

**BOARD OF EDUCATION**  
**BOROUGH OF RUNNEMEDE SCHOOL DISTRICT**  
**COUNTY OF CAMDEN**  
**AUDITORS MANAGEMENT REPORT ON**  
**ADMINISTRATIVE FINDINGS-**  
**FINANCIAL, COMPLIANCE AND PERFORMANCE**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2015**

# **BOROUGH OF RUNNEMEDE SCHOOL DISTRICT**

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November 25, 2015

## REPORT OF INDEPENDENT AUDITORS

Honorable President and  
Members of the Board of Education  
Borough of Runnemede School District  
County of Camden, New Jersey

We have audited, in accordance with generally accepted audit 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 Borough of Runnemede School District in the County of Camden for the year ended June 30, 2015, and have issued our report thereon dated November 25, 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 Runnemede 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.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915

## **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/Board of Trustees, 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 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>
Sean McCarron	School Board Administrator / Board Secretary	\$ 50,000
Christie Ehret	Treasurer of School Moneys	\$ 200,000

There is a Public Employees' Faithful Performance Blanket Position Bond covering all other employees with multiple coverage of \$25,000. Adequacy of insurance coverage is the responsibility of the Board of Education.

#### **Tuition Charges**

There were no tuition charges during the 2012-13 fiscal year that would require the District to make the necessary adjustment per N.J.A.C. 6A:23A-17.1(f) 3.

#### **District Internal Control Policies**

District boards of education and administration are responsible for developing internal controls policies and procedures and maintaining a strong internal control environment. NJAC 6A:23A-6.4 requires that the district's internal control policies include specific requirements at NJAC 6A:23A-6.5 through 6.13.

All Internal Control Policies were found in accordance with NJAC 6A:23A-6.5 through 6.13.

#### **Financial Planning, Accounting and Reporting**

#### **Examination of Claims**

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

## **Financial Planning, Accounting and Reporting (Continued)**

### **Payroll Account**

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

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

Payrolls were delivered to the treasurer of school moneys with a warrant made to her order for the full amount of each payroll.

### **Employee Position Control Roster**

An inquiry and subsequent review of the Position Control Roster did not find any discrepancies between the payroll records, employee benefit records, the general ledger accounts to where wages are posted, and the Position Control Roster.

### **Unemployment Compensation Insurance Fund**

The Board of Education has adopted the direct reimbursement method and has established an Unemployment Insurance Fund in the fiduciary Trust Fund (Exhibit H-2). The Unemployment Compensation Insurance Fund was maintained on satisfactory condition.

### **Reserve for Encumbrances and Accounts Payable**

A review of outstanding issued purchase orders was made as of June 30, 2015 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. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered as of June 30, 2015. Our review did not indicate any material discrepancies with respect to classification of orders.

### **Obligations of Federal Grant Awards and Requests for Reimbursement of Expenditures against those Federal Grants Awards**

No exceptions noted.

### **Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically 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, an error rate of .045% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

## **Financial Planning, Accounting and Reporting (Continued)**

### **A. General Classification Findings**

#### **Finding 2015-1**

During our test of transactions it was noted that the district misclassified one capital expenditure as supplies. The expenditure and related appropriation was reclassified to Fund 12 as a capital expenditure for financial statement presentation purposes.

#### **Recommendation:**

Districts should reference The Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2008 Edition and other available reference materials, such as the Budget Guidelines in order to assure expenditure classifications are in compliance with N.J.A.C. 6A:23A-16.2(f).

### **B. Administrative Classification Findings - None**

#### **Board Secretary's Records**

The financial records, books of accounts maintained by the Secretary were in satisfactory condition.

Acknowledgment of the Board's receipt of the Board Secretary's and Treasurer's monthly financial reports was included in the minutes.

Monthly financial certificates of the Board Secretary and Board of Education for positive line item account status certifications (N.J.A.C. 6:2-2.13) were performed. Budgetary line item account transfers were approved monthly to cover any anticipated deficits.

Purchase orders were generally charged to the appropriate line item accounts in accordance with the State prescribed **Uniform Minimum Chart of Accounts (2R2) for New Jersey Public School.**

The School District does not use credit cards.

The School District maintained the appropriate cumulative monthly transfer report.

#### **Certification of Income Tax Compliance**

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (Superintendent and Business Administrator) to the N.J. Department of Treasury was filed by the March 15 due date.

