

**MOUNT EPHRAIM SCHOOL DISTRICT**

Mount Ephraim, New Jersey  
County of Camden

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

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

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**REPORT OF INDEPENDENT AUDITORS -  
AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS, FINANCIAL COMPLIANCE AND PERFORMANCE**

Honorable President and Members  
of the Board of Education  
Mount Ephraim School District  
County of Camden  
Mount Ephraim, New Jersey 08059

We have audited, in accordance with generally accepted audit standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the general purpose financial statements of the Board of Education of the Mount Ephraim School District in the County of Camden for the year ended June 30, 2016, and have issued our report thereon dated September 29, 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 Mount Ephraim School District management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia  
Certified Public Accountant  
Public School Accountant, No. 1011

Medford, New Jersey  
September 29, 2016

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Honorable President and Members  
of the Board of Education  
Mount Ephraim School District  
County of Camden  
Mount Ephraim, New Jersey 08059

**ADMINISTRATIVE FINDINGS  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

**Scope of Audit**

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

**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**

<b>Name</b>	<b>Position</b>	<b>Amount</b>
William Gerson	Business Administrator/Board Secretary	\$ 70,000
Mary Bakey	Treasurer	186,000

**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 made a proper adjustment to the billings to sending districts for the decrease in per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f)3.

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

### **Finding 2016-001:\***

During our audit of Capital Assets it was noted that the School District is not properly recording additions and deletions during the year. In addition the School District is not properly recording annual depreciation.

### **Recommendation:**

That the District implements internal controls to ensure Capital Asset additions, deletions and depreciation is recorded correctly in their system.

### **Finding 2016-002:**

During our audit of the Latchkey Program it was noted that there is a lack of controls surrounding the billing and receiving of funds for student tuition.

### **Recommendation:**

That the District implements internal controls to ensure that Latchkey Program revenue is properly accounted for.

### **Finding 2016-003:**

During our audit of the Scholarship and Flexible Spending accounts it was noted that bank reconciliations are not being performed on these accounts.

### **Recommendation:**

That the District reconcile all bank accounts on a monthly basis.

## **Examination of Claims**

An examination of claims paid during the period under review indicated that the vouchers were in satisfactory condition.

## **Payroll Account**

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

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

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



## **Employee Position Control Roster**

An inquiry and subsequent review of the Position Control Roster found no inconsistencies between the payroll records, employee benefit, the general ledger accounts to where wages are posted (administrative versus instruction), and the Position Control Roster with exception of the following:

### **Finding 2016-004: (CAFR Finding 2016-002)**

During our audit of the Payroll Agency Fund it was noted that two eligible employees were not properly enrolled in the State Pension system.

#### **Recommendation:**

That the District implements internal controls to reconcile eligible pension employees to the pension system.

## **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.

## **Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with N.J.A.C.6A:23-1.2 as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. As a result of the procedures performed, a transaction error rate of 0% was noted 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 were found to be in satisfactory condition.

## **Treasurer's Records**

The records maintained by the treasurer were found to be in satisfactory condition.

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

The E.S.E.A./N.C.L.B. 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, II, IV, and VI of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. indicated no areas of noncompliance.

## **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 tests of compliance for the major federal and state programs selected did not indicate any areas of noncompliance.

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.

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

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

### **T.P.A.F. Reimbursement to the State for Federal Salary Expenditures**

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 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.

## **School Purchasing Programs**

### **Contracts and Agreements Requiring Advertisement for Bids**

*N.J.S.A.18A:18A-1* et seq. (Public School Contracts Law), the associated rules and related information on the statute, and school contracts in general is available on the website:

<http://www.state.nj.us/dca/divisions/dlgs/programs/lpcl.html>.

Current statute is posted on the New Jersey Legislature website at:

[http://lis.njleg.state.nj.us/cgi-bin/om\\_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headingswithhits=on&infobase=statutes.nfo&softpage=TOC Frame Pg42](http://lis.njleg.state.nj.us/cgi-bin/om_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headingswithhits=on&infobase=statutes.nfo&softpage=TOC Frame Pg42)

*N.J.S.A.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 therefore, except that the board of education may adopt a resolution to set a lower threshold for the receipts of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. (pending before the Legislature as section 15 of this bill) of section 9 of P.L. 1971, c.198 (C.40A:119) the board of education may establish that the bid threshold may be up to

### **School Purchasing Program (continued):**

\$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 the index rate as that term is defined in N.J.S.18A:18A-2 (pending before the Legislature as section 50 of this bill), 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 on July 1 of the year in which it is made.”

