

**AUDITORS MANAGEMENT REPORT
ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
SCHOOL DISTRICT OF THE
TOWN OF GUTTENBERG
COUNTY OF HUDSON, NEW JERSEY
JUNE 30, 2016**

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REPORT OF INDEPENDENT AUDITORS

Honorable President and
Members of the Board of Education
Town of Guttenberg School District
County of Hudson, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Town of Guttenberg School District in the County of Hudson for the year ended June 30, 2016, and have issued our report thereon dated November 16, 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 Town of Guttenberg 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.

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November 16, 2016

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

GENERAL COMMENTS

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator, 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 of the District's CAFR.

Officials Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Jolene Mantineo	Board Secretary/School Business Administrator	\$250,000

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims submitted for payment for the period under review did not indicate any discrepancies with respect to signatures, certifications 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 being approved by the Superintendent and were certified by the President of the Board, the Board Secretary/School Business Administrator and the Chief School Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholdings 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 Board of Education made a merit bonus payment that a quantitative merit criterion or a qualitative merit criterion had been satisfied with prior approval by the district Board of Education and Executive County Superintendent, as required by N.J.A.C.6A:23A-3.1(e)10.iv.

Employee Position Control Roster

Inquiry and subsequent review of the District's Position Control Roster found no inconsistencies between payroll records, employee benefit records and the general ledger accounts to which the wages are posted and the Position Control Roster.

Reserve for Encumbrances, Liability for Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, 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.

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 expenditures. 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-8.2. As a result of the procedures performed, a transaction error rate of .80% was noted while testing the propriety of expenditure classification.

***Finding 2016-01/2015-01**: During our test of transactions, it was noted that the District misclassified and misbudgeted expenditures for the following services: Tuition, required maintenance expenditures and capital outlay. The expenditure and related appropriations pertaining to fixed asset additions were reclassified to the proper budget account for financial statement presentation purposes.

Recommendation: The District should reference the *Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2016 Edition* and other available reference materials such as the Budget Guidelines for the proper classifications required to be in compliance with N.J.A.C. 6A:23-2.3(f).

Financial Planning, Accounting and Reporting, (continued)

Board Secretary's Records

Our review of the financial and accounting records maintained by the Board Secretary disclosed the following items:

Finding 2016-02: Prior year interfund balances in the Net Payroll and Payroll Agency account were not liquidated prior to the end of the fiscal year.

Recommendation: All prior year interfunds be liquidated prior to the close of the subsequent fiscal year.

Finding 2016-03: Petty cash fund is not being replenished properly resulting in the amount on-hand being in excess of the authorized amount.

Recommendation: That the District take the necessary steps to ensure the petty cash fund is replenished properly and amount on-hand is in agreement with the amount authorized.

Finding 2016-04: Amounts withheld from the State Aid revenues were not recorded as budgetary expenditures.

Recommendation: All State Aid deductions be recorded in the District's financial records.

Fixed Assets

The general fixed asset records were updated for the additions and disposals of general fixed assets made during the year.

***Finding 2016-05/2015-02:** During a review of the District's fixed asset report for the year ended June 30, 2016, it was noted that there were assets purchased that were not included as current year additions.

Recommendation: A more thorough review of District records be performed to ensure that all depreciable capital outlay and equipment purchases be included in the District's fixed asset report.

Treasurer's Records

The District does not have a Treasurer.

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

The E.S.E.A./NCLB financial exhibits are contained in the Special Revenue section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Titles I, II and III of the Elementary and Secondary Education Act as amended.

Financial Planning, Accounting and Reporting, (continued)

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 of the aforementioned special projects.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for the 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 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

Finding 2016-06: A review of the amount paid to reimburse the State of New Jersey for TPAF/FICA paid on those salaries identified as being paid from federal funds determined an additional liability of \$399.

Recommendation: The additional liability of \$399 calculated to reimburse the State of New Jersey for TPAF/FICA paid on salaries identified as being paid from federal funds be remitted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-2 contains definitions for terms used throughout N.J.S.A. 18A:18A-1 et seq. It includes as subsection (p) the term 'competitive contracting', which is defined as "the method described in N.J.S.A. 18A:18A-4.1 through 18A:18A-4.5 and in rules promulgated by DCA at N.J.A.C. 5:34-4 of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal proposals are evaluated by the purchasing agent or counsel or school business administrator; and the board of education awards a contract to a vendor or vendors from among the formal proposals received." Also, subsection (aa) defines the term 'concession' to exclude vending machines.

