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>
Margaret M. McDonnell	Board Secretary / School Business Administrator	\$ 300,000
Frank J. Robertson	Treasurer	325,000

There is a Public Employees' Faithful Performance Blanket Position Bond covering all other employees with multiple coverage of \$50,000.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The 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 who then deposited warrants in separate bank accounts for net payroll and withholdings.

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

Employee Position Control Roster

A sample of the Employee Position Control Roster indicated that it was in satisfactory condition and was approved by the county office submission with the 2014-2015 budget review checklist.

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 inspected 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 inspected 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 of School Moneys'

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.

The audit of compliance for E.S.E.A. / N.C.L.B. did not indicate any reportable noncompliance.

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.

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

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 inspected 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&oftpage=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 inspected on a sample basis. No exceptions were noted.

Cash receipts and bank records were sampled for timely deposit. No exceptions were noted.

The School 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 inspected and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$25,000.00. The operating results provision has been met.

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 inspected 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 number of free and reduced price meals claimed as served was compared to the number of valid applications and / or 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 and free milk policy was inspected for uniform administration throughout the school system. The required verification procedures for free and reduced price applications were completed and available for audit.

USDA Food Distribution Program (food and / or 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

There were no audit findings for the fiscal year ended June 30, 2014.

There were no Office of Fiscal Accountability and Compliance audit reports issued during the fiscal year ended June 30, 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
Certified Public Accountants
& Consultants



Henry J. Ludwigsen
Public School Accountant No. CS 001112

GLOUCESTER CITY 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 (Regular Rate)	Paid	58,708	3,195	3,195	-	\$ 0.30	\$ -
	Reduced	30,268	1,672	1,672	-	2.60	-
	Free	172,810	9,295	9,295	-	3.00	-
	HHFKA*	<u>261,786</u>	<u>14,162</u>	<u>14,162</u>	<u>-</u>	0.06	<u>-</u>
	Total	<u>261,786</u>	<u>14,162</u>	<u>14,162</u>	<u>-</u>		<u>-</u>
School Breakfast (Regular Rate)	Paid	18,196	1,054	1,054	-	0.28	-
	Reduced	11,838	669	669	-	1.63	-
	Free	<u>80,539</u>	<u>4,482</u>	<u>4,482</u>	<u>-</u>	1.93	<u>-</u>
	Total	<u>110,573</u>	<u>6,205</u>	<u>6,205</u>	<u>-</u>		<u>-</u>
Special Milk	Paid	-	-	-	-	0.2300	-
	Free	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Average Cost	<u>-</u>
	Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>
After School Snacks (Non-Area Eligible)	Paid	-	-	-	-	0.07	-
	Reduced	-	-	-	-	0.41	-
	Free	<u>54,751</u>	<u>20,879</u>	<u>20,879</u>	<u>-</u>	0.82	<u>-</u>
	Total	<u>54,751</u>	<u>20,879</u>	<u>20,879</u>	<u>-</u>		<u>-</u>
CACFP (d) - Food	Free				-	2.98	-
CACFP (d) - Cash-in-Lieu of USDA Foods	Free				-	0.2475	-
Total Net Underclaim / (Overclaim)							<u>\$ -</u>

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

GLOUCESTER CITY 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</u> <u>B - 4/5</u>	
CAFR	Current Assets	
B-4	Cash & Cash Equivalents	\$ 407,921.95
B-4	Due from Other Governments	71,291.54
B-4	Due from Other Funds	-
B-4	Other Accounts Receivable	-
CAFR	Current Liabilities	
B-4	Less Accounts Payable	(24,202.12)
B-4	Less Accruals	-
B-4	Less Due to Other Funds	(84,000.00)
B-4	Less Unearned Revenue	(6,425.02)
	Net Cash Resources	<u><u>\$ 364,586.35</u></u> (A)
<u>Net Adjusted Total Operating Expense:</u>		
B-5	Total Operating Expenditures	\$ 1,247,094.03
B-5	Less Depreciation	(26,794.00)
	Adjusted Total Operating Expense	<u><u>\$ 1,220,300.03</u></u> (B)
<u>Average Monthly Operating Expense:</u>		
	B / 10	<u><u>\$ 122,030.00</u></u> (C)
<u>Three Times Monthly Average:</u>		
	3 X C	<u><u>\$ 366,090.01</u></u> (D)

TOTAL IN BOX A	\$	364,586.35	
LESS TOTAL IN BOX D	\$	366,090.01	
NET	\$	<u><u>(1,503.66)</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.			