*N.J.S.A.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 advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or calculated by the Governor pursuant to *N.J.S.A.18A:18A-3* except by contract or agreement.”

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 for 2015-16. The Mount Ephraim School District does not currently have a Qualified Purchasing Agent.

The district Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year (contract year for July 1, 2015 and thereafter). 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*.

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 school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the SFA had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

The school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

## **School Food Service (continued)**

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

## **Student Body Activities**

During our review of student activity fund, the following item was noted:

### **Finding 2016-005:\***

During our audit of the Student Body Activities fund it was noted that student funds were not being deposited in a timely manner.

### **Recommendation:**

That the District implements internal controls to ensure timely deposit of student funds.

## **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 without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed state forms or their equivalent. The District has adequate written procedures for the recording of student enrollment data.

## **Pupil Transportation**

Our audit procedures included a test of On Roll status reported in the 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 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.

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

In accordance with government auditing standards, our procedures included a review of all prior year findings. The previous year audit findings have been corrected with exception to Findings 2016-001 & 2016-005.

## **Review of OFAC 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.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia  
Certified Public Accountant  
Public School Accountant, No. 1011

Medford, New Jersey  
September 29, 2016

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**ADDITIONAL INFORMATION**

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SCHEDULE OF AUDITED ENROLLMENTS (1)

MOUNT EPHRAIM SCHOOL DISTRICT  
 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 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 Verification	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared			
Half Day Kindergarten	15	-	15	-	-	-	10	10	-	-	-	-	-	-	-
Full Day Kindergarten	55	-	55	-	25	-	25	25	-	-	-	-	-	-	-
One	43	-	43	-	-	-	25	25	-	-	-	-	-	-	-
Two	53	-	53	-	-	-	25	25	-	-	-	-	-	-	-
Three	34	-	34	-	-	-	25	25	-	-	-	-	-	-	-
Four	26	-	26	-	-	-	15	15	-	-	-	-	-	-	-
Five	31	-	31	-	-	-	10	10	-	-	-	-	-	-	-
Six	43	-	43	-	-	-	22	22	-	-	-	-	-	-	-
Seven	27	-	27	-	-	-	10	10	-	-	-	-	-	-	-
Eight	36	-	36	-	-	-	10	10	-	-	-	-	-	-	-
Subtotal	363	-	363	-	-	-	177	177	-	-	-	-	-	-	-
Special Ed - Elementary	38	-	38	-	-	-	10	10	-	-	-	-	1	1	1
Special Ed - Middle School	33	-	33	-	-	-	10	10	-	-	-	-	2	2	2
Subtotal	71	-	71	-	-	-	20	20	-	-	-	-	3	3	3
Totals	434	-	434	-	-	-	197	197	-	-	-	-	3	3	3
Percentage Error	-														

SCHEDULE OF AUDITED ENROLLMENTS (2)

MOUNT EPHRAIM SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015

	Resident Low Income			Resident LEP Low Income			Sample for Verification			Sample for Verification		
	Reported on A.S.S.A. as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Reported on A.S.S.A. as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Test Score & Register	Sample Errors	Sample Selected from Workpapers	Test Score and Register	Sample Errors
Full Day Kindergarten	17	17	-	-	-	-	10	10	-	-	-	-
One	14	14	-	-	-	-	10	10	-	-	-	-
Two	20	20	-	-	-	-	10	10	-	-	-	-
Three	11	11	-	-	-	-	10	10	-	-	-	-
Four	14	14	-	-	-	-	10	10	-	-	-	-
Five	12	12	-	-	-	-	10	10	-	-	-	-
Six	16	16	-	-	-	-	10	10	-	-	-	-
Seven	8	8	-	-	-	-	5	5	-	-	-	-
Eight	12	12	-	-	-	-	7	7	-	-	-	-
Subtotal	124	124	-	-	-	-	82	82	-	-	-	-
Special Ed - Elementary	20	20	-	-	-	-	10	10	-	-	-	-
Special Ed - Middle School	21	21	-	-	-	-	10	10	-	-	-	-
Subtotal	41	41	-	-	-	-	20	20	-	-	-	-
Totals	165	165	-	-	-	-	102	102	-	-	-	-

