

GATEWAY REGIONAL HIGH SCHOOL
BOARD OF EDUCATION
Woodbury Heights, New Jersey

Auditor's Management Report on Administrative
Findings - Financial, Compliance, and Performance
For The Year Ended June 30, 2016

**AUDITOR'S 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
Gateway Regional High School District
775 Tanyard Road
Woodbury Heights, New Jersey 08096

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 Gateway Regional High School District in the County of Gloucester for the year ended June 30, 2016, and have issued our report thereon dated November 15, 2016.

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 Gateway Regional High School 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.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542

November 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 Monies, 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 District's CAFR.

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Charles J. Owens	Treasurer	\$225,000
Donna J. Contrevo	Board Secretary/ School Business Administrator	\$10,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The Board Secretary is reviewing the billings in order make the proper adjustments,

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.

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 Board Secretary/School Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium withholding due to the General Fund.

Payrolls were deposited in separate bank accounts for net payroll and withholdings.

The required certification (E-Cert1) of compliance with requirements for income tax on compensation of administrators (Superintendents, Assistant Superintendents, and Business Administrator) to the NJ Department of the Treasury was filed by the March 15th due date.

Reporting of employee compensation for income tax related purposes complied with federal and state regulations regarding the compensation which is required to be reported.

The Board of Education did not make merit bonus payments.

Employee Position Control Roster

An inquiry and review of the Position Control Roster found the payroll records and the general ledger accounts to where wages are posted were in agreement with the Position Control Roster. There are internal control procedures in place to ensure that employee benefits are offered only to current employees and their relations.

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. District personnel performed an analysis of outstanding purchase orders at June 30 and prepared separate listings of purchase orders comprising the balance sheet account balances for accounts payable and reserve for encumbrances.

Travel

The District has an approved board travel policy as required by NJAC 6A:23a-6.13 and NJSA 18A:11-12.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with NJAC 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 NJAC 6A:23A-8.3. As a result of the procedures performed, we found no errors in the classification of expenditures 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 that the records were maintained in good condition. The prescribed contractual order system was followed.

The monthly certification of positive line item account status by the Board Secretary and monthly certification that sufficient funds are available to meet the District's financial obligations by the Board were filed during the year.

Purchase orders were charged to the appropriate line accounts in accordance with the State prescribed *Uniform Minimum chart of Accounts for New Jersey Public Schools*.

Treasurer's Records

The Treasurer's records were examined and were found to be in agreement with the records maintained by the Board Secretary. The Treasurer's cash balance for the general operating account was in agreement with the reconciled cash balance as determined during the audit.

Elementary and Secondary Education Act (ESEA)/Improving America's Schools Act (IASA) as Reauthorized by the No Child Left Behind Act of 2001

The ESEA/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 Education Act as amended and reauthorized.

The study of compliance for ESEA indicated no areas of noncompliance and/or questionable costs during the year under audit.

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 the special project indicated no areas of noncompliance and/or questionable costs during the year under audit.

Project completion reports for Non-Public State Aid were finalized and transmitted to the department by the due date.

TPAF Reimbursement

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for District employees who are members of the Teachers' Pension and Annuity Fund. No exceptions were noted.

The amount of the expenditure charged to the current year's Final Report 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.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

NJSA 18A:18A-3 states:

- a. When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefor, except that the Board of Education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent possesses a qualified purchasing agent certificate pursuant to subsection "b" of section 9 of P.L. 1971, c.198 (C.40A:11-9) the Board of Education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. Commencing in the fifth year after the year in which P.L. 1999, c.440 takes effect and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in subsection "a" of this section or the threshold amount resulting from any adjustment under this subsection in direct proportion to the rise or fall of

Contracts and Agreements Requiring Advertisement for Bids (Continued)

the index rate as that term is defined in NJSA 18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1, of every fifth year. The adjustment shall become effective July 1, of the year in which it is made.

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

NJSA 18A:18A-4 states, "Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder after public advertisement for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law."

The bid thresholds in accordance with NJSA 18A:18A-2 and 18A:39-3(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 contract under NJSA 18A:39-3 is currently \$18,800.

