

Auditor's Management Report

for the

*North Hunterdon-Voorhees
Regional High School District*

in the

*County of Hunterdon
New Jersey*

for the

*Fiscal Year Ended
June 30, 2016*

**INDEPENDENT AUDITOR'S MANAGEMENT REPORT OF ADMINISTRATIVE
FINDINGS FINANCIAL AND COMPLIANCE**

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Tax ID Number 22-6002846



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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION REQUIRED BY THE NEW JERSEY DEPARTMENT OF EDUCATION

Honorable President and Members
of the Board of Education
North Hunterdon-Voorhees Regional High School District
County of Hunterdon
Annandale, New Jersey 08801

We have audited, in accordance with U.S. generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the North Hunterdon-Voorhees Regional High School District in the County of Hunterdon for the year ended June 30, 2016, and have issued our report dated December 2, 2016.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information of the North Hunterdon-Voorhees Regional High School District, County of Hunterdon, New Jersey, the New Jersey Department of Education and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 962

December 2, 2016

Independent Auditor’s Management Report of Administrative Findings – Financial and Compliance

SCOPE OF AUDIT

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, the activities of the North Hunterdon-Voorhees Regional High School Board of Education, and the records of the various funds under the auspices of the Board of Education.

ADMINISTRATIVE PRACTICES AND PROCEDURES

Insurance

Insurance coverage was carried in the amounts as detailed in the District’s CAFR (See Exhibit "J-20").

Official Bonds

| <u>NAME</u> | <u>POSITION</u> | <u>AMOUNT OF BONDS</u> |
|-------------------|---|------------------------|
| Steffi-Jo DeCasas | Treasurer of School Monies | \$320,000.00 |
| Susan Press | School Business Administrator/ Board Secretary | 320,000.00 |
| Lynn La Monte | Treasurer/Comptroller | 320,000.00 |
| Blanket Bond | All Employees | 250,000.00 |

Adequacy of insurance coverage is the responsibility of the Board of Education.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. No adjustments were required in accordance with N.J.A.C. 6A:23-3.1(f)3.

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.

Independent Auditor's Management Report of Administrative Findings – Financial and Compliance

FINANCIAL PLANNING, ACCOUNTING AND REPORTING

Payroll Account

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

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

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

Payrolls were delivered to the treasurer of school moneys with a warrant made to her order for the full amount of each payroll.

The balances of funds on deposit in the Payroll Account are analyzed on a monthly basis.

Position Control Roster

The Position Control Roster was reviewed and compared to payroll records, employee benefit records and charges made to the general ledger to ensure proper and consistent financial reporting and that employee benefits are only offered to current employees.

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 without exception.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C.6A:23-2.2(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 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, no errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

The financial records, books of account and minutes of the Board Secretary were maintained in satisfactory condition and an encumbrance system was fully implemented.

**Independent Auditor's Management Report of Administrative
Findings – Financial and Compliance**

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (CONTINUED)

Treasurer's Records

The records maintained by the Treasurer of School Monies were in agreement with the records maintained by the Board Secretary/School Business Administrator.

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

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I and Title IIA of the Elementary and Secondary Education Act as amended and reauthorized.

Other Special Federal and 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.

T.P.A.F. 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(s) 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.

**Independent Auditor's Management Report of Administrative
Findings – Financial and Compliance**

SCHOOL PURCHASING PROGRAMS

Contracts and Agreements Requiring Advertisement for Bids

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 \$29,000.00, 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 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 \$40,000.00. 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.A. 18A:18A2 and shall round the adjustment to the nearest \$1,000.00. 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. 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 N.J.S.A. 18A:18A5 may be awarded for a period not exceeding 12 consecutive months.

N.J.S.A.18A:18A4 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 therefor, except as is provided otherwise in this chapter or specifically by any other law.

The Board of Education may, by resolution approved by the majority of the Board of Education and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the Board of Education finds that it has had negative prior experience with the bidder."

**Independent Auditor's Management Report of Administrative
Findings – Financial and Compliance**

SCHOOL PURCHASING PROGRAMS

Contracts and Agreements Requiring Advertisement for Bids (Continued)

Effective July 1, 2015 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-3(a) are \$40,000.00 (with a Qualified Purchasing Agent) and \$29,000.00 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18:39-3 is currently \$18,800.00.

The Board appointed Susan Press as the Qualified Purchasing and increased the bid threshold of \$40,000.

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 provisions 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:18A5.

