

HARRISON TOWN SCHOOL DISTRICT

COUNTY OF HUDSON

NEW JERSEY

AUDITOR'S MANAGEMENT REPORT

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

FISCAL YEAR ENDED

JUNE 30, 2016

**SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS**

**HARRISON TOWN SCHOOL DISTRICT
COUNTY OF HUDSON
NEW JERSEY**

**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
Harrison Town School District
County of Hudson, New Jersey 07029

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 Harrison Town School District in the County of Hudson for the year ended June 30, 2016, and have issued our report thereon dated November 28, 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 Harrison Town 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.


JOSEPH J. FACCONI
Licensed Public School Accountant #194


SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
November 28, 2016

HARRISON TOWN SCHOOL DISTRICT

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, the activities of the Board of Education, and the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule, contained in the District's Comprehensive Annual Financial Report (CAFR).

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount of Bond</u>
M. Christine Griffin	Board Secretary/School Business Administrator	\$150,000.00
Gabriela V. Simoes Dos Santos	Treasurer of School Moneys	220,000.00

There is an Employee Dishonesty Blanket Bond with the Selective Insurance Company covering all other employees with multiple coverage of \$100,000.00.

Tuition Charges

The tuition charge for East Newark Board of Education is fixed.

Tuition charges are fixed by contractual agreement which does not require the District to adjust future billings.

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 budget accounts.

In verifying expenditures, computations were tested on claims approved and paid. No attempt was made in this connection to establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

Financial Planning, Accounting and Reporting (Continued)

Payroll Account and Position Control Roster

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

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

Financial Planning, Accounting and Reporting (Continued)

Payroll Account and Position Control Roster (Continued)

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

The propriety of deductions from individual salaries for Pensions, Social Security, Withholding Tax and other purposes was not verified as part of this examination.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, 2016 for proper classification of orders as reserve for encumbrances and accounts payable.

All encumbrances, contracts, salaries and expenditures for state and federally funded projects were in accordance with laws and regulations and in conformity with procurement requirements.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-16.2(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. There were no transaction errors noted as a result of the procedures performed.

Board Secretary's Records

The financial records, books of accounts and minutes maintained by the Board Secretary were in satisfactory condition. The prescribed contractual order system was followed.

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

Treasurer's Records

The Treasurer's records were examined and found to be in agreement with the records of the Board Secretary.

Elementary and Secondary Education Act (ESEA)/Improving America's Schools Act (IASA) as Reauthorized by the No Child Left Behind (NCLB) 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 did not indicate any areas of noncompliance and/or questioned costs.

Other Special Federal and State Projects

The District's Special Projects were approved as listed on Schedule A (K-3) and Schedule B (K-4) reflected 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.

Financial Planning, Accounting and Reporting (Continued)

Other Special Federal and State Projects (Continued)

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 that there were no areas of noncompliance and/or questioned costs.

TPAF 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.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 is \$29,000.00 without a Qualified Purchasing Agent. The law regulating bidding for public school transportation contracts under N.J.S.A. 18A:39-3 is \$18,800.00 for 2015-16.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal 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.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

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, as amended.

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

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 purchases were made through the use of state contracts:

Office Supplies
Athletic Supplies

School Food Service

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

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims process, the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

School Food Service (Continued)

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price 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 price meal and free milk policy is uniformly administered throughout the School System. Sites approved to participate in provision complied with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review.

Cash received and bank records were reviewed for timely deposits.

The District utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34 and 19-1 through 19-4.1. Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will break even. The operating results provision has been met.

In accordance with AICPA Statement of Auditing Standards #88, Food Service Management Companies must have a service audit performed by an independent audit firm engaged by the Food Service Management Company. The service audit must report on the food service management company's control structure policies and procedures. The School District was able to provide such a service audit for the period under audit.

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.

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 nonprofit status of the School Food Service. Net cash resources did not exceed three months average expenditures.

Food Distribution Program Commodities were received and a separate inventory was maintained on a first-in, first-out basis.

Exhibits reflecting child nutrition program operations are included in the section entitled Enterprise Funds, Section G of the CAFR.

