



**PARSIPPANY-TROY HILLS SCHOOL DISTRICT
COUNTY OF MORRIS**

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

JUNE 30, 2015



PARSIPPANY-TROY HILLS SCHOOL DISTRICT

Auditors' Management Report on Administrative Findings-
Financial, Compliance and Performance

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Report of Independent Auditors

Honorable President and Members
of the Board of Education
Parsippany-Troy Hills School District
County of Morris, 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 Parsippany-Troy Hills School District in the County of Morris for the year ended June 30, 2015, and have issued our report thereon dated December 17, 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 Parsippany-Troy Hills School District'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.

Scott A. Clelland
Scott A. Clelland
Licensed Public School Accountant
No. 1049

Wiss & Company
WISS & COMPANY, LLP

December 17, 2015
Iselin, New Jersey

wiss.com

354 Eisenhower Parkway
Suite 1850
Livingston, NJ 07039
973.994.9400

485C Route 1 South
Suite 250
Iselin, NJ 08830
732.283.9300

14 Penn Plaza
Suite 1010
New York, NY 10122
212.594.8155

5 Bartles Corner Road
Flemington, NJ 08822
908.782.7300

60 West Broad Street
Suite 102
Bethlehem, PA 18018
484.821.5735

PARSIPPANY-TROY HILLS SCHOOL DISTRICT

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

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 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>
David Corso	Business Administrator/Board Secretary	\$ 650,000
Lyanna Rios	Treasurer of School Moneys	650,000

There is a Public Employees' Dishonesty Blanket Bond with the Utica National Insurance Company covering all other employees with coverage of \$100,000. There is also Excess Public Employees' Dishonesty Blanket Bond with the National Union Insurance Company covering all other employees with coverage of \$900,000.

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 and Position Control Roster

The net salaries of all 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.

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

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

PARSIPPANY-TROY HILLS SCHOOL DISTRICT

ADMINISTRATIVE FINDINGS-FINANCIAL,
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Payrolls were delivered to the Treasurer of School Monies with a warrant made to his order for the full amount of each payroll.

No exceptions were identified during our testing of payroll.

A test of the Position Control Roster found it to be consistent with payroll records, employee benefit records (e.g. pension reports and health benefit coverage reports) and the general ledger accounts to where wages are posted (administrative versus instruction).

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. Subsequent to the end of the fiscal year, the District performed an analysis of accounts payables and open purchase orders and made entries to properly classify the account balances. Our testing identified the following:

Finding 2015-002

Finding:

Several instances were identified where the District did not issue a purchase order prior to goods being received or services being rendered (confirming order). District policy and State regulations require that a properly executed purchase order be issued prior to the purchase of goods or the rendering of services. The majority of the items selected for testing did have contracts in place prior to the date of the invoice.

Recommendation:

We suggest the District strengthen internal controls and procedures to ensure that all purchase orders issued to vendors for goods or services be approved prior to the vendor providing those goods or services.

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 and haphazardly 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 the following item:

Finding 2015-003

Finding:

The District is not maximizing its efforts under the Special Education Medicaid Initiative (SEMI) Program for obtaining federal funding for special education services and not at least qualifying for the 90% parental consent guidelines.

PARSIPPANY-TROY HILLS SCHOOL DISTRICT

ADMINISTRATIVE FINDINGS-FINANCIAL,
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Recommendation:

The District establish procedures to ensure that it maximizes its efforts under SEMI for obtaining federal reimbursement for special education services.

Treasurer's Records

Our review of the financial and accounting records maintained by the Treasurer did not identify any exceptions.

Unemployment Compensation Insurance Trust Fund

The District has adopted the benefit reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. The financial transactions of this fund are reported in the Fiduciary Fund. During our testing, no exceptions were identified.

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 the following area of noncompliance and/or questionable costs.

During our testing federal grant programs, we noted the following:

Finding 2015-001 Title I Eligibility

Criteria: In accordance with federal regulations, the District is required to provide targeted assistance only to eligible children residing or enrolled in eligible school attendance areas that are designed to meet the needs of children identified by the school as failing, or most at risk of failing to meet the State's challenging student academic achievement standards.