Percentage Error

Transportation

Reported on DRTS by DOE/County	Reported on DRTS by District	Errors	Tested	Verified	Errors
7	7	-	7	7	-
11	11	-	8	8	-
18	18	-	15	15	-

Percentage Error

**SCHEDULE OF AUDITED ENROLLMENTS (3)**

**MOUNT EPHRAIM SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015**

	<b>Resident LEP NOT Low Income</b>			<b>Sample for Verification</b>		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application & Register	Sample Errors
Full Day Kindergarten	-	-	-	-	-	-
One	-	-	-	-	-	-
Two	-	-	-	-	-	-
Three	-	-	-	-	-	-
Four	-	-	-	-	-	-
Five	-	-	-	-	-	-
Six	-	-	-	-	-	-
Seven	-	-	-	-	-	-
Eight	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Special Ed - Elementary	1	1	-	1	1	-
Special Ed - Middle	-	-	-	-	-	-
Subtotal	1	1	-	1	1	-
Totals	1	1	-	1	1	-
Percentage Error						

MOUNT EPHRAM SCHOOL DISTRICT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2016

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2015	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	BALANCE AT JUNE 30, 2016		
										(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	DUE TO GRANTOR
Noncash Assistance: Food Distribution Program	10.555	16161NJ304N1099	N/A	\$ 9,525	7/1/15-6/30/16	\$ -	\$ 9,525	\$ (7,817)	\$ -	\$ -	\$ 1,708	
Cash Assistance: National School Lunch Program	10.555	16161NJ304N1099	N/A	59,450	7/1/15-6/30/16	-	57,346	(59,450)	-	(2,104)	-	
National School Lunch Program	10.555	15151NJ304N1099	N/A	57,473	7/1/14-6/30/15	(4,386)	4,386	-	-	-	-	
Subtotal						(4,386)	61,732	(59,450)	-	(2,104)	-	
National Breakfast Program	10.553	16161NJ304N1099	N/A	15,133	7/1/15-6/30/16	-	14,622	(15,133)	-	(511)	-	
National Breakfast Program	10.553	15151NJ304N1099	N/A	13,614	7/1/14-6/30/15	(1,081)	1,081	-	-	-	-	
Subtotal						(1,081)	15,703	(15,133)	-	(511)	-	
After School Snack Program	10.555	16161NJ304N1099	N/A	1,688	7/1/15-6/30/16	-	1,614	(1,688)	-	(74)	-	
After School Snack Program	10.555	15151NJ304N1099	N/A	1,090	7/1/14-6/30/15	(88)	88	-	-	-	-	
Subtotal						(88)	1,702	(1,688)	-	(74)	-	
Healthy Hungry Kids Act	10.551	16161NJ304N1099	N/A	1,993	7/1/15-6/30/16	-	1,922	(1,993)	-	(71)	-	
Healthy Hungry Kids Act	10.551	15151NJ304N1099	N/A	2,076	7/1/14-6/30/15	(161)	161	-	-	-	-	
Subtotal						(161)	2,083	(1,993)	-	(71)	-	
Total Child Nutrition Cluster						(5,716)	90,745	(86,081)	-	(2,760)	1,708	
Total U.S. Department of Agriculture						(5,716)	90,745	(86,081)	-	(2,760)	1,708	
<b>U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:</b>												
Special Revenue Fund: Title I - Current Year	84.010	S010A150030	NCLB471015	78,763	7/1/15-6/30/16	-	56,814	(78,763)	-	(21,949)	-	
Title I - Prior Year	84.010	S010A140030	NCLB471014	87,202	7/1/14-6/30/15	(36,399)	36,886	(487)	-	-	-	
Subtotal						(36,399)	93,700	(79,250)	-	(21,949)	-	
Title II - A - Current Year	84.367A	S367A150029	NCLB471015	22,495	7/1/15-6/30/16	-	14,110	(22,495)	-	(8,385)	-	
Title II - A - Prior Year	84.367A	S367A140029	NCLB471014	22,968	7/1/14-6/30/15	(10,328)	10,328	-	-	-	-	
Subtotal						(10,328)	24,438	(22,495)	-	(8,385)	-	
Special Education Cluster: I.D.E.A. Part B, Basic Current Year	84.027	H027A150100	FT-3430-15	144,053	7/1/15-6/30/16	-	92,205	(144,053)	-	(51,848)	-	
I.D.E.A. B - Preschool - Current Year	84.173	H173A150114	PS-3430-15	3,738	7/1/15-6/30/16	-	239	(3,556)	-	(3,317)	-	
I.D.E.A. B - Preschool - Prior Year	84.173	H173A140114	PS-3430-14	3,657	7/1/14-6/30/15	(310)	310	-	-	-	-	
Subtotal						(310)	549	(3,556)	-	(3,317)	-	
Total Special Education Cluster						(310)	549	(3,556)	-	(3,317)	-	
Total Special Revenue Fund						(47,037)	210,892	(249,354)	-	(85,499)	-	
<b>General Fund:</b> Medical Assistance Program	93.778	1605NJ5MAP	N/A	24,781	7/1/15-6/30/16	-	24,781	(24,781)	-	-	-	
Total General Fund						-	24,781	(24,781)	-	-	-	
Total U.S. Department of Education						(47,037)	235,673	(274,135)	-	(85,499)	-	
Total Federal Financial Assistance						\$ (52,753)	\$ 326,418	\$ (360,216)	\$ -	\$ (88,259)	\$ 1,708	