Student Body Activities

The Student Body Activity Fund encompasses two (2) Elementary Schools, One (1) Middle School, One (1) Athletic Account and the High School.

Cash receipts and disbursements records submitted for examination were analyzed in detail. Cancelled checks and available vouchers or invoices were examined and compared to disbursement records.

Application for State School Aid

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 procedures related to its completion. The information on the ASSA was compared to the District workpapers without exception. The information that was included on the workpapers was compared to the registers without exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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.

Our procedures also 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

Accounting for capital assets is required in order to maintain physical accountability over the assets owned by a school. The accounting system should provide a record of the fixed assets obtained over the years that are still in service and identify the funding source for the purchase of those assets. This provides the ability to prevent, detect and recognize losses of capital assets. The New Jersey Department of Education notified school districts that, effective July 1, 2001, there is a \$2,000.00 capitalization threshold for capital assets. This is a policy set for financial reporting and accounting purposes. Schools may use a lower threshold for asset management and insurance purposes.

Follow-Up on Prior Years' Findings

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations. Corrective action had been taken on all prior year findings.

Miscellaneous

The minutes indicate that the Report on Examination of Accounts for the 2014-2015 fiscal year was reviewed by the Board, a synopsis thereof distributed at a public meeting and public discussion held.

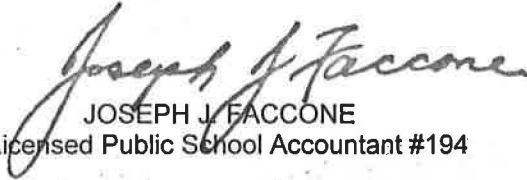
Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

RECOMMENDATIONS

NONE

Acknowledgment

We received the complete cooperation of all the officials of the School District and greatly appreciate the courtesies extended to the members of the audit team.


JOSEPH J. FACCONI
Licensed Public School Accountant #194


SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
November 28, 2016

SCHEDULE OF MEAL COUNT ACTIVITY

HARRISON TOWN SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - FEDERAL
ENTERPRISE FUND
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 (Higher Rate)	Paid	36,766	36,766	36,766	0	\$0.31	\$0.00
National School Lunch (Higher Rate)	Reduced	40,132	40,132	40,132	0	2.69	0.00
National School Lunch (Higher Rate)	Free	<u>215,573</u>	<u>215,573</u>	<u>215,573</u>	0	3.09	<u>0.00</u>
Total		<u>292,471</u>	<u>292,471</u>	<u>292,471</u>			<u>\$0.00</u>
School Breakfast (Severe Rate)	Paid	36,302	36,302	36,302	0	0.29	\$0.00
	Reduced	28,623	28,623	28,623	0	1.69	0.00
	Free	<u>129,854</u>	<u>129,854</u>	<u>129,854</u>	0	1.99	<u>0.00</u>
Total		<u>194,779</u>	<u>194,779</u>	<u>194,779</u>			<u>\$0.00</u>
After School Snacks	Free	<u>31,378</u>	<u>31,378</u>	<u>31,378</u>	0	0.84	<u>\$0.00</u>

SCHEDULE OF MEAL COUNT ACTIVITY

HARRISON TOWN SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - STATE
ENTERPRISE FUND
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 (Regular Rate)	Paid	36,766	36,766	36,766	0	\$0.040	\$0.00
State Reimbursement - National School Lunch (Regular Rate)	Reduced	40,132	40,132	40,132	0	0.055	0.00
State Reimbursement - National School Lunch (Regular Rate)	Free	<u>215,573</u>	<u>215,573</u>	<u>215,573</u>	0	0.055	<u>0.00</u>
Total		<u>292,471</u>	<u>292,471</u>	<u>292,471</u>			<u>\$0.00</u>

NET CASH RESOURCE SCHEDULE

Net Cash Resources did not Exceed Three Months of Expenditures Proprietary Funds - Food Service FYE 2016

