

**BOARD OF EDUCATION  
TOWNSHIP OF CRANBURY  
COUNTY OF MIDDLESEX**

**AUDITORS MANAGEMENT REPORT  
ON ADMINISTRATIVE FINDINGS  
- FINANCIAL, COMPLIANCE AND PERFORMANCE  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2016**

***INVERSO & STEWART***  
**Marlton, New Jersey**

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

	<u>Page No.</u>
Auditors' Management Report on Administrative Findings- Financial, Compliance and Performance.....	1
Scope of Audit.....	2
Administrative Practices and Procedures	
Insurance.....	2
Official Bonds.....	2
Tuition Charges.....	2
Financial Planning, Accounting and Reporting	
Examination of Claims.....	2
Payroll Account and Position Control Roster.....	2-3
Reserve for Encumbrances and Accounts Payable.....	3
Obligations of Federal Grant Awards and Requests for Reimbursement of Expenditures against those Federal Grant Awards.....	3
Travel.....	3
Classification of Expenditures.....	3
Board Secretary/Business Administrator's Records.....	3
Treasurer's Records.....	3
Elementary and Secondary Education Act, as amended by the No Child Left Behind Act of 2001 (N.C.L.B.).....	3
Other Special Federal and/or State Projects.....	4
T.P.A.F. Reimbursement.....	4
Nonpublic State Aid.....	4
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids.....	4
School Food Service.....	5
Student Body Activities.....	5
Application for State School Aid.....	5
Pupil Transportation.....	6
Facilities and Capital Assets .....	6
Follow-up on Prior Year Findings.....	6
Acknowledgment.....	6
Schedule of Meal Count Activity.....	7
Net Cash Resource Schedule.....	8
Schedule of Audited Enrollment.....	9-11
Excess Surplus Calculation.....	12-13

Tax ID Number    22-6001737

***INVERSO & STEWART, LLC***  
Certified Public Accountants

651 Route 73 North, Suite 402  
Marlton, New Jersey 08053  
(856) 983-2244  
Fax (856) 983-6674  
E-Mail: [iscpas@concentric.net](mailto:iscpas@concentric.net)

-Member of-  
American Institute of CPAs  
New Jersey Society of CPAs

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

The Honorable President and  
Members of the Board of Education  
Cranbury Township School District  
Cranbury, New Jersey

I 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 Cranbury Township School District, in the County of Middlesex, State of New Jersey as of and for the fiscal year ended June 30, 2016, which were separately issued in the Comprehensive Annual Financial Report dated September 15, 2016.

As part of my audit, I performed procedures required by the Office of School 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 intended for the information of the Cranbury Township School District and the New Jersey Department of Education for the fiscal year ended June 30, 2016. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

***INVERSO & STEWART, LLC***  
Certified Public Accountants



Robert P. Inverso  
Public School Accountant

September 15, 2016

## **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 School District, 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 CAFR.

#### **Officials Bonds**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Nicholas Bice	Board Secretary/School Business Administrator	\$ 205,000
Denise Marabello	Treasurer	205,000

There is a Public Employees' Faithful Performance Blanket Position Bond covering all other employees with multiple coverage of \$100,000.

#### **Tuition Charges**

There were no tuition charges which would require the School District to make the necessary adjustment per *N.J.A.C. 6:23A-3.1(f)3*.

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

#### **Examination of Claims**

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

#### **Payroll Account**

The net salaries of all employees of the School District 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 Board Secretary/Business Administrator.

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

Payrolls were delivered to the secretary of the board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

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

**Payroll Account (Continued)**

The Payroll Account records were maintained in satisfactory condition.

**Employee Position Control Roster**

No exceptions were noted during my examination of the Employee Position Control Roster.

**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. My 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 Grant Awards**

No exceptions were noted during my examination of obligations of federal grant awards and requests for reimbursement of expenditures against those federal grant awards made during the period under audit.

**Travel**

No exceptions were noted in my study of compliance for travel expenses.

**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 my test of transactions of randomly selected expenditure items. I also reviewed the coding of all expenditures included in my compliance and single audit testing procedures. In addition to randomly selecting a test sample, my sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-8.2*. My review did not indicate any material discrepancies with respect to classification of expenditures.

**Board Secretary/Business Administrator's Record**

The financial and accounting records of the Board Secretary/Business Administrator's office were maintained in excellent condition.