GLOUCESTER CITY SCHOOL DISTRICT
 Application for State School Aid Summary
 Schedule of Audited Enrollments
 Enrollment as of October 15, 2014

	2015-2016 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		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi-cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool																
Full Day Preschool	256		256					256		256						
Half Day Kindergarten																
Full Day Kindergarten	127		127					127		127						
One	165		165					165		165						
Two	145		145					145		145						
Three	118		118					118		118						
Four	123		123					123		123						
Five	103		103					103		103						
Six	87		87					87		87						
Seven	96		96					96		96						
Eight	91		91					91		91						
Nine	102		102					102		102						
Ten	120		120					120		120						
Eleven	108		108					108		108						
Twelve	100		100					100		100						
Post-Graduate																
Adult H.S. (15+CR.)	122		122					122		122						
Adult H.S. (1-14CR.)																
Subtotal	1,863	-	1,863	-	-	-		1,863	-	1,863	-	-	-	-	-	-
Special Education-Elementary	122		122					18		18			5	5	5	
Special Education-Middle School	88		88					12		12			9	8	8	
Special Education-High School	113		113					12		12			13	10	10	
Subtotal	323	-	323	-	-	-		42	-	42	-	-	27	23	23	-
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Subtotal	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-
Totals	2,186	-	2,186	-	-	-		1,905	-	1,905	-	-	27	23	23	-
Percentage Error					-	-						-	-			-

GLOUCESTER CITY SCHOOL DISTRICT
 Application for State School Aid Summary
 Schedule of Audited Enrollments
 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, Test Score and Register	Sample Errors
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten												
One	90	90		17	17		6	6		6	6	
Two	114	114		19	19		7	7		6	6	
Three	103	103		18	18		8	8		6	6	
Four	89	89		18	18		5	5		4	4	
Five	98	98		20	20		5	5		5	5	
Six	78	78		17	17		1	1		1	1	
Seven	64	64		15	15							
Eight	75	75		15	15		1	1		1	1	
Nine	57	57		16	16							
Ten	69	69		18	18		2	2		2	2	
Eleven	85	85		16	16							
Twelve	60	60		15	15							
Post-Graduate	51	51		14	14							
Adult H.S. (15+CR.)												
Adult H.S. (1-14CR.)												
Subtotal	1,033	1,033	-	218	218	-	35	35	-	31	31	-
Special Education-Elementary	107	107		13	13		3	3		1	1	
Special Education-Middle School	82	82		16	16							
Special Education-High School	82	82		17	17		2	2		2	2	
Subtotal	271	271	-	46	46	-	5	5	-	3	3	-
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
Totals	1,304	1,304	-	264	264	-	40	40	-	34	34	-
Percentage Error			-			-			-			-

	Transportation						Reg. Avg. (Mileage) = Regular Including Grade PK students (Part /	Reported	Re-Calculated
	Reported on DRTS by DOE/County	Reported on DRTS by District	Errors	Tested	Verified	Errors			
Reg. - Public Schools, Col. 1	30	30		21	21		8.54	8.54	
Reg. - SpEd, Col. 4	41	41		28	28		8.54	8.54	
Transported - Non-Public, Col. 3									
Special Needs, Col. 6	53	53		38	38		15.80	15.80	
Totals	124	124	-	87	87	-			
Percentage Error			-			-			

GLOUCESTER CITY SCHOOL DISTRICT
 Application for State School Aid Summary
 Schedule of Audited Enrollments
 Enrollment as of October 15, 2014

