

BOARD OF EDUCATION
NORTH WARREN REGIONAL SCHOOL DISTRICT
COUNTY OF WARREN
STATE OF NEW JERSEY

REPORT OF ADMINISTRATIVE FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE

June 30, 2016

**AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS-
FINANCIAL, COMPLIANCE AND PERFORMANCE**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1
Scope of Audit	2
Administrative Practices and Procedures	
Insurance	2
Official Bonds	2
Tuition Charges	N/A
Financial Planning, Accounting and Reporting	
Examination of Claims	2
Payroll Account and Position Control Roster	2
Reserve for Encumbrances and Accounts Payable	3
Obligations of federal grant awards and requests for reimbursement of expenditures against those federal grant awards	3
Classification of Expenditures	3
Board Secretary's Records	3
Treasurer's Records	3
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	3
Other Special Federal and/or State Projects	3
T.P.A.F. Reimbursement	3
DEPA Accounting	N/A
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids	4-5
School Food Service	5
Student Body Activities	6
Susperintendent's Account	6
Application for State School Aid	6
Pupil Transportation	6
Follow-up on Prior Year Findings	7
Recommendations	7
Acknowledgment	7
Schedule of Net Cash Resources	N/A
Schedule of Meal Count Activity	N/A
Schedule of Audited Enrollments	8-9
Schedule of Federal Awards	10
Schedule of State Financial Assistance	11
Schedule of Excess Surplus	12-13



ARDITO & Co., LLP

1110 Harrison Street, Suite C
Frenchtown, New Jersey 08825-1192
908-996-4711 Fax: 908-996-4688
e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA
Douglas R. Williams, CPA, RMA, PSA

REPORT OF INDEPENDENT AUDITORS

Honorable President and
Members of the Board of Education
North Warren Regional School District
County of Warren, New Jersey

We have audited, in accordance with generally accepted audit standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the North Warren Regional School District in the County of Warren for the year ended June 30, 2016, and have issued our report thereon dated November 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 North Warren Regional School District 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.

A handwritten signature in black ink, appearing to read 'Anthony Ardito'.

Date: November 29, 2016

Licensed Public School Accountant No. 2369
ARDITO & CO., LLP

ADMINISTRATIVE FINDINGS-FINANCIAL, COMPLIANCE AND PERFORMANCE

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the Treasurer of School Moneys, the activities of the Board of Education, 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 on Exhibit J-20, Insurance Schedule contained in the district's CAFR.

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Chris Heagele	Board Secretary/School Business Administrator	\$180,000
Randy Wilson	Treasurer	\$200,000

There is Public Employees' Faithful Performance Blanket Position Bond with the Selective Insurance Company covering all other employees with coverage of \$400,000.

Financial Planning, Accounting and Reporting

Examination of Claims

The State purchase order system is fully operational in that purchase orders are issued for the financial transactions of the Board.

An examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account

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

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

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

The Board, at present, processes the payroll through an approved off-site computer system.

Reserve for Encumbrances 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:23-16.2f 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, no transaction error rate was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's/Treasurer's Records

The financial records, books of accounts and minutes maintained by the Secretary were in excellent condition.

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

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./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 Title I and VI of the Elementary and Secondary Education Act, as amended.

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Schedule A and Schedule B located on pages 10 and 11 of this report.

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 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 school project 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 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

Effective April 17, 2000, *N.J.S.A.* 18A:18A (Public School Contracts Law) was revised by P.L.1999,c.440 (originally known as Assembly Bill No. 3519). Rules and regulations pertaining to the amended law are to be promulgated by the Division of Local Government Services, with consultation from the Commissioner of Education.

N.J.S.A. 18A:18A-3 is amended to read as follows:

- a. When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in the 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 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:11-9) the board of education may establish that the bid threshold may be up to \$36,000. 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.

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.18A:18A-5 may be awarded for a period not exceeding 12 consecutive months.

N.J.S.A. 18A:18A-4 (as amended) states, "Every contract or agreement 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.

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 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.

Within the state budgeting structure and general ledger accounting system, payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies are not accumulated by category type. As such, 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.8A:18A-4.

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

Within the state budgeting structure and general ledger accounting system, payments are not accumulated for 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:

- General Teaching/School Supplies
- Custodial and Maintenance Supplies
- Office Supplies and Equipment
- Computer Equipment and Accessories
- School and Office Furnishings and Furniture
- Athletic Supplies and Equipment

School Food Service

The financial transactions and statistical records of the school food services 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 review process the Edit Check Worksheet was completed. Reimbursement vouchers were properly computed and filed timely. No exceptions noted.

Cash receipts and bank records were reviewed for timely deposit.

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.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications and/or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review.

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 non-profit status of the school food service. Net cash resources did not exceed three months average expenditures.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education. No exceptions were noted.

USDA Food Distribution commodities were received and a separate inventory was maintained on a first-in, first-out basis. No exceptions noted.

The school district 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 the section entitled Enterprise Funds, Section G of the CAFR.

Student Body Activities

A cash receipts and disbursements records were maintained in good condition.

All receipts appear to be promptly deposited in the bank.

Payment authorizations, invoices and other supporting data were presented and available for audit.

Application for State School Aid

Our audit procedures included a test of the 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 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 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. 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 recommendations. Action had been taken on all prior year findings.

Recommendations

None

Acknowledgement

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.