The District's Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where questions arise 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.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or good or service, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. Based on the results of our examination, I did not note any instances of noncompliance.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per NJSA 18A:18A-5.

School Food Service

The financial transactions and statistical records of the school food services were maintained in good condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

The District utilizes a Food Service Management Company and is depositing and expending program monies in accordance with NJSA 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC contract were reviewed. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$40,000. The operating provision has not been met and the FSMC is issuing a reimbursement to the District.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

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.

Payroll records were maintained on all School Food Services employees authorized by the Board of Education. No exceptions were noted.

The number of meals claimed for reimbursement was verified against sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner. Minor exceptions were noted, these were due to a clerical error.

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 policy is uniformly administered throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review.

Food Distribution Program 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.

The FSMC has established an allocation system to ensure that the maintenance of the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

Application for State School Aid (ASSA)

Our audit procedures included a test of information reported in the October 15, 2015, Application for State School Aid (ASSA) for on-roll, private schools for the handicapped, low-income, and bilingual. We also performed a review of the District's procedures related to its completion. The information on the ASSA was compared to the District's work papers with minor exceptions. The information that was included on the work papers was verified with no exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained work papers on the prescribed state forms or their equivalent.

The District's written procedures appear to be adequate for the recording of student enrollment data.

Pupil Transportation

Our audit 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 our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. No exceptions were noted in our review of transportation related purchases of goods and services.

Miscellaneous

The School District complied with continuing disclosure agreements made in relation to prior year's bond issuances. This obligation included filing audit reports on the Electronic Municipal Market Access (EMMA).

Follow-up on Prior Year Findings

Not applicable.

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.

SCHEDULE OF MEAL COUNT ACTIVITY
GATEWAY REGIONAL HIGH SCHOOL DISTRICT

FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - FEDERAL
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Program	Meal Category	Meals Claimed	Meals Tested	Meals Verified	Difference	Rate	(Over)/Under Claim
National School Lunch (Regular Rate)	Paid	57,537	57,537	57,537	0	0.29	0
	Reduced	10,727	10,727	10,727	0	2.67	0
	Free	65,991	65,991	65,991	0	3.07	0
	Total	134,255	134,255	134,255	0		0
National School Lunch	HHFKA	134,255	134,255	134,255	0	0.06	0
School Breakfast (Regular Needs)	Paid	511	511	511	0	0.29	0
	Reduced	158	158	158	0	1.36	0
	Free	965	965	965	0	1.66	0
	Total	1,634	1,634	1,634	0		0
School Breakfast (Severe Needs)	Paid	9,941	9,941	9,941	0	0.29	0
	Reduced	4,247	4,247	4,247	0	1.69	0
	Free	49,207	49,207	49,207	0	1.99	0
	Total	63,395	63,395	63,395	0		0
Special Milk	Paid	1,518	1,518	1,518	0	0.2	0
After School Snacks	Free	3,026	3,026	3,073	47	0.84	39
Total Net (Over)/Under Claim							<u>39</u>

FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - STATE
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Program	Meal Category	Meals Claimed	Meals Tested	Meals Verified	Difference	Rate	(Over)/Under Claim
State Reimbursement	Paid	57,537	57,537	57,537	0	0.040	0
National School Lunch (Regular Rate)	Reduced	10,727	10,727	10,727	0	0.055	0
	Free	65,991	65,991	65,991	0	0.055	0
	Total	134,255	134,255	134,255	0		
Total Net (Over)/Under Claim							<u>0</u>

NET CASH RESOURCE SCHEDULE

**Net cash resources did not exceed three months of expenditures
Proprietary Funds - Food Service
FYE 2016**

				Food Service B - 4/5	
<u>Net Cash Resources:</u>					
CAFR	*	Current Assets			
B-4		Cash & Cash Equiv.	\$	178,712	
B-4		Due from Other Gov'ts		70,185	
B-4		Accounts Receivable		45,909	
B-4		Investments			
CAFR		Current Liabilities			
B-4		Less Accounts Payable		(205,963)	
B-4		Less Accruals			
B-4		Less Due to Other Funds			
B-4		Less Deferred Revenue		<u>(8,282)</u>	
		Net Cash Resources	\$	<u>80,561</u>	(A)