**Treasurer's Records**

The financial and accounting records of the Treasurer were maintained in excellent condition.

**Elementary and Secondary Education Act of 1965 (E.S.E.A./Improving America's Schools Act (I.A.S.A.) as reauthorized by the No Child Left Behind Act of 2001 (N.C.L.B.)**

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 IIA of the Elementary and Secondary Education Act, as amended and reauthorized.

The study of compliance for E.S.E.A./NCLB did not indicate any exceptions.

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

**Other Special Federal and/or State Projects**

The School District's Special Projects were approved as listed on Schedule A and Schedule B located in the CAFR.

My 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 indicated no areas of noncompliance and/or questionable costs.

**T.P.A.F. Reimbursement**

My audit procedures included a test 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.

**T.P.A.F. 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 State Aid did not indicate any exceptions.

**School Purchasing Programs**

**Contracts and Agreements Requiring Advertisement for Bids**

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is \$18,800.

The School District 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 my examination, I 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, 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 service fund were reviewed. 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 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 reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will have a profit of \$4,359. The operating results provision was not met and the FSMC refunded the district the annual management fee.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed 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.

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 District food service employees authorized by the Board of Education. 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. No exceptions were noted.

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 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 reviewed for uniform administration throughout the School District.

The required verification procedures for free and reduced price applications were completed and available for review. No exceptions were noted.

USDA Food Distribution 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 Funds, Section G of the CAFR.

### **Student Body Activities**

The financial records for the Student Activity Fund were maintained in satisfactory condition.

### **Application for State School Aid**

My audit procedures included a test of information reported in the October 15, 2015 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. I also performed a review 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 my 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**

My procedures included a test of on roll status reported in the 2015-2016 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of my procedures are presented in the Schedule of Audited Enrollments.

My procedures also included a review of transportation related contracts and purchases. Based on my review, the School District complied with proper bidding procedures and award of contracts. No exceptions were noted in my review of transportation related purchases of goods and services.

**Facilities and Capital Assets**

Our procedures included a review of the SDA grant agreement for consistency with recording SDA revenue and awarding of contracts for eligible facilities construction.

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

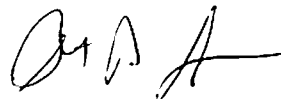
In accordance with government auditing standards, my procedures included a review of all prior year recommendations. There were no prior year audit findings.

**Acknowledgment**

I received the complete cooperation of all the officials of the Cranbury Township School District and I greatly appreciate the courtesies extended to me.

Respectfully submitted,

***INVERSO & STEWART, LLC***  
Certified Public Accountants



Robert P. Inverso  
Public School Accountant

September 15, 2016



SCHEDULE OF MEAL COUNT ACTIVITY

CRANBURY TOWNSHIP SCHOOL DISTRICT  
 FOOD SERVICE FUND  
 NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM  
 ENTERPRISE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

PROGRAM	MEALS CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE	(OVER) UNDER CLAIM
National School Lunch (Regular rate)	Paid	20,455	20,455	20,455	0	0.29	
	Reduced	768	768	768	0	2.67	
	Free	<u>2,886</u>	<u>2,886</u>	<u>2,886</u>	<u>0</u>	3.07	
	Total	<u>24,109</u>	<u>24,109</u>	<u>24,109</u>	<u>0</u>		<u>0</u>
National School Lunch	HHFKA-PB Lunch Only	<u>24,109</u>	<u>24,109</u>	<u>24,109</u>	<u>0</u>	0.06	<u>0</u>
School Breakfast	Paid	0	0	0	0	0.28	
	Reduced	0	0	0	0	1.32	
	Free	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	1.62	
	Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		<u>0</u>
Special Milk	Paid	0	0	0	0	0.23	
	Free	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
	Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		<u>0</u>
TOTAL NET OVERCLAIM - FEDERAL							<u>\$0</u>

PROGRAM	MEALS CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE	(OVER) UNDER CLAIM
State Reimbursement - National School Lunch (Regular rate)	Paid	20,455	20,455	20,455	0	0.040	
	Reduced	768	768	768	0	0.055	
	Free	<u>2,886</u>	<u>2,886</u>	<u>2,886</u>	<u>0</u>	0.055	
	Total	<u>24,109</u>	<u>24,109</u>	<u>24,109</u>	<u>0</u>		<u>0</u>
TOTAL NET OVERCLAIM - STATE							<u>\$ -</u>