School Purchasing Programs, (continued)

Contracts and Agreements Requiring Advertisement for Bids, (continued)

N.J.S.A. 18A:18A-3(a) sets forth the bid threshold and requires award by board resolution. There is a higher threshold when there is a "Qualified Purchasing Agent" (QPA) in the district as defined at N.J.A.C. 5:34-1.1 and certified upon approval of an application submitted to DCA. Pursuant to N.J.S.A. 18A:18A-3(b), the bid threshold may be adjusted by the Governor, in consultation with the Department of Treasury, every five years.

N.J.S.A. 18A:18A-4.4 provides boards of education the authority to pass a resolution authorizing the use of competitive contracting. "In order to initiate competitive contracting, the board of education shall pass a resolution authorizing the use of competitive contracting each time specialized goods or services enumerated in sections 45 of L. 1999, c.440 are desired to be contracted."

Effective July 1, 2015 and thereafter, 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 currently \$18,800.

The 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.

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4, amended.

Resolutions were adopted authorizing the awarding of contract 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 maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. 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.

Applications for free and reduced meals were reviewed for completeness and accuracy. The number of free and reduced meals claimed as served did not exceed the number of valid applications on file, times the number of operating days, on a school by school basis. The free and reduced meal policy is uniformly administered throughout the School System. The required verification procedures for free applications was completed and available for review.

School Food Service, (continued)

Expenditures were separately recorded for food purchases 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 disbursement 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.

Timesheets 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.

Cash receipts and bank records were reviewed for timely deposit.

U.S.D.A. commodities were received and a separate inventory was maintained on a first in first out basis. No exceptions were noted.

The District maintains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

***Finding 2016-07/2015-06:** Net cash resources continue to exceed three months average expenditures.

Recommendation: District officials establish a plan to utilize the excess net cash resources.

***Finding 2016-08/2015-07:** Meals claimed did not agree with meal count records resulting in an immaterial underclaim, as detailed on the schedule of meal count activity.

Recommendation: Prior to submitting reimbursement claims to the NJ Department of Agriculture, the meals claimed should be verified to the meal count activity records and edit check worksheets.

Student Body Activities

A cash receipts and disbursements record is maintained in satisfactory condition.

Cash disbursements had proper signatures and supporting documentation.

Application for State School Aid

Our 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, bilingual 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 verified with exception. The results of our procedures are presented in the Schedule of Audited Enrollment.

Application for State School Aid, (continued)

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 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.

Other 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. No exceptions were noted in our review of transportation related purchases of goods and services.

Suggestions to Management

- Old outstanding checks in the following accounts be cancelled via resolution:
 - ALK Scholarship Award Fund
 - Mauro Scholarship Award Fund
 - Student Activity Trust Fund
- The late fees incurred on monthly operating lease payments be investigated and remediated.

Follow-up on Prior Year Findings

A review was performed on all prior year recommendations and corrective action was taken on all, except those noted with an “*”.

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,

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November 16, 2016

SCHEDULE OF MEAL COUNT ACTIVITY

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

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over)/ Under Claim</u>	
National School Lunch (High Rate)	Paid	10,735	10,735	10,739	4	0.310	\$ 1	
National School Lunch (High Rate)	Reduced	8,600	8,600	8,610	10	2.690	27	
National School Lunch (High Rate)	Free	<u>96,403</u>	<u>96,403</u>	<u>96,455</u>	<u>52</u>	3.090	<u>161</u>	
	Total	<u>115,738</u>	<u>115,738</u>	<u>115,804</u>	<u>66</u>		<u>189</u>	
School Breakfast (Severe Needs Rate)	Paid	800	800	799	(1)	0.29	(0)	
	Reduced	732	732	730	(2)	1.69	(3)	
	Free	<u>8,433</u>	<u>8,433</u>	<u>8,394</u>	<u>(39)</u>	1.99	<u>(78)</u>	
	Total	<u>9,965</u>	<u>9,965</u>	<u>9,923</u>	<u>(42)</u>		<u>(81)</u>	
Total (Over)/Under Claim							\$	<u><u>108</u></u>