Net Adj. Total Operating Expense:

B-5		Tot. Operating Exp.	\$	793,660	
B-5		Less Depreciation		<u>(2,834)</u>	
		Adj. Tot. Oper. Exp.	\$	<u>790,826</u>	(B)

Average Monthly Operating Expense:

	B / 10	\$	<u>79,083</u>	(C)
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Three times monthly Average:

	3 X C	\$	<u>237,248</u>	(D)
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TOTAL IN BOX A	\$	80,561
LESS TOTAL IN BOX D		237,248
NET	\$	<u>(156,687)</u>

From above:

**A is greater than D, cash exceeds 3 X average monthly operating expenses.
D is greater than A, cash does not exceed 3 X average monthly operating expenses.**

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

SOURCE - USDA resource management comprehensive review form

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
 SCHEDULE OF AUDITED ENROLLMENTS
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2015

	2015-2016 Application for State School Aid						Sample for Verification						Private Schools for Disabled				
	Reported on ASSA On Roll		Reported on Work papers On Roll		Errors		Sample Selected from Work papers		Verified per Registers on Roll		Errors per Registers on Roll		Reported on ASSA as Private Schools	Sample for Verification	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Seven	117		117					117		117							
Eight	141		141					141		141							
Nine	121		123		(2)			123		122		1					
Ten	109		114		(5)			114		114							
Eleven	135		135					135		134		1					
Twelve	141	2	141	2				141	2	141							
	<u>764</u>	<u>2</u>	<u>771</u>	<u>2</u>	<u>(7)</u>	<u>0</u>		<u>771</u>	<u>2</u>	<u>769</u>	<u>0</u>	<u>2</u>	<u>0</u>				
Special Ed. - Middle School	65		65					65		65				4	4	4	
Special Ed. - High School	115	2	113	2	2			113	2	115		(2)		4	4	4	0
	<u>180</u>	<u>2</u>	<u>178</u>	<u>2</u>	<u>2</u>	<u>0</u>		<u>178</u>	<u>2</u>	<u>180</u>	<u>0</u>	<u>(2)</u>	<u>0</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>0</u>
	<u>944</u>	<u>4</u>	<u>949</u>	<u>4</u>	<u>(5)</u>	<u>0</u>		<u>949</u>	<u>4</u>	<u>949</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>0</u>
Percentage Error					<u>-0.53%</u>	<u>0.00%</u>						<u>0.00%</u>	<u>0.00%</u>				<u>0.00%</u>

	Resident Low Income						Resident LEP Low Income									
	Reported on ASSA as Low Income		Reported on Work papers as Low Income		Sample for Verification		Reported on ASSA as Low Income		Reported on Work papers as Low Income		Sample for Verification					
	Full	Shared	Full	Shared	Errors	Sample Selected from Work papers	Verified to Application and Registers	Sample Errors	Full	Shared	Full	Shared	Errors	Sample Selected from Work papers	Verified to Application and Registers	Sample Errors
Seven	28	29	(1)	17	17											
Eight	48	47	1	23	23											
Nine	30	30		12	12											
Ten	41	40	1	21	20	1										
Eleven	47	47		22	22											
Twelve	43	43		18	18											
	<u>237</u>	<u>236</u>	<u>1</u>	<u>113</u>	<u>112</u>	<u>1</u>			<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Special Ed. - Middle School	29	34	(5)	19	19											
Special Ed. - High School	68.5	65.0	3.5	32	32				1	1			1	1		
	<u>97.5</u>	<u>99.0</u>	<u>(2)</u>	<u>51</u>	<u>51</u>	<u>0</u>			<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>
	<u>334.5</u>	<u>335.0</u>	<u>(0.5)</u>	<u>164</u>	<u>163</u>	<u>1</u>			<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>
Percentage Error			<u>-0.15%</u>			<u>0.61%</u>					<u>0.00%</u>	<u>0.00%</u>				<u>0.00%</u>