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

EXCESS SURPLUS CALCULATION

SCHOOL BASED BUDGET DISTRICT

SECTION 1

2% Calculation of Excess Surplus

2014-15 Total General Fund Expenditures Reported on CAFR Exhibit C-1	<u>40,535,708.41</u> (A)
Increased by Applicable Operating Transfers:	
Transfer from Capital Outlay to Capital Projects Fund	<u>-</u> (A1a)
Transfer from Capital Reserve to Capital Projects Fund	<u>-</u> (A1a)
Transfer from General Fund to Special Revenue Fund for Preschool - Regular	<u>-</u> (A1a)
Transfer from General Fund to Special Revenue Fund for Preschool - Inclusion	<u>99,920.00</u> (A1a)
Less: Expenditures Allocated to Restricted Federal Resources as reported on Exhibit D-2	<u>-</u> (A1b)
2014-15 Adjusted General Fund & Other State Expenditures [(A)+(A1a)-(A1b)]	<u>40,635,628.41</u> (A2)
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>3,651,652.33</u> (A3)
Assets Acquired Under Capital Leases:	
General Fund 10 Assets Acquired Under Capital Leases Reported on Exhibit C-1a	<u>-</u> (A4)
Add: General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases:	
Assets Acquired Under Capital Leases in Fund 15 Reported on Exhibit C-1a	<u>-</u> (A5)
Combined General Fund Contribution & State Resources % of Fund 15 Resources Reported on Exhibit D-2	<u>0%</u> (A6)
General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases [(A5)*(A6)]	<u>-</u> (A7)
Total Assets Acquired Under Capital Leases [(A4)+(A7)]	<u>-</u> (A8)
2014-15 General Fund Expenditures [(A2)-(A3)-(A8)]	<u>36,983,976.08</u> (A9)
2% of Adjusted 2014-15 General Fund Expenditures [(A9) times .02]	<u>739,679.52</u> (A10)
Enter Greater of (A10) or \$250,000	<u>730,483.78</u> (A11)
Increased by: Allowable Adjustment *	<u>477,187.00</u> (K)
Maximum Unassigned Fund Balance [(A11)+(K)]	<u>1,207,670.78</u> (M)

EXCESS SURPLUS CALCULATION (CONT'D)

SCHOOL BASED BUDGET DISTRICT

SECTION 2

Total General Fund - Fund Balances at June 30, 2015	<u>11,007,326.84</u> (C)
Decreased by:	
Year-end Encumbrances	<u>727,395.78</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>-</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	<u>-</u> (C3)
Other Restricted Fund Balances ****	<u>5,802,382.00</u> (C4)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	<u>3,269,878.28</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	<u><u>1,207,670.78</u></u> (U)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U)-(M)] IF NEGATIVE ENTER -0-	<u><u>-</u></u> (E)
--	---------------------

Recapitulation of Excess Surplus as of June 30, 2015

Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	<u>-</u> (C3)
Restricted - Excess Surplus *** [(E)]	<u>-</u> (E)
Total Excess Surplus [(C3)+(E)]	<u><u>-</u></u> (D)

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	<u>-</u> (H)
Sale & Lease-Back	<u>-</u> (I)
Extraordinary Aid	<u>477,187.00</u> (J1)
Additional Nonpublic School Transportation Aid	<u>-</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)+(J4)]	<u><u>477,187.00</u></u> (K)

EXCESS SURPLUS CALCULATION (CONT'D)

SCHOOL BASED BUDGET DISTRICT

Footnotes: (Cont'd)

- ** 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>2,497,507.00</u>
Maintenance reserve	<u>2,485,000.00</u>
Emergency reserve	<u>606,500.00</u>
Tuition reserve	<u>213,375.00</u>
School bus advertising 50% fuel offset reserve	-
School bus advertising 50% fuel offset reserve	-
Impact Aid General Fund Reserve (Sections 8002 and 8003)	-
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	-
Other state/government mandated reserves	-
[Other Restricted Fund Balance not noted above]****	-
Total Other Restricted Fund Balance	<u><u>5,802,382.00</u></u> (C4)