**CRANBURY TOWNSHIP SCHOOL DISTRICT  
NET CASH RESOURCE SCHEDULE**

**Net cash resources did not exceed three months of expenditures  
Proprietary Funds - Food Service  
For the fiscal year ended June 30, 2016**

<u>Net Cash Resources:</u>		Food Service B - 4/5	
<b>CAFR</b>	<b>* Current Assets</b>		
<b>B-4</b>	Cash & Cash Equivalents	\$ 4,062	
<b>B-4</b>	Intergovernmental Accounts Receivable	1,543	
<b>B-4</b>	Interfund Receivable	2,340	
<b>CAFR</b>	<b>Current Liabilities</b>		
<b>B-4</b>	Less: Accounts Payable	(3,272)	
<b>B-4</b>	Less: Compensated Absences Payable		
<b>B-4</b>	Less: Interfund Accounts Payable		
<b>B-4</b>	Less: Unearned revenue	<u>(5,878)</u>	
	<b>Net Cash Resources</b>	<u><u>\$ (1,205)</u></u>	<b>( A )</b>
 <b><u>Net Adjustment To Total Operating Expense:</u></b>			
<b>B-5</b>	Total Operating Expense	160,694	
<b>B-5</b>	Less: Depreciation	<u>(1,725)</u>	
	<b>Adjusted Total Operating Expense</b>	<u><u>\$ 158,969</u></u>	<b>( B )</b>
 <b><u>Average Monthly Operating Expense:</u></b>			
	B / 10	<u><u>\$ 15,897</u></u>	<b>( C )</b>
 <b><u>Three times monthly Average:</u></b>			
	3 X C	<u><u>\$ 47,691</u></u>	<b>( D )</b>

TOTAL IN BOX A	\$ (1,205)	
LESS TOTAL IN BOX D	<u>(47,691)</u>	
NET	<u><u>(48,896)</u></u>	
 From above:		
<b>A is greater than D, cash exceeds 3 X average monthly operating expenses.</b>		
<b>D is greater than A, cash does not exceed 3 X average monthly operating expenses.</b>		

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

SOURCE - USDA resource management comprehensive review form.

**CRANBURY TOWNSHIP SCHOOL DISTRICT**  
**APPLICATION FOR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 15, 2015**

**SCHEDULE OF AUDITED ENROLLMENTS**

	2016-2017 Application for State School Aid						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- fication	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool - 3Yr	4		4					4		4						
Half Day Preschool - 4Yr	7		7					7		7						
Full Day Kindergarten	29		29					29		29						
One	35		35					35		35						
Two	51		51					51		51						
Three	33		33					33		33						
Four	36		36					36		36						
Five	51		51					51		51						
Six	61		61					61		61						
Seven	60		60					60		60						
Eight	68		68					68		68						
Nine																
Ten																
Eleven																
Twelve																
Twelve																
Subtotal	435	-	435	-	-	-	-	435	-	435	-	-	-	-	-	-
Special Ed - Elementary	33		33					33		33						
Special Ed - Middle School	24		24					24		24						
Special Ed - High School													1	1	1	-
Subtotal	57	-	57	-	-	-	-	57	-	57	-	-	1	1	1	-
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	492	-	492	-	-	-	-	492	-	492	-	-	1	1	1	-
Percentage Error					0.00%	0.00%						0.00%	0.00%			0.00%

**CRANBURY TOWNSHIP SCHOOL DISTRICT**  
**APPLICATION FOR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 15, 2015**

**SCHEDULE OF AUDITED ENROLLMENTS**

	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												
Full Day Kindergarten	2	2		2	2							
One	4	3	1	4	4							
Two	1	1		1	1							
Three												
Four	1	2	(1)	1	1							
Five	2	2		2	2							
Six	3	3		3	3							
Seven	4	3	1	4	4							
Eight	2	3	(1)	2	2							
Nine	1	1		1	1							
Ten	4	4		4	4							
Eleven	2	2		2	2							
Twelve	3	3		3	3							
Subtotal	<u>29</u>	<u>29</u>	<u>-</u>	<u>29</u>	<u>29</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special Ed - Elementary	5	5		5	5							
Special Ed - Middle												
Special Ed - High	3	3		3	3							
Subtotal	<u>8</u>	<u>8</u>	<u>-</u>	<u>8</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	<u>37</u>	<u>37</u>	<u>-</u>	<u>37</u>	<u>37</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>		<u>0.00%</u>				<u>0.00%</u>