SCHEDULE OF MEAL COUNT ACTIVITY

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

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over)/ Under Claim</u>
State Reimbursement - National School Lunch (High Rate)	Paid	10,735	10,735	10,787	52	0.040	\$ 2
State Reimbursement - National School Lunch (High Rate)	Reduced	8,600	8,600	8,607	7	0.055	0
State Reimbursement - National School Lunch (High Rate)	Free	<u>96,403</u>	<u>96,403</u>	<u>96,407</u>	<u>4</u>	0.055	<u>0</u>
	Total	<u>115,738</u>	<u>115,738</u>	<u>115,801</u>	<u>63</u>		<u>3</u>
Total (Over)/Under Claim							\$ <u>3</u>

**TOWN OF GUTTENERG
BOARD OF EDUCATION**

**Net cash resources did exceed three months of expenditures
Proprietary Funds - Food Service
Year ended June 30, 2016**

<u>Net Cash Resources:</u>		Food Service B - 4/5	
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 98,448
B-4		Due from Other Gov'ts	35,686
CAFR		Current Liabilities	
B-4		Less Accounts Payable	14,400
B-4		Less Due to Other Funds	20,833
		Net Cash Resources	\$ 169,367 (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	516,641	
B-5	Less Depreciation	(5,547)	
	Adj. Tot. Oper. Exp.	\$ 511,094	(B)

Average Monthly Operating Expense:

B / 10	\$ 51,109	(C)
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Three times monthly Average:

3 X C	\$ 153,328	(D)
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TOTAL IN BOX A	\$ 169,367
LESS TOTAL IN BOX D	\$ 153,328
NET	\$ 16,039
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

SCHEDULE OF AUDITED ENROLLMENTS

**TOWN OF GUTTENBERG
BOARD OF EDUCATION**

**Application for State School Aid Summary
Enrollment as of October 14, 2015**

Year ended June 30, 2016

Enrollment category	2016-17 Application for State School Aid						Sample for Verification						Private Schools for the Disabled						
	Reported on A.S.S.A. on roll		Reported on workpapers on roll		Errors		Sample Selected from Workpapers		Registers Verified per		Errors		Reported on A.S.S.A. as Private Schools	Sample for Verification	Sample Verified	Errors			
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full		
Half Day Preschool 4yrs	35	-	35	-	-	-	35	-	35	-	-	-	-	-	-	-	-	-	
Full Day Kindergarten	94	-	94	-	-	-	94	-	94	-	-	-	-	-	-	-	-	-	
One	99	-	99	-	-	-	99	-	99	-	-	-	-	-	-	-	-	-	
Two	116	-	116	-	-	-	116	-	116	-	-	-	-	-	-	-	-	-	
Three	99	-	99	-	-	-	99	-	99	-	-	-	-	-	-	-	-	-	
Four	97	-	97	-	-	-	97	-	97	-	-	-	-	-	-	-	-	-	
Five	99	-	99	-	-	-	99	-	99	-	-	-	-	-	-	-	-	-	
Six	92	-	92	-	-	-	92	-	92	-	-	-	-	-	-	-	-	-	
Seven	95	-	95	-	-	-	95	-	95	-	-	-	-	-	-	-	-	-	
Eight	85	-	85	-	-	-	85	-	85	-	-	-	-	-	-	-	-	-	
Subtotal	911	-	911	-	-	-	911	-	911	-	-	-	-	-	-	-	-	-	
Special Ed - Elementary	57	-	57	-	-	-	56	-	56	-	-	-	-	-	2	-	2	-	
Special Ed - Middle School	35	-	35	-	-	-	13	-	13	-	-	-	-	-	-	-	-	-	
Special Ed - High School	1,003	-	1,003	-	-	-	980	-	980	-	-	-	-	2	-	2	-	-	
Percentage																			