Statement of Condition: The District did not provide documentation supporting their inclusion of eleven students as eligible for receiving targeted assistance.

Questioned Costs: The amount of questioned costs is not determinable.

Context: During our testing of Title I eligibility, we were unable to verify eleven student's eligibility.

Cause and Effect: Violations of grant requirements could lead to a potential reduction in funding or return of funds.

Recommendation: The District implement procedures to ensure that adequate supporting documentation be maintained and made available for audit for all students receiving targeted assistance.

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ADMINISTRATIVE FINDINGS-FINANCIAL, COMPLIANCE AND PERFORMANCE

Finding 2015-004

Finding:

During our testing of IDEA expenditures, we noted the District charged two expenditures related to registration for an annual conference which were not related to special education student needs. The amounts were not significant, but are not allowable under the grant program guidelines.

Recommendation:

We suggest that the District charge allowable special education expenditures to the IDEA grant program in accordance with program guidelines.

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 did not indicate any area of noncompliance.

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.

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

The reimbursement to the State for the amount of the expenditure charged to the current year's Final Reports 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 subsequent to the end of the 60 day grant liquidation period, but prior to the 90 days required by N.J.S.A. 18A:66-90. Accordingly, the expenditure was made in accordance with State law (90 days) and properly reported as obligated and not expended and as an unliquidated balance in the current year's Final Reports for all federal awards.

Non-Public State Aid

Our review of the Non-Public 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

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ADMINISTRATIVE FINDINGS-FINANCIAL, COMPLIANCE AND PERFORMANCE

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*.

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 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 that the food service program will break even. The operating results provision has 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 expenses for program related goods and services. 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 expenditures.

Time sheets were reviewed and labor costs verified on a test basis. Payroll records were maintained on all Food Service employees. No exceptions were noted.

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 tested were submitted/certified in a timely manner. No exceptions noted.

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 and free milk policy was reviewed for uniform administration throughout the School System. Sites approved to participate in Provisions I and II were examined for compliance with all accounting and claiming requirements on a test check basis. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions were noted.

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USDA Food Donation Program commodities were received and a separate 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 Fund, Section B of the CAFR.

Student Body Activities

Our review of the student activity funds did not disclose any 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 working papers with minor exceptions as identified in the Schedule of Audited Enrollments. The information that was included on the workpapers was verified with minor 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.

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 with minor exceptions identified, as presented in the Schedule of Audited Enrollments. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review on a test check basis of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes, where applicable. No exceptions were noted in our review of transportation related purchases of goods and services.

Finding 2015-005

Finding:

During our testing of the DRTRS, we noted the following:

- During our testing of on-roll student testing, we noted five students were not able to be traced to a class register.
- During our special education student testing, we noted eight students having an IEP evaluation completed, however, a signed evaluation page was not provided.
- During our special education student testing, we noted two students not having an IEP evaluation on file.
- During our testing of non-public students, we noted three students not having a B6T form on file at the District.

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ADMINISTRATIVE FINDINGS-FINANCIAL, COMPLIANCE AND PERFORMANCE

Recommendation:

We suggest the District implement procedures to ensure that the amounts reported for students on roll, special education students and non-public students on the DRTRS agree to the District's workpapers and IEPs be maintain on file and properly signed where applicable.

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.

Miscellaneous/Other Suggestions to Management

Information Technology

During our review of the District's IT general controls, we noted the District does not have a formal written disaster recovery plan in place that documents how the District would continue functioning in the event of a disaster to the IT system;

The District should implement a formal written disaster recovery plan in the event of a real disaster and update it on a routine timely basis. We also suggest that the District implement a formal written process for approving, modifying, terminating and reviewing user access.

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.

There were no audit reports issued by the Office of Fiscal Accountability and Compliance (OFAC) during the 2015 fiscal year.

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.