**EXCESS SURPLUS CALCULATION**

**REGULAR DISTRICTS**

**SECTION 1**

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

2015-2016 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>10,448,156</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>696,617</u> (B2a)
Assets Acquired Under Capital Leases:	\$ <u>-</u> (B2b)
Adjusted 2015-2016 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ <u><u>9,751,539</u></u> (B3)
2% of adjusted 2015-2016 General Fund Expenditures [(B3) times .02]	\$ <u>195,031</u> (B4)
Enter Greater of (B4) or \$250,000	\$ <u>250,000</u> (B5)
Increased by: Allowable Adjustment *	\$ <u>348</u> (K)
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]	\$ <u><u>250,348</u></u> (M)

**SECTION 2**

Total General Fund - Fund Balances @ 06-30-2016 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>1,000,627</u> (C)
Decreased by:	
Year-End Encumbrances	\$ <u>167,082</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ <u>-</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>89,708</u> (C3)
Other Restricted Fund Balances ****	\$ <u>-</u> (C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ <u>45,367</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ <u><u>698,470</u></u> (U1)

**REGULAR DISTRICTS (continued):**

**SECTION 3**

Restricted Fund Balance - Excess Surplus \*\*\* [(U2)-(M)] IF NEGATIVE ENTER -0- \$ 448,122 (E)

**Recapitulation of excess surplus as of June 30, 2016**

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures \*\* \$ 89,708 (C3)

Restricted Excess Surplus \*\*\* [(E)] \$ 448,122 (E)

Total Excess Surplus [(C3)+(E)] \$ 537,830 (D)

**Footnotes:**

\* Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:

(H) Federal Impact Aid. The passage of P.L. 2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, effective for the year ending June 30, 2015 the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve - General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);

(I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);

(J1) Extraordinary Aid;

(J2) Additional Nonpublic Transportation Aid;

(J3) Recognized current year School Bus Advertising Revenue; and

(J4) 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 Additional Nonpublic School Transportation Aid.

**Detail of Allowable Adjustments**

Impact Aid	\$ <u>-</u> (H)
Sale & Lease-back	\$ <u>-</u> (I)
Extraordinary Aid	\$ <u>-</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>348</u> (J2)
Current Year School Bus Advertising Revenue Recognized	\$ <u>-</u> (J3)
Family Crisis Transportation Aid	\$ <u>-</u> (J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)]	\$ <u>348</u> (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 must agree to Audit Summary Worksheet Line 90030.

\*\*\*\* Amount for Other Restricted 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 Finance and Regulatory Compliance prior to September 30.

**Detail of Other Restricted Fund Balance**

**Statutory Restrictions:**

Approved Unspent Separate Proposal	\$ <u>-</u>
Sale/Lease-Back Reserve	\$ <u>-</u>
Capital Reserve	\$ <u>-</u>
Maintenance Reserve	\$ <u>-</u>
Emergency Reserve	\$ <u>-</u>
Tuition Reserve	\$ <u>-</u>
School Bus Advertising 50% Fuel Offset Reserve - current year	\$ <u>-</u>
School Bus Advertising 50% Fuel Offset Reserve - prior year	\$ <u>-</u>
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ <u>-</u>
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$ <u>-</u>
Other State/Government Mandated Reserve	\$ <u>-</u>
Other Restricted Fund Balance Not Noted Above ****	\$ <u>-</u>
Total Other Restricted Fund Balance	\$ <u>-</u> (C4)