SCHEDULE OF AUDITED ENROLLMENTS

**TOWN OF GUTTENBERG
BOARD OF EDUCATION**

**Application for State School Aid Summary
Enrollment as of October 14, 2015**

Year ended June 30, 2016

Enrollment category	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	Sample selected from workpapers	Verified to Application and Register	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers LEP Low Income	Sample Selected from Workpapers	Verified to Test score and Register	
Half Day Preschool									
Full Day Preschool									
Half Day Kindergarten									
Full Day Kindergarten									
One	77	77	21	21	27	27	21	21	
Two	85	85	24	24	22	22	19	19	
Three	99	99	22	22	22	22	11	11	
Four	83	83	26	26	16	16	14	14	
Five	85	85	21	21	16	16	9	9	
Six	77	77	11	11	8	8	3	3	
Seven	80	80	11	11	7	7	4	4	
Eight	82	82	21	21	6	6	4	4	
Subtotal	73	73	13	13	12	12	7	7	
	741	741	170	170	136	136	92	92	
Special Ed - Elementary	48	48	47	47	-	-	-	-	
Special Ed - Middle School	37	37	15	15	-	-	-	-	
Subtotal	85	85	62	62	-	-	-	-	
Totals	826	826	232	232	136	136	92	92	
Percentage									
	-	-	-	-	-	-	-	-	
Transportation									
	Reported on DRTRS by DOE	Reported on DRTRS by District	Tested	Verified	Errors	Errors	Reported	Re-calc.	
Special Ed Spec. col. 6	20	20	17	17	-	-	5.1	5.1	
Totals	20	20	17	17	-	-	5.1	5.1	
Percentage									
	-	-	-	-	-	-	-	-	

SCHEDULE OF AUDITED ENROLLMENTS

**TOWN OF GUTTENBERG
BOARD OF EDUCATION**

**Application for State School Aid Summary
Enrollment as of October 14, 2015**

Year ended June 30, 2016

Enrollment category	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 Test Scores and Register	Errors
Half Day Preschool	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	2	2	-	1	1	-
One	1	1	-	1	1	-
Two	-	-	-	-	-	-
Three	-	-	-	-	-	-
Four	-	-	-	-	-	-
Five	1	1	-	1	1	-
Six	1	1	-	1	1	-
Seven	3	3	-	3	3	-
Eight	1	1	-	1	1	-
Subtotal	9	9	-	8	8	-
Special Ed - Elementary	-	-	-	-	-	-
Special Ed - Middle School	-	-	-	-	-	-
Special Ed - High School	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Totals	9	9	-	8	8	-
Percentage	-	-	-	-	-	-

**GUTTENBERG BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION**

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2015-16 Total General Fund Expenditures per the CAFR, Ex. C-1	\$	<u>17,123,789</u>	(B)	
Increased by:				
Transfer from Capital Outlay to Capital Projects Fund	\$	<u> </u>	(B1a)	
Transfer from Capital Reserve to Capital Projects Fund	\$	<u> </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>1,355,431</u>	(B2a)	
Assets Acquired Under Capital Leases	\$	<u> </u>	(B2b)	
Adjusted 2015-16 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$	<u><u>15,768,358</u></u>	(B3)	
2% of Adjusted 2015-16 General Fund Expenditures				
[(B3) times .02]	\$	<u>315,367</u>	(B4)	
Enter Greater of (B4) or \$250,000	\$	<u>315,367</u>	(B5)	
Increased by: Allowable Adjustment *	\$	<u>46,376</u>	(K)	
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]				\$ <u><u>361,743</u></u>

SECTION 2

Total General Fund - Fund Balances @ 6/30/16 (Per CAFR Budgetary Comparison Schedule C-1)	\$	<u>3,821,092</u>	(C)	
Decreased by:				
Year-end Encumbrances	\$	<u>21,303</u>	(C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	\$	<u>-</u>	(C2)	
Legally Restricted - Excess Surplus Designated for Subsequent Year's Expenditures **	\$	<u>1,541,418</u>	(C3)	
Other Restricted Fund Balances****	\$	<u>1</u>	(C4)	
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$	<u> </u>	(C5)	
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]				\$ <u><u>2,258,370</u></u>

SECTION 3

Restricted Fund Balance - Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0- \$ 1,896,627

Recapitulation of Excess Surplus as of June 30, 2016

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>1,541,418</u>
Reserved Excess Surplus ***[(E)]	\$ <u>1,896,627</u>
Total Excess Surplus [(C3) + (E)]	\$ <u>3,438,045</u>

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 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)
Sale & Lease-back	\$ _____ (I)
Extraordinary Aid	\$ <u>46,376</u> (J1)
Additional Nonpublic School Transportation Aid	\$ _____ (J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____ (J3)
Total Adjustments [(H)+{I)+(J1)+(J2)+(J3)]	\$ <u>46,376</u> (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, 2016 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	\$ _____
Capital outlay for a district with a capital outlay cap waiver	\$ _____
Sale/Lease-back reserve	\$ _____
Capital reserve	\$ <u>1</u>
Maintenance reserve	\$ _____
Emergency reserve	\$ _____
Waiver offset reserve	\$ _____
Tuition reserve	\$ _____
Other state/government mandated reserve	\$ _____
[Other Restricted Fund Balance not noted above]****	\$ _____
Total Other Restricted Fund Balance	\$ <u>1</u> (C4)