<u>Net Cash Resources:</u>		Food Service B - 4/5	
CAFR	*	Current Assets	
B-4		Cash and Cash Equiv.	\$ 94,112
B-4		Due from Other Gov'ts	\$ 104,506
B-4		Accounts Receivable	\$ 57,489
B-4		Investments	
CAFR		Current Liabilities	
B-4		Less Accounts Payable	
B-4		Less Accruals	
B-4		Less Due to Other Funds	\$ (355,348)
B-4		Less Deferred Revenue	
		Net Cash Resources	<u>\$ (99,241) (A)</u>

Net Adj. Total Operating Expense:

B-5		Tot. Operating Exp.	1,424,440	
B-5		Less Depreciation	(4,610)	
		Adj. Tot. Oper. Exp.	<u>\$ 1,419,831</u>	(B)

Average Monthly Operating Expense:

	B / 10		<u>\$ 141,983</u>	(C)
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Three times monthly Average:

	3 X C		<u>\$ 425,949</u>	(D)
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TOTAL IN BOX A	\$ (99,241)
LESS TOTAL IN BOX D	\$ 425,949
NET	<u>\$ (525,190)</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

SCHEDULE OF AUDITED ENROLLMENTS

HARRISON TOWN SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2015

	2016-2017 Application for State School Aid						Sample for Verification						Private Schools for Handicapped				
	Reported on A.S.S.A. 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 A.S.S.A. as Private Schools		Sample for Verification	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Private Schools	Verification	Verified	Errors	
Full Day Preschool 3 Years Old																	
Full Day Preschool 4 Years Old	5.0		5.0					2.0	2.0								
Full Day Kindergarten	168.0		168.0					24.0	24.0								
One	166.0		166.0					23.0	23.0								
Two	142.0		142.0					18.0	18.0								
Three	142.0		142.0					17.0	17.0								
Four	123.0		123.0					16.0	16.0								
Five	121.0		121.0					17.0	17.0								
Six	128.0		128.0					15.0	15.0								
Seven	112.0		112.0					17.0	17.0								
Eight	131.0		131.0					16.0	16.0								
Nine	135.0		135.0					20.0	20.0								
Ten	155.0		155.0					21.0	21.0								
Eleven	158.0		158.0					20.0	20.0								
Twelve	151.0		151.0					21.0	21.0								
Sub-Total	<u>1,837.0</u>		<u>1,837.0</u>					<u>247.0</u>	<u>247.0</u>								
Special Ed - Elementary	113.0		113.0					14.0	14.0				18.0	16.0	16.0		
Special Ed - Middle	94.0		94.0					11.0	11.0				11.0	9.0	9.0		
Special Ed - High	83.0		83.0					12.0	12.0				14.0	12.0	12.0		
Sub-Total	<u>290.0</u>		<u>290.0</u>					<u>37.0</u>	<u>37.0</u>				<u>43.0</u>	<u>37.0</u>	<u>37.0</u>		
Totals	<u>2,127.0</u>		<u>2,127.0</u>					<u>284.0</u>	<u>284.0</u>				<u>43.0</u>	<u>37.0</u>	<u>37.0</u>		
Percentage Error																	

SCHEDULE OF AUDITED ENROLLMENTS

HARRISON TOWN SCHOOL DISTRICT
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2015