## **Financial Planning, Accounting and Reporting (Continued)**

### **Treasurer's Records**

The Treasurer prepared cash reconciliations for the general operating account, payroll account and payroll agency account per N.J.S.A.18A:17-9.

The Treasurer's report was in agreement with the records of the Board Secretary.

All cash receipts were promptly deposited. (N.J.S.A. 18A:17-34,18A:17-9.1)

The Treasurer filed his reports in a timely manner.

### **Elementary and Secondary Education Act (E.S.E.A.)/Improving America's Schools Act (IASA) as reauthorized by the No Child Left Behind Act of 2001 (NCLB)**

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 and VI of the Elementary and Secondary School Education Act as amended and reauthorized.

Our audit of the E.S.E.A. 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 study of compliance for E.S.E.A. indicated that all E.S.E.A. programs were in compliance.

### **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. The study of compliance for special projects indicated no areas 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.

### **TPAF Reimbursement to the State for Federal Salary Expenditures**

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 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.

### **Nonpublic State Aid**

The study of compliance for Nonpublic Aid did not indicate any discrepancies. The district received the final year end reports from the servicing agency after year-end but in time for adjustment as part of the audit

### **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 school contracts in general are available on the website: [http://www.state.nj.us/dca/divisions/dlgs/programs/ps\\_contracts.html](http://www.state.nj.us/dca/divisions/dlgs/programs/ps_contracts.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&softpage=TOC\\_Frame\\_pg42](http://lis.njleg.state.nj.us/cgi-bin/om_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headingswithhits=on&infobase=statutes.nfo&softpage=TOC_Frame_pg42)

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 currently \$18,300 for 2014-15.

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.

Based on the results of our examination, 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 provisions 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 Purchasing Programs (Continued)**

### **Contracts and Agreements Requiring Advertisement for Bids (Continued)**

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. Our examination did reveal, however, that the following was purchased by state contract;

iPads	Heat Pump System
Custodial Supplies	Dell Chromebooks

The review of contracts and agreements did not disclose any areas of statutory noncompliance.

Although a particular contract is exempt from the formal requirements of public advertising and competitive bidding, N.J.S.A. 18A:18A-37 requires that quotations be obtained, whenever practical, for any contract less than the bid threshold but 15% or more of that amount, except for contracts for professional services. All contracts and agreements, which are subject to quotations, shall be awarded on the basis of the lowest responsible quotation received, which is most advantageous to the Board of Education, price and other factors considered. Our examination indicated that the Board of Education complied with these provisions.

## **School Food Service**

The financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts, meal and milk count records and eligibility applications were reviewed on a test-check basis. During our examination no exceptions were noted.

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

Cash receipts and bank records were reviewed and deposits were generally made in a timely manner.

The number of meals and milks 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 claims were submitted and certified in a timely manner.

Applications for free and reduced price meals and free milks were reviewed for completeness and accuracy. The number of free and reduced price meals and free milks claimed as served for the entire school year 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 is uniformly administered throughout the school system which has only one site and found to be in compliance with all counting and claiming requirements. The required verification procedures for free and reduced applications were completed and available for review.

### **School Food Service (Continued)**

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.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all school food service employees authorized by the Board of Education. No exceptions were noted. Food Distribution commodities were noted as received during the year and consumed in the meal service.

The District entered into a vended meals contract with Black Horse Pike Regional School for the 2014-15 school year, of which the lunches received meet the National School Lunch Program requirements set forth in 7 CFR Section 210.10. This includes a management fee of \$500 per month.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. The examination did not and could not determine the quality, quantity or proper price of nonbid goods or services for which payments had been made. These details were necessarily covered by the approval of such claims. Revenues and receipts were established and verified as to the source and amount only insofar as the records permitted.

The Board of Education subsidized the Food Service Program in the amount of \$25,000 for the 2014-15 school year and \$23,500 for 2013-14.

### **Student Body Activities**

The Board has a policy, which clearly established the regulation of student activity funds.

Cash receipts and disbursements journals were maintained in good condition and reconciled to the monthly bank statements.

Deposits were traceable to the bank and made on a timely basis. Expenditures were supported by invoices and other documentation.

### **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 and low-income. 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 without exception. The information that was included on the workpapers was also verified to the school registers 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.

### **Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2014-2015 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The DRTRS Eligibility Summary Report was compared to the County Summary Report. All items were in agreement except for Reg. Special Education. The County had one (1) more student reported than the District. The District had no indication of errors or discrepancies. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

### **Facilities and Capital Assets**

As part of the GASB 34 reporting format, fixed assets are recorded in accordance with GAAP, including a provision for depreciation expense.