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 audit did reveal however, that the District did make purchases under State contracts and cooperative purchasing agreements.

ENTERPRISE FUNDS

School Food Service Funds

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.

**Independent Auditor's Management Report of Administrative
Findings – Financial and Compliance**

ENTERPRISE FUNDS (CONTINUED)

School Food Service Funds (Continued)

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. The financial transactions and statistical records of the School Food Services 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 vouchers were properly computed and timely filed. Meals claimed agreed with the meal count records. No exceptions were noted.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served 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 priced meal policy is uniformly administered throughout the school district. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions were noted.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used. No exceptions were noted.

The cash disbursements records reflected expenditures for program related goods and services. The Board is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34 and 19-1 through 19-4.1. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

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 return an operating profit of at least \$34,815.00. The operating provision has been met.

Net cash resources did not exceed three months average expenditures.

Cash receipts and bank records were reviewed for timely deposit.

Independent Auditor's Management Report of Administrative Findings – Financial and Compliance

ENTERPRISE FUNDS (CONTINUED)

School Food Service Funds (Continued)

National Food Distribution Commodities were received and an inventory was maintained on a first-in, first-out basis. No exceptions were noted.

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

Exhibits reflecting Child Nutrition Program operations are included in Section B of the CAFR.

STUDENT BODY ACTIVITIES

Student Activities/Athletic Funds - All Schools

A cash receipts and disbursement record were maintained in satisfactory condition.

All receipts were promptly deposited in the bank.

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, low-income and bilingual. 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 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.

**Independent Auditor's Management Report of Administrative
Findings – Financial and Compliance**

PUPIL TRANSPORTATION (CONTINUED)

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

FACILITIES AND CAPITAL ASSETS

Our procedures included a review of the SDA grant agreement for consistency with recording SDA revenue, transfer of local funds from the general fund or from the capital reserve account, and awarding of contracts for eligible facilities construction.

FOLLOW-UP ON PRIOR YEAR'S FINDINGS

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

Independent Auditor's Management Report of Administrative Findings – Financial and Compliance

RECOMMENDATIONS

Administrative Practices and Procedures

None

Financial Planning, Accounting and Reporting

None

School Purchasing Program

None

School Food Service

None

Student Body Activities

None

Application for State School Aid

None

Pupil Transportation

None

Facilities and Capital Assets

None

Prior Year's Findings/Recommendations

None

NORTH HUNTERDON-VOORHEES 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 | | | Workpapers | | | Errors | | | Selected from | | | Verified per | | | Errors per | | | A.S.S.A. as | | | |
| | Full | Shared | On Roll | Full | Shared | On Roll | Full | Shared | On Roll | Full | Shared | On Roll | Full | Shared | On Roll | Full | Shared | On Roll | Full | Shared | On Roll | |
| Half Day Preschool -3 Yrs | | | | | | | | | | | | | | | | | | | | | | |
| Half Day Preschool -4 Yrs | | | | | | | | | | | | | | | | | | | | | | |
| Half Day Kindergarten | | | | | | | | | | | | | | | | | | | | | | |
| Full Day Kindergarten | | | | | | | | | | | | | | | | | | | | | | |
| One | | | | | | | | | | | | | | | | | | | | | | |
| Two | | | | | | | | | | | | | | | | | | | | | | |
| Three | | | | | | | | | | | | | | | | | | | | | | |
| Four | | | | | | | | | | | | | | | | | | | | | | |
| Five | | | | | | | | | | | | | | | | | | | | | | |
| Six | | | | | | | | | | | | | | | | | | | | | | |
| Seven | | | | | | | | | | | | | | | | | | | | | | |
| Eight | | | | | | | | | | | | | | | | | | | | | | |
| Nine | | | | | | | | | | | | | | | | | | | | | | |
| Ten | 579 | | | 579 | | | | | | | | 60 | | | | | | | | | | |
| Eleven | 598 | 2 | | 598 | 2 | | | | | | 2 | | | | | | | | | | | |
| Twelve | 537 | 37 | | 537 | 37 | | | | | | 4 | | | | | | | | | | | |
| Post-Graduate | 531 | 56 | | 531 | 56 | | | | | | 4 | | | | | | | | | | | |
| Adult H.S. (15+CR.) | | | | | | | | | | | | | | | | | | | | | | |
| Adult H.S. (1-14 CR.) | | | | | | | | | | | | | | | | | | | | | | |
| Subtotal | 2,245 | 95 | | 2,245 | 95 | | | | | 10 | | 237 | | | | | | | | | | |
| Special Ed - Elementary | | | | | | | | | | | | | | | | | | | | | | |
| Special Ed - Middle School | 394 | 52 | | 394 | 52 | | | | | | 4 | | | | | | | | | | | |
| Special Ed - High School | 394 | 52 | | 394 | 52 | | | | | | 4 | | | | | | | | | | | |
| Subtotal | 2,639 | 147 | | 2,639 | 147 | | | | | | 14 | | 277 | | | | | | | | 13 | 13 |
| Co. Voc. - Regular | | | | | | | | | | | | | | | | | | | | | | |
| Co. Voc. Ft. Post Sec. | | | | | | | | | | | | | | | | | | | | | | |
| Totals | 2,639 | 147 | | 2,639 | 147 | | | | | | 14 | | 277 | | | | | | | | 13 | 13 |
| Percentage Error | | | | | | | | | | | | | | | | | | | | | None | None |