GATEWAY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2015
(CONTINUED)

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on ASSA NOT Low Income	Reported on Work papers as NOT Low Income	Errors	Sample Selected from Work papers	Verified to Application and Registers	Sample Errors
Seven						
Eight						
Nine	1	1		1	1	
Ten						
Eleven						
Twelve						
	<u>1</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>
Special Ed. - Middle School						
Special Ed. - High School						
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>1</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular Public Schools	578	578		209	209	0
Transported Non-Public	11	11		11	11	0
AIL Non-Public School Students	29	29		29	29	0
Regular Special Education	112.5	112.5		77.5	77.5	0
Special Education - Special Needs	44.5	44.5		42.5	42.5	0
	<u>775</u>	<u>775</u>	<u>0</u>	<u>369</u>	<u>369</u>	<u>0</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	Reported	Recalculated
Reg. Avg. (Mileage) = Regular Including Grade PK (Part A)	4.5	4.5
Reg. Avg. (Mileage) = Regular Excluding Grade PK (Part B)	4.5	4.5
Spec Avg. = Special Ed. with Special Needs	6.8	6.8

EXCESS SURPLUS CALCULATION

REGULAR DISTRICT/CHARTER SCHOOL

SECTION 1

A. 2% Calculation of Excess Surplus

2015-16 Total General Fund Expenditures per the CAFR., Ex. C-1	\$ <u>20,087,917</u>	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$ _____	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ <u>532,567</u>	(B1b)
Transfer from General Fund to SRF for Pre-K - Regular	\$ _____	(B1c)
Transfer from General Fund to SRF for Pre-K - Inclusion	\$ _____	(B1d)
Decreased by:		
On-Behalf TPAF Pension & Social Security	\$ <u>1,970,763</u>	(B2a)
Assets Acquired Under Capital Leases	\$ <u>95,669</u>	(B2b)
Adjusted 2015-16 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ <u><u>18,554,052</u></u>	(B3)
2% of Adjusted 2014-15 General Fund Expenditures [(B3) times .02]	\$ <u>371,081</u>	(B4)
Enter Greater of (B4) or \$250,000	\$ <u>371,081</u>	(B5)
Increased by: Allowable Adjustment *	\$ <u>68,833</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]		\$ <u><u>439,914</u></u> (M)
SECTION 2		
Total General Fund - Fund Balances @ 6/30/2016 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>3,833,885</u>	(C)
Decreased by:		
Year-end Encumbrances	\$ <u>33,130</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ _____	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>970,392</u>	(C3)
Other Restricted Fund Balances****	\$ <u>791,488</u>	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ <u>26,134</u>	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		\$ <u><u>2,012,741</u></u> (U1)

SECTION 3

Restricted Fund Balance - Excess Surplus*** [(U2)-(M)] IF NEGATIVE ENTER -0- \$ 1,572,827 (E)

Recapitulation of Excess Surplus as of June 30, 2016

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures** \$ 970,392 (C3)
 Reserved Excess Surplus*** [(E)] \$ 1,572,827 (E)
 Total [(C3)+(E)] \$ 2,543,219 (D)

* 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 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 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid, and Additions Nonpublic School Transportation Aid.

Detail of Allowable Adjustments

Impact Aid	\$ _____	(H)
Sale & Lease-back	\$ _____	(I)
Extraordinary Aid	\$ <u>59,162</u>	(J1)
Additional Nonpublic School Transportation Aid	\$ <u>9,671</u>	(J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____	(J3)
Family Crisis Transportation Aid	\$ _____	(J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+ (J3)]	\$ <u>68,833</u>	(K)

** This amount represents the June 30, 2016, Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amount must agree to the June 30, 2016, CAFR and the sum of the two lines 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 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>791,488</u>	
Maintenance reserve	\$ _____	
Emergency reserve	\$ _____	
Waiver offset reserve - Designated for Subsequent Year	\$ _____	
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	\$ <u>791,488</u>	(C4)