10

	Transportation					
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools, col. 1	295	295		295	295	
Reg -SpEd, col. 4	12	12		12	12	
Transported - Non-Public, col. 2	3	3		3	3	
Special Ed Spec, col. 6	29	29		29	29	
Totals	<u>339</u>	<u>339</u>	<u>0</u>	<u>339</u>	<u>339</u>	<u>0</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	Reported	Recalculated
Reg Avg.(Mileage) = Regular Including Grade PK students (Part A)	8.5	8.5
Reg Avg.(Mileage) = Regular Excluding Grade PK students (Part B)	8.5	8.5
Spec Avg. = Special Ed with Special Needs	10.8	10.8

**CRANBURY TOWNSHIP SCHOOL DISTRICT**  
**APPLICATION FOR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 15, 2015**

**SCHEDULE OF AUDITED ENROLLMENTS**

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

CRANBURY TOWNSHIP SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

**SECTION 1 - Regular Districts**

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

2015-16 Total General Fund Expenditures per the CAFR, Ex C-1	\$	<u>16,207,424</u>	(B)
Increased by:			
Transfer from Capital Outlay to Capital Projects Fund	\$	<u>                    </u>	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$	<u>1,185,230</u>	(B1b)
Transfer from General Fund to SRF for PreK-Regular	\$	<u>                    </u>	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$	<u>                    </u>	(B1d)
Decreased by:			
On-Behalf TPAF Pension & Social Security	\$	<u>(1,083,132)</u>	(B2a)
Assets Acquired Under Capital Leases	\$	<u>                    </u>	(B2b)
Adjusted 2015-16 General Fund Expenditures [(B)+(B1s)+(B2s)]	\$	<u>16,309,522</u>	(B3)
2% of Adjusted 2015-16 General Fund Expenditures [(B3) times .02]	\$	<u>326,190</u>	(B4)
Enter Greater of (B4) or \$250,000	\$	<u>326,190</u>	(B5)
Increased by: Allowable Adjustment	\$	<u>38,744</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]			\$ <u><u>364,934</u></u> (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-16 (Per CAFR Budgetary Comparison Schedule C-1)	\$	<u>4,254,311</u>	(C)
Decreased by:			
Year-end Encumbrances	\$	<u>19,390</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>3,858,478</u>	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$	<u>12,328</u>	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]			\$ <u><u>364,115</u></u> (U1)

**CRANBURY TOWNSHIP SCHOOL DISTRICT**

**EXCESS SURPLUS CALCULATION**

**SECTION 3 - All Districts**

Restricted Fund Balance - Excess Surplus [(U2)-(M)] IF NEGATIVE ENTER -0- \$ \_\_\_\_\_ (E)

**Recapitulation of Excess Surplus as of June 30, 2016**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	\$ _____	(C3)
Reserved Excess Surplus [(E)]	\$ _____	(E)
<b>Total [(C3) + (E)]</b>	<b>\$ _____</b>	<b>(D)</b>

**Detail of Allowable Adjustments**

Impact Aid	\$ _____	(H)
Sale & Lease-back	\$ _____	(I)
Extraordinary Aid	\$ <u>32,132</u>	(J1)
Additional Nonpublic School Transportation Aid	\$ <u>6,612</u>	(J2)
Current Year School Bus Advertising Revenue	\$ _____	(J3)
Family Crisis Transportation Aid	\$ _____	(J4)
<b>Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]</b>	<b>\$ <u>38,744</u></b>	<b>(K)</b>

**Detail of Other Restricted Fund Balance**

**Statutory restrictions:**

Approved unspent separate proposal	\$ _____
Sale/lease-back reserve	\$ _____
Capital reserve	\$ <u>2,747,291</u>
Maintenance reserve	\$ <u>511,187</u>
Emergency reserve	\$ _____
Tuition reserve	\$ <u>600,000</u>
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 reserves	\$ _____
<b>Other Restricted Fund Balance not noted above</b>	<b>\$ _____</b>
<b>Total Other Restricted Fund Balance</b>	<b>\$ <u>3,858,478</u> (C4)</b>