**NORTH HUNTERDON-VOORHEES REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2015**

| | Resident Low Income | | Sample for Verification | | Resident LEP Low Income | | Sample for Verification | |
|-------------------------------|----------------------------------|--------------------------------------|---------------------------------|--------------------------------------|--------------------------------------|--|---------------------------------|-------------------------------------|
| | Reported on A.S.A. as Low Income | Reported on Workpapers as Low Income | Sample Selected from Workpapers | Verified to Application and Register | Reported on A.S.A. as LEP low Income | Reported on Workpapers as 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 | | | | | | | | |
| Two | | | | | | | | |
| Three | | | | | | | | |
| Four | | | | | | | | |
| Five | | | | | | | | |
| Six | | | | | | | | |
| Seven | | | | | | | | |
| Eight | | | | | | | | |
| Nine | 19 | 19 | 14 | 14 | 2 | 2 | 2 | 2 |
| Ten | 17 | 17 | 13 | 13 | | | | |
| Eleven | 16 | 16 | 12 | 12 | | | | |
| Twelve | 12.5 | 12.5 | 10 | 10 | | | | |
| Post-Graduate | | | | | | | | |
| Adult H.S. (15+CR.) | | | | | | | | |
| Adult H.S. (1-14 CR.) | | | | | | | | |
| Subtotal | 64.5 | 64.5 | 49 | 49 | 2 | 2 | 2 | 2 |
| Special Ed - Elementary | | | | | | | | |
| Special Ed - Middle | 24.50 | 24.50 | 18 | 18 | | | | |
| Special Ed - High | 24.50 | 24.50 | 18 | 18 | | | | |
| Subtotal | 49.00 | 49.00 | 36 | 36 | | | | |
| Res. Mental Health Ctr. | | | | | | | | |
| Co. Voc. - Regular | | | | | | | | |
| Co. Voc. Ft. Post Sec. | | | | | | | | |
| Totals | 89.00 | 89.00 | 67 | 67 | 2 | 2 | 2 | 2 |
| Percentage Error | | | None | None | None | None | None | None |
| Transportation | | | | | | | | |
| | Reported on DRTRS by DOE/county | Reported on DRTRS by District | Sample Tested | Verified | Errors | | | |
| Reg. - Public Schools, col. 1 | 1888 | 1888 | 228 | 228 | | | | |
| AIL, col. 3 | 64 | 64 | 8 | 8 | | | | |
| Reg - SpEd, col. 4 | 371.5 | 371.5 | 45 | 45 | | | | |
| Special Ed Spec, col. 6 | 83.5 | 83.5 | 10 | 10 | | | | |
| Totals | 2407 | 2407 | 291 | 291 | | | | |
| Percentage Error | | | | | | | | None |

NORTH HUNTERDON-VORHEES REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2015