Our procedures included a review of the EDA grant agreements, if any, for consistency with recording EDA revenue, transfer of local funds from the general fund or from the capital reserve account, and awarding of contracts for eligible facilities construction.

The District had two SDA grant agreements, approved in prior years, that were completed during the 2014-2015 year.

In addition, three additional SDA Grants were approved that will be initiated next year.

**Follow-up on Prior Years' Findings**

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Corrective action has been taken on all prior year findings.

**Acknowledgment**

We received the complete cooperation of all the officials of the school district, and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**

A handwritten signature in black ink, appearing to read "Raymond Colavita", written in a cursive style.

Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915

**SCHEDULE OF AUDITED ENROLLMENTS**

-11-

**RUNNEMEDE SCHOOL DISTRICT**  
**APPLICATION OR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 15, 2014**

	2015-2016						SAMPLE FOR VERIFICATION						PRIVATE SCHOOLS FOR DISABLED			
	APPLICATION FOR STATE SCHOOL AID															
	Reported On A.S.S.A. On Roll		Reported On Workpapers On Roll		Errors		Sample Selected From Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported On A.S.S.A. as Private Schools		Sample for Verification	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool 3 yr	13		13				4		4							
Half Day Preschool 4 yr	20		20				5		5							
Full Day Kindergarten	78		78				22		22							
One	77		77				21		21							
Two	83		83				23		23							
Three	66		66				18		18							
Four	77		77				22		22							
Five	80		80				22		22							
Six	76		76				21		21							
Seven	91		91				25		25							
Eight	83		83				22		22							
Subtotal	744	0	744	0	0	0	205	0	205	0	0	0	0	0	0	0
Special Ed - Elementary	62		62				17		17				3	1	1	
Special Ed - Middle	35		35				10		10				1			
Special Ed - High																
Subtotal	97	0	97	0	0	0	27	0	27	0	0	0	4	1	1	0
Totals	841	0	841	0	0	0	232	0	232	0	0	0	4	1	1	0
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%

**SCHEDULE OF AUDITED ENROLLMENTS**

**RUNNEMEDE SCHOOL DISTRICT  
APPLICATION OR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2014**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported On A.S.S.A. as Low Income	Reported On Workpapers as Low Income	Errors	Sample Selected From Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected From Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool 3 yr												
Half Day Preschool 4 yr												
Full Day Kindergarten												
One	26	26		13	13							
Two	24	24		12	12		1	1		1	1	
Three	34	34		16	16		2	2		2	2	
Four	26	26		12	12		1	1		1	1	
Five	26	26		12	12		2	2		1	1	
Six	30	30		14	14							
Seven	31	31		15	15							
Eight	31	31		15	15							
	33	33		15	15							
Subtotal	261	261	0	124	124	0	6	6	0	5	5	0
Special Ed - Elementary	28	28		13	13		5	5		4	4	
Special Ed - Middle	21	21		11	11							
Special Ed - High												
Subtotal	49	49	0	24	24	0	5	5	0	4	4	0
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	310	310	0	148	148	0	11	11	0	9	9	0
Percentage Error			0.00%			0.00%			0.00%			0.00%

**TRANSPORTATION**

	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	15	15		11	11	
Reg. - Special Ed.	5	4	1	3	3	
Transported - Non-Public						
Aid in Lieu - Non-Public	14	14		11	11	
Special Needs - Public	30	30		23	23	
Totals	64	63	1	48	48	0
Percentage Error			0.016%			0.00%

	Reported	Re-Calculated
Avg. Mileage - Regular Including Grade PK students	3.7	
Avg. Mileage - Regular Excluding Grade PK students	3.7	
Avg. Mileage - Special Ed with Special Needs	4.0	