PARSIPPANY-TROY HILLS SCHOOL DISTRICT
 SCHEDULE OF AUDITED ENROLLMENTS
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2014

	2015-16 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 Veri- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool 3 Years Old	39		39													
Full Day Preschool 3 Years Old																
Half Day Preschool 4 Years Old	60		58		2											
Full Day Preschool 4 Years Old																
Half Day Kindergarten																
Full Day Kindergarten	483		483				15		15							
One	454		454				11		11							
Two	472		472				8		8							
Three	463		463				15		15							
Four	478		478				17		17							
Five	477		477				28		28							
Six	465		465				29		29							
Seven	458		458				18		18							
Eight	437		437				39		39							
Nine	399		400		(1)		12		12							
Ten	421		420		1		19		19							
Eleven	424	7	424	7			31		31							
Twelve	422	4	422	4			15		15							
Subtotal	5,952	11	5,950	11	2	-	257	-	257	-	-	-	-	-	-	-
Special Ed - Elementary	400		400				13		13				29	19	19	
Special Ed - Middle School	258		258				24		24				17	10	10	
Special Ed - High School	304	16	305	16	(1)		18	-	18	-			42	38	38	
Subtotal	962	16	963	16	(1)	-	55	-	55	-	-	-	88	67	67	-
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	6,914	27	6,913	27	1	-	312	-	312	-	-	-	88	67	67	-
Percentage Error					0.01%	0.00%					0.00%	0.00%				0.00%

PARSIPPANY-TROY HILLS SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY (continued)

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 Test Score and Register	Sample Errors
Half Day Preschool		4	(4)	1	1							
Full Day Preschool		1	(1)	1	1							
Half Day Kindergarten			-									
Full Day Kindergarten	65	65	-	19	19	-	30	30	-	17	17	-
One	63	63	-	13	13	-	19	19	-	12	12	-
Two	67	67	-	13	13	-	19	21	(2)	7	7	-
Three	66	66	-	11	11	-	10	10	-	6	6	-
Four	66	66	-	14	14	-	7	9	(2)	3	3	-
Five	57	57	-	12	12	-	6	7	(1)	3	3	-
Six	56	57	(1)	17	17	-	-	-	-	-	-	-
Seven	58	58	-	15	15	-	2	2	-	1	1	-
Eight	61	61	-	16	16	-	4	4	-	2	2	-
Nine	77	77	-	16	16	-	11	11	-	2	2	-
Ten	69	69	-	15	15	-	3	3	-	2	2	-
Eleven	62	62	(1)	17	17	-	4	4	-	1	1	-
Twelve	57	57	(1)	18	18	-	4	4	-	3	3	-
Subtotal	823	830	(7)	198	198	-	119	124	(5)	59	59	-
Special Ed - Elementary	96	89	7	21	21	-	9	4	5	-	-	-
Special Ed - Middle	64	61	3	15	15	-	-	-	-	-	-	-
Special Ed - High	99	97	2	20	20	-	-	-	-	-	-	-
Subtotal	259	247	12	56	56	-	9	4	5	-	-	-
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	1,081.5	1,077.0	5	254	254	-	128	128	-	59	59	-
Percentage Error			0.42%			0.00%			0.00%			0.00%

	Transportation						Reg Avg.(Mileage) = Regular Including Grade PK students	Reg Avg.(Mileage) = Regular Excluding Grade PK students	Spec Avg. = Special Ed with Special Needs	Reported	Recalculated
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors					
Reg. - Public Schools	1,134	1,134		163	158	(5)				4.2	4.2
Reg -SpEd	226	226		33	33	-				4.2	4.2
Transported - Non-Public	74	74		11	10	(1)				6.5	6.5
AIL-Non-Public	308	308		45	43	(2)					
Special Ed- Sp. Needs- Private	222	222		32	32	-					
Totals	1,964	1,964	-	284	276	(8)					
Percentage Error			0.00%			-2.82%					