| | Resident LEP NOT Low Income | | | Sample for Verification | | |
|-------------------------|--------------------------------------|--|--------|---------------------------------|--------------------------------------|---------------|
| | Reported on A.S.A. as NOT Low Income | Reported on Workpapers as NOT Low Income | Errors | Sample Selected from Workpapers | Verified to Application and Register | Sample Errors |
| Half Day Preschool | | | | | | |
| Full Day Preschool | | | | | | |
| Half Day Kindergarten | | | | | | |
| Full Day Kindergarten | | | | | | |
| One | | | | | | |
| Two | | | | | | |
| Three | | | | | | |
| Four | | | | | | |
| Five | | | | | | |
| Six | | | | | | |
| Seven | | | | | | |
| Eight | | | | | | |
| Nine | | | | | | |
| Ten | | | | | | |
| Eleven | 1 | 1 | | 1 | 1 | |
| Twelve | 1 | 1 | | 1 | 1 | |
| Post-Graduate | | | | | | |
| Adult H.S. (15+CR.) | | | | | | |
| Adult H.S. (1-14 CR.) | | | | | | |
| Subtotal | 2 | 2 | | 2 | 2 | |
| Special Ed - Elementary | | | | | | |
| Special Ed - Middle | | | | | | |
| Special Ed - High | | | | | | |
| Subtotal | | | | | | |
| Co. Voc. - Regular | | | | | | |
| Co. Voc. Ft. Post Sec. | | | | | | |
| Totals | 2 | 2 | | 2 | 2 | |
| Percentage Error | | | None | | | None |

NORTH HUNTERDON-VOORHEES SCHOOL DISTRICT

SCHEDULE OF CALCULATION OF EXCESS SURPLUS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

REGULAR DISTRICT

SECTION 1

2% Calculation of Excess Surplus

2015 - 2016 Total General Fund Expenditures per CAFR Ex. C-1 \$ 55,957,012.88

Decreased by:

| | | |
|--|---------------------|-------------------------|
| On-Behalf TPAF Pension and Social Security | <u>5,251,028.20</u> | |
| Adjusted 2015 - 2016 General Fund Expenditures | | \$ <u>50,705,984.68</u> |

| | | |
|--|--|---------------------|
| 2% of Adjusted 2015 - 2016 General Fund Expenditures | | <u>1,014,119.69</u> |
|--|--|---------------------|

| | | |
|---------------------------------------|--|---------------------|
| Greater of Line Above or \$250,000.00 | | <u>1,014,119.69</u> |
|---------------------------------------|--|---------------------|

| | | |
|------------------------------------|--|------------------|
| Increased by: Allowable Adjustment | | <u>94,693.00</u> |
|------------------------------------|--|------------------|

| | | |
|--|--|-------------------------------|
| Maximum Unreserved/Undesignated Fund Balance | | \$ <u><u>1,108,812.69</u></u> |
|--|--|-------------------------------|

SECTION 2

| | | |
|--|-------------------------|--|
| Total General Fund Balances at June 30, 2016 | <u>\$ 23,184,001.25</u> | |
|--|-------------------------|--|

Decreased by:

| | | |
|-----------------------|---------------------|--|
| Year-End Encumbrances | <u>3,488,461.31</u> | |
|-----------------------|---------------------|--|

| | | |
|--|---------------------|--|
| Legally Restricted - Excess Surplus-Designated for Subsequent Year's Expenditures | <u>7,448,618.00</u> | |
|--|---------------------|--|

| | | |
|--------------------------------|---------------------|--|
| Other Restricted Fund Balances | <u>6,039,811.68</u> | |
|--------------------------------|---------------------|--|

| | | |
|-------------------------------|--|------------------------|
| Total Unassigned Fund Balance | | \$ <u>6,207,110.26</u> |
|-------------------------------|--|------------------------|

SECTION 3

| | | |
|--|--|-------------------------------|
| Restricted Fund Balance-Excess Surplus | | \$ <u><u>5,098,297.57</u></u> |
|--|--|-------------------------------|

Recapitulation of Excess Surplus as of June 30, 2016

| | | |
|---|--|------------------------|
| Reserved Excess Surplus - Designated for Subsequent Year's Expenditures | | \$ <u>7,448,618.00</u> |
|---|--|------------------------|

| | | |
|-------------------------|--|---------------------|
| Reserved Excess Surplus | | <u>5,098,297.57</u> |
|-------------------------|--|---------------------|

| | | |
|-------|--|--------------------------------|
| Total | | \$ <u><u>12,546,915.57</u></u> |
|-------|--|--------------------------------|

Detail of Allowable Adjustments

| | |
|---|---------------------|
| Extraordinary Aid | \$ 63,778.00 |
| Additional Non-Public School Transportation Aid | <u>30,915.00</u> |
| | <u>\$ 94,693.00</u> |

Detail of Other Restricted Fund Balance

| | |
|-------------------------------------|------------------------|
| Statutory Restrictions: | |
| Capital Reserve | \$ 5,174,430.10 |
| Maintenance Reserve | <u>865,381.58</u> |
| Total Other Restricted Fund Balance | <u>\$ 6,039,811.68</u> |