	Resident Low Income						Sample for Verification						Bilingual Education Low Income			Sample for Verification		
	Free Reported on A.S.S.A. as Low Income	Reduced Reported on A.S.S.A. as Low Income	Free Reported on Workpapers as Low Income	Reduced Reported on Workpapers as Low Income	Free Errors	Reduced Errors	Free Sample Selected from Workpapers	Reduced Sample Selected from Workpapers	Free Verified to Application and Register	Reduced Verified to Application and Register	Free Sample Errors	Reduced Sample Errors	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Full Day Kindergarten	105.0	10.0	105.0	10.0			20.0	9.0	20.0	9.0			28.0	28.0		18.0	18.0	
One	118.0	19.0	118.0	19.0			21.0	14.0	21.0	14.0			11.0	11.0		9.0	9.0	
Two	88.0	19.0	88.0	19.0			15.0	13.0	15.0	13.0			10.0	10.0		8.0	8.0	
Three	98.0	17.0	98.0	17.0			16.0	11.0	16.0	11.0			4.0	4.0		3.0	3.0	
Four	77.0	18.0	77.0	18.0			13.0	11.0	13.0	11.0			11.0	11.0		9.0	9.0	
Five	78.0	12.0	78.0	12.0			14.0	10.0	14.0	10.0			9.0	9.0		3.0	3.0	
Six	82.0	30.0	82.0	30.0			14.0	15.0	14.0	15.0			5.0	5.0		4.0	4.0	
Seven	77.0	11.0	77.0	11.0			14.0	7.0	14.0	7.0			11.0	11.0		8.0	8.0	
Eight	96.0	17.0	96.0	17.0			15.0	11.0	15.0	11.0			13.0	13.0		7.0	7.0	
Nine	87.0	23.0	87.0	23.0			14.0	14.0	14.0	14.0			15.0	15.0		7.0	7.0	
Ten	108.0	23.0	108.0	23.0			22.0	15.0	22.0	15.0			18.0	18.0		9.0	9.0	
Eleven	105.0	35.0	105.0	35.0			22.0	18.0	22.0	18.0			17.0	17.0		9.0	9.0	
Twelve	107.0	24.0	107.0	24.0			24.0	14.0	24.0	14.0			7.0	7.0		4.0	4.0	
Sub-Total	1,226.0	258.0	1,226.0	258.0			224.0	162.0	224.0	162.0			159.0	159.0		98.0	98.0	
Special Ed - Elementary	87.0	10.0	87.0	10.0			15.0	6.0	15.0	6.0			1.0	1.0		1.0	1.0	
Special Ed - Middle	75.0	8.0	75.0	8.0			13.0	4.0	13.0	4.0			1.0	1.0		1.0	1.0	
Special Ed - High	61.0	12.0	61.0	12.0			12.0	7.0	12.0	7.0								
Sub-Total	223.0	30.0	223.0	30.0			40.0	17.0	40.0	17.0			2.0	2.0		2.0	2.0	
Totals	1,449.0	288.0	1,449.0	288.0			264.0	179.0	264.0	179.0			Bilingual Students 161.0	161.0		100.0	100.0	
Percentage Error					-					-					-			

	Transportation			Tested	Verified	Errors	Reported	Recalculated	
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors						
Nonpublic Schools	1.0	1.0		1.0	1.0				
Spec - Special Needs	53.0	53.0		40.0	40.0				
Totals	54.0	54.0		41.0	41.0				
Percentage Error			-						
							Average Mileage - Special Ed with Special Needs	12.7	12.7

SCHEDULE OF AUDITED ENROLLMENTS

HARRISON TOWN SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2015

	<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 NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Test Score and Register</u>	<u>Sample Errors</u>
Full Day Kindergarten	4.0	4.0		3.0	3.0	
One						
Two						
Three	1.0	1.0		1.0	1.0	
Four						
Five						
Six						
Seven	2.0	2.0		2.0	2.0	
Eight						
Nine	1.0	1.0		1.0	1.0	
Ten	2.0	2.0		2.0	2.0	
Eleven						
Twelve	1.0	1.0		1.0	1.0	
Sub-Total	<u>11.0</u>	<u>11.0</u>		<u>10.0</u>	<u>10.0</u>	
Special Ed - Elementary	1.0	1.0		1.0	1.0	
Special Ed - Middle	1.0	1.0		1.0	1.0	
Special Ed - High						
Sub-Total	<u>2.0</u>	<u>2.0</u>		<u>2.0</u>	<u>2.0</u>	
Totals	<u>13.0</u>	<u>13.0</u>		<u>12.0</u>	<u>12.0</u>	
Percentage Error			<u>-</u>			<u>-</u>