PARSIPPANY-TROY HILL SCHOOL DISTRICT

SCHEDULE OF AUDITED ENROLLMENTS
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						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten	86	88	2	49	49	-
One	62	64	2	41	41	-
Two	41	41	-	13	13	-
Three	18	18	-	5	5	-
Four	9	9	-	3	3	-
Five	8	9	1	2	2	-
Six	1	1	-	-	-	-
Seven	2	2	-	-	-	-
Eight	5	5	-	2	2	-
Nine	4	5	1	4	4	-
Ten	5	5	-	2	2	-
Eleven	4	4	-	2	2	-
Twelve	1	1	-	-	-	-
Subtotal	<u>246</u>	<u>252</u>	<u>6</u>	<u>123</u>	<u>123</u>	<u>-</u>
Special Ed - Elementary	8	3	(5)	2	2	-
Special Ed - Middle	-	-	-	-	-	-
Special Ed - High	-	-	-	-	-	-
Subtotal	<u>8</u>	<u>3</u>	<u>(5)</u>	<u>2</u>	<u>2</u>	<u>-</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>254</u>	<u>255</u>	<u>1</u>	<u>125</u>	<u>125</u>	<u>-</u>
Percentage Error			<u>0.39%</u>			<u>0.00%</u>

PARSIPPANY-TROY HILLS 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	\$ 141,569,588 (B)
Increased by:	
Transfer from Capital Reserve to Capital Projects	\$ _____ - (B1a)
Transfer from Capital Outlay to Capital Projects	\$ _____ - (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	\$ 12,006,106 (B2a)
Assets Acquired Under Capital Leases	\$ 1,543,756 (B2b)
Adjusted 2014-15 General Fund Expenditures [(B) + (B1s) - (B2s)]	\$ 128,019,726 (B3)
2% of Adjusted 2014-15 General Fund Expenditures [(B3) times .02]	\$ 2,560,395 (B4)
Enter Greater of (B4) or \$250,000	\$ 2,560,395 (B5)
Increased by: Allowable Adjustment*	\$ 576,267 (K)
Maximum UnassignedUndesignated - Unreserved Fund Balance [(B5) + (K)]	\$ 3,136,662 (M)

SECTION 2

Total General Fund - Fund Balances at 6-30-15 (Per CAFR Budgetary Comparison Schedule C-1)	\$ 16,507,301 (C)
Decreased by:	
Assigned-Year End Encumbrances	\$ 721,395 (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures - ARRA SEMI	\$ 9,008 (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ 2,936,531 (C3)
Other Restricted Fund Balances****	\$ 4,253,479 (C4)
Assigned Fund Balance-Unreserved- Designated for Subsequent Year's Expenditures	\$ 2,475,577 (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ 6,111,311 (U1)

PARSIPPANY-TROY HILLS SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2015

SECTION 3

Restricted Fund Balance - Excess Surplus ***

[(U1)-(M)] IF NEGATIVE ENTER -0- \$ 2,974,649 (E)

Recapitulation of Excess Surplus as of June 30, 2015

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **

\$ 2,936,531 (C3)

Reserved Excess Surplus *** [(E)]

\$ 2,974,649 (E)

Total Excess Surplus [(C3)+(E)]

\$ 5,911,180 (D)

Footnotes:

* This adjustment line (as detailed below) is to be utilized when applicable for Impact Aid; Sale and Lease-back (Refer to the Audit program, Section II, Chapter 10); Extraordinary Aid; Additional and Nonpublic School Transportation Aid; and recognized current year School Bus Advertising Revenue. Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid and Additional Nonpublic School Transportation Aid.

Detail of Allowable Adjustments

Impact Aid	\$ _____ - (H)
Sales & Lease-back	\$ _____ - (I)
Extraordinary Aid	\$ 515,110 (J1)
Additional Nonpublic School Transportation Aid	\$ 61,157 (J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____ - (J3)
Family Crisis Transportation Aid	\$ _____ - (J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	\$ 576,267 (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.

PARSIPPANY-TROY HILLS 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	\$	3,990,271
Emergency reserve	\$	-
Maintenance reserve	\$	263,208
Tuition reserve	\$	-
School Bus Advertising 50% Fuel Offset Reserve-current year	\$	-
School Bus Advertising 50% Fuel Offset Reserve-prior year	\$	-
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$	-
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$	-
Other State / government mandated reserve	\$	-
[Other Restricted Fund Balance not noted above]****	\$	-
Total Other Restricted Fund Balance	\$	4,253,479 (C4)