**SCHEDULE OF AUDITED ENROLLMENTS**

**RUNNEMEDE SCHOOL DISTRICT**  
**APPLICATION OR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 15, 2014**

	<b><u>Resident LEP NOT Low Income</u></b>			<b><u>Sample for Verification</u></b>		
	<b><u>Report On</u></b>	<b><u>Report On</u></b>		<b><u>Sample</u></b>	<b><u>Verified to</u></b>	
	<b><u>A.S.S.A. as</u></b>	<b><u>Workpapers as</u></b>		<b><u>Selected From</u></b>	<b><u>Application</u></b>	<b><u>Sample</u></b>
	<b><u>NOT Low</u></b>	<b><u>NOT Low</u></b>		<b><u>Workpapers</u></b>	<b><u>and Register</u></b>	<b><u>Errors</u></b>
	<b><u>Income</u></b>	<b><u>Income</u></b>	<b><u>Errors</u></b>			
Half Day Preschool 3 yr						
Half Day Preschool 4 yr						
Full Day Kindergarten						
One						
Two	1	1		1	1	
Three						
Four						
Five						
Six						
Seven	1	1		1	1	
Eight						
Subtotal	2	2	0	2	2	0
Special Ed - Elementary						
Special Ed - Middle						
Special Ed - High						
Subtotal	0	0	0	0	0	0
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	2	2	0	2	2	0
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**TOWNSHIP OF RUNNEMEDE SCHOOL DISTRICT**  
**EXCESS SURPLUS CALCULATION**

**SECTION 1**

**A. 2% Calculation of Excess Surplus**

2014-15 Total General Fund Expenditures per the CAFR	\$ 12,006,604 (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	(B1b)
Transfer from General Fund to SRF for PreK-Regular	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	(B1d)
Decreased by:	
On-Behalf TPAF Pension & Social Security	1,141,225 (B2a)
Assets Acquired Under Capital Leases	(B2b)
 Adjusted 14-15 General Fund Expenditures [(B)+(B1s)-(B2s)]	 <u>10,865,379 (B3)</u>
 2% of Adjusted 2014-15 General Fund Expenditures [(B3) times .02]	 <u>217,308 (B4)</u>
Enter Greater of (B4) or \$250,000	<u>250,000 (B5)</u>
Increased by: Allowable Adjustment*	<u>84,443 (K)</u>
 Maximum Unassigned/Undesignated-Unreserved Fund Balance[(B5)+(K)]	 \$ <u>334,443 (M)</u>

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-14 (Per CAFR Budgetary Comparison Schedule C-1)	\$ 4,339,554 (C)
Decreased by:	
Year-end Encumbrances	26,388 (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	1,493,409 (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	716,546 (C3)
Other Restricted Fund Balances****	1,077,010 (C4)
Assigned Fund balance Unreserved - Designated for Subsequent Year's Expenditures	24,976 (C5)
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	 \$ <u>1,001,225 (U1)</u>

**SECTION 3**

Restricted Fund Balance- Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0-	\$ <u>666,782 (E)</u>
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**Recapitulation of Excess Surplus as of June 30, 2015**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures**	716,546 (C3)
Reserved Excess Surplus ***[(E)]	666,782 (E)
 Total Excess Surplus [(C3) + (E)]	 \$ <u>1,383,328 (D)</u>



**TOWNSHIP OF RUNNEMEDE SCHOOL DISTRICT**  
**EXCESS SURPLUS CALCULATION**

**Footnotes:**

- \* Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:
- (H) Federal Impact Aid. The passage of P.L. 2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, effective for the year ending June 30, 2015 the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve-General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
  - (I) Sale & Lease-Back (Refer to the Audit Program Section II, Chapter 10);
  - (J1) Extraordinary Aid;
  - (J2) Additional Nonpublic School Transportation Aid;
  - (J3) Recognized current year School Bus Advertising Revenue; and
  - (J4) Family Crisis Transportation Aid.

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

**Detail of Allowable Adjustments**

Impact Aid	\$	_____	(H)
Sale & Lease-Back		_____	(I)
Extraordinary Aid		82,007	(J1)
Additional Nonpublic School Transportation Aid		2,436	(J2)
Current Year School Bus Advertising Revenue Recognized		_____	(J3)
Family Crisis Transportation Aid		_____	(J4)
Total Adjustments [(H) + (I) + (J1) + (J2) + (J3) + (J4)]	\$	84,443	(K)

\*\* This amount represents the June 30, 2015 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line **90031**.

\*\*\* Amounts 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 an 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 and Regulatory Compliance prior to September 30.

**Detail of Other Restricted Fund Balance**

Statutory restrictions:		
Approved unspent separate proposal	\$	_____
Sale/lease-back reserve		_____
Capital reserve		377,010
Maintenance reserve		700,000
Emergency Reserve		_____
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 8007 and 8008)		_____
Impact Aid General Fund Reserve (Sections 8002 and 8003)		_____
Other state/government mandated reserve		_____
[Other Restricted Fund Balance not noted above] ****		_____
Total Other Restricted Fund Balance	\$	1,077,010 (C4)

SIGNATURE OF PUBLIC SCHOOL ACCOUNTANT - No. 915