**BOARD OF EDUCATION
HARRISON TOWN SCHOOL DISTRICT
COUNTY OF HUDSON
FISCAL YEAR ENDED JUNE 30, 2016**

EXCESS SURPLUS CALCULATION

SCHOOL BASED BUDGET DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2015-16 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>42,730,447.27</u> (A)	
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$ _____ (A1a)	
Transfer from Capital Reserve to Capital Projects Fund	\$ _____ (A1a)	
Less: Expenditures Allocated to Restricted Federal Resources as Reported on Exhibit D-2	\$ _____ (A1b)	
Decreased by:		
On-Behalf TPAF Pension and Social Security	\$ <u>4,372,406.92</u> (A4)	
Assets Acquired Under Capital Leases in Fund 15	\$ _____ (A5)	
 Adjusted 2015-16 General Fund Expenditures	 \$ <u>38,358,040.35</u> (A9)	
 2% of Adjusted 2015-16 General Fund Expenditures [(A9) times .02]	 \$ <u>767,160.81</u> (A10)	
Enter Greater of (A10) or \$250,000	\$ <u>767,160.81</u> (A11)	
Increased by: Allowable Adjustment *	\$ <u>141,097.00</u> (K)	
 Maximum Unassigned Fund Balance [(A11)+(K)]		 \$ <u>908,257.81</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-16 <u>(Per CAFR Budgetary Comparison Schedule C-1)</u>	\$ <u>3,605,966.99</u> (C)	
Decreased by:		
Year ended Encumbrances	\$ <u>86,111.14</u> (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ <u>100,352.31</u> (C2)	
Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>1,016,174.69</u> (C3)	
Other Restricted Fund Balances ****	\$ <u>1.00</u> (C4)	
Assigned - Fund Balance - Designated for Subsequent Year's Expenditures	\$ _____ (C5)	
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		 \$ <u>2,403,327.85</u> (U1)

**BOARD OF EDUCATION
HARRISON TOWN SCHOOL DISTRICT
COUNTY OF HUDSON
FISCAL YEAR ENDED JUNE 30, 2016**

SECTION 3

Restricted Fund Balance - Excess Surplus***[(U2)-(M)] IF NEGATIVE ENTER -0- \$ 1,495,070.04 (E)

Recapitulation of Excess Surplus as of June 30, 2016

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ 1,016,174.69 (C3)
Reserved Excess Surplus***[(E)]	\$ <u>1,495,070.04</u> (E)
Total [(C3) + (E)]	\$ <u>2,511,244.73</u> (D)

* This adjustment line (as detailed below) is to be utilized for Impact Aid, Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10) and Extraordinary Aid, and Additional Nonpublic School Transportation Aid. 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 and Lease-Back	\$		(I)
Extraordinary Aid	\$	141,097.00	(J1)
Additional Nonpublic School Transportation Aid	\$		(J2)
Total Adjustments [(H)+(I)+(J1)+(J2)]	\$	141,097.00	(K)

** This amount represents the June 30, 2016 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 Audit Summary Worksheet Line 90030.

**** Amount for Other Restricted/Reserved Fund Balance must be detailed for each source and request for approval to use amounts other than state imposed legal restrictions in the excess surplus calculation must be submitted to the Assistant Commissioner - Field Services 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	\$	1.00
Maintenance reserve	\$	
Tuition reserve	\$	
Other state/government mandated reserve	\$	
[Other Restricted Fund Balance not noted above] ****	\$	
Total Other Restricted Fund Balance	\$	1.00 (C4)

HARRISON TOWN SCHOOL DISTRICT
ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Encumbrances per the June 30, 2016 Board Secretary's Report \$ 86,111.14

<u>Description</u>	<u>Total by Category</u>	<u>Amount Properly Encumbered</u>	<u>Encumbrances Cancelled Through Audit Adjustments</u>
General Supplies	\$ 8.19	\$ 8.19	\$
Non-Instructional Supplies	76.75	76.75	
Purchased Technical Services	24,957.82	24,957.82	
Tuition	40,611.74	40,611.74	
Other Contracted Services	1,640.00	1,640.00	
Other Objects	408.40	408.40	
Operations of Plant	2,976.36	2,976.36	
Transportation	14,928.28	14,928.28	
Fringe Benefits	503.60	503.60	
	<u>86,111.14</u>	<u>86,111.14</u>	<u>-</u>
Total Encumbrances Cancelled During the Audit			<u>-</u>
Fund Balance Reserved for Encumbrances in the CAFR			<u>\$ 86,111.14</u>