NORTH WARREN REGIONAL SCHOOL DISTRICT
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2015

	<u>2016-2017 Application for State School Aid</u>						<u>Sample for Verification</u>				<u>On Roll-Related Services</u>			<u>Private Schools for Handicapped</u>				<u>Private Schools-Related Services</u>					
	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		Sample for Verification	Sample Verified	Sample Errors	Reported on A.S.S.A. as Private School	Sample for Verification	Sample Verified	Sample Errors	Sample for Verification	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared											
Seven	114		138					35		35													
Eight	141		121					31		31													
Nine	112		131					33		33													
Ten	132		134					34		34													
Eleven	143		127					32		32													
Twelve	131		139					35		35													
Subtotal	773	0	790	0	0	0	200	0	200	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sp. Ed. - Middle	37		38				10		10						1		1	1					
Sp. Ed. - High School	82		84				21		21						7		7	7					
Subtotal	119	0	122	0	0	0	31	0	31	0	0	0	0	0	8	0	8	8	0	0	0	0	0
Totals	892	0	912	0	0	0	232	0	232	0	0	0	0	0	8	0	8	8	0	0	0	0	0
Percentage Error					<u>0.00%</u>	<u>0.00%</u>				<u>0.00%</u>	<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>					<u>0.00%</u>	<u>0.00%</u>

NORTH WARREN REGIONAL SCHOOL DISTRICT
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2015

	<u>Low Income</u>			<u>Sample for Verification</u>			<u>Bilingual Education</u>			<u>Sample for Verification</u>		
	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as Bilingual Education	Reported on Workpapers as Bilingual Education	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Seven	8	8		8	8		Bilingual Students	0	0	0	0	0
Eight	11	11		11	11							
Nine	7	7		7	7		Percentage Error			0.00%		0.00%
Ten	11	11		11	11							
Eleven	11	11		11	11							
Twelve	7	7		7	7							
Sp. Ed. - Middle	9	9		9	9							
Sp. Ed. - High School	13	13		13	13							
Totals	77	77	0	77	77	0						
Percentage Error			0.00%			0.00%						

	<u>Transportation</u>					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg.-Public Schools	684	684		217	217	
Transported-Non-Public	28	28		9	9	
Special Needs-Public	21	21		6	6	
Totals	733	733	0	232	232	0
Percentage Error					0.00%	

NORTH WARREN REGIONAL SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2016

Schedule A

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA No.	FAIN Number	Program or Award Amount	Grant Period		Balance At June 30, 2015	Carryover/ Walkover Amount	Cash Received	Budgetary Expend.	Adjust.	Repayment of Prior Years' Balances	Balance at June 30, 2016			Cumulative Total Expenditures
				From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Education															
Passed-through State															
Department of Education:															
Special Revenue Fund:															
I.D.E.A. Part B, Basic Regular Special Education Cluster	84.027	H027A150100	\$256,258	7/1/15	6/30/16			\$ 256,258	\$ (256,258)						\$ 256,258
						-	-	256,258	(256,258)	-	-	-	-	-	256,258
Passed-through State															
Department of Education:															
Other LEA:															
Title I	84.010	S010A150030	57,503	7/1/15	6/30/16			57,503	(57,503)						57,503
Title I	84.010	S010A150030	43,854	7/1/14	6/30/15	\$ (8,211)		8,211							43,854
Title II Part A	84.367	S367B150027	19,129	7/1/15	6/30/16			19,129	(19,129)						19,129
Title II Part A	84.367	S367B150027	19,381	7/1/14	6/30/15	(19,381)		19,381							19,381
No Child Left Behind						(27,592)	-	104,224	(76,632)	-	-	-	-	-	139,867
Perkins IV - Career and Technical Ed.-Federal Total Perkins Grant	84.048	V048A140030	8,355	7/1/15	6/30/16				(8,355)		\$ (8,355)				8,355
						-	-	-	(8,355)	-	-	(8,355)	-	-	8,355
Total Special Revenue Fund						(27,592)	-	360,482	(341,245)	-	-	(8,355)	-	-	404,480
U.S.Dept.of Agricul.Passed-Through															
Passed Through State Dept. of Ed.															
Enterprise Fund:															
Child Nutrition Cluster:															
National School Lunch Program (Food Distribution)	10.555	1616NJ304N1099		7/1/14	6/30/15	4,139			(4,139)						4,139
National School Lunch Program (Food Distribution)	10.555	1616NJ304N1099	8,836	7/1/15	6/30/16			8,836	(4,556)				4,280		4,556
National School Lunch Program	10.555	1616NJ304N1099	40,401	7/1/14	6/30/15	(2,241)		2,241							40,401
National School Lunch Program	10.555	1616NJ304N1099	38,082	7/1/15	6/30/16			31,490	(38,082)			(6,592)			38,082
Total Enterprise Fund						1,898		42,567	(46,777)			(6,592)	4,280		87,178
Total Federal Financial Awards						\$ (25,694)	-	\$ 403,049	\$ (388,022)	-	-	\$ (14,947)	\$ 4,280	-	\$ 491,658

Note: This Schedule was not subject to an audit in accordance with OMB Uniform Guidance.

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

NORTH WARREN REGIONAL SCHOOL DISTRICT

Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2016

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2015	CARRY- OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2016			MEMO				
										(ACCTS. RECEIV.)	DEFER. REVENUE/ INTERFUND PAYABLE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.			
State Department of Education:													*				
General Fund:													*				
Equalization Aid	16-495-034-5120-078	7/1/15-6/30/16	\$ 4,073,680			\$ 4,073,680	\$ (4,073,680)							\$	392,971	\$	4,073,680
Transportion Aid	16-495-034-5120-014	7/1/15-6/30/16	129,381			129,381	(129,381)							*	12,481		129,381
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	607,635			607,635	(607,635)							*	58,616		607,635
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	79,019			79,019	(79,019)							*	7,623		79,019
Adjustment Aid	16-495-034-5120-085	7/1/15-6/30/16	66,201			66,201	(66,201)							*	6,386		66,201
School Choice Aid	16-495-034-5120-068	7/1/15-6/30/16	20,110			20,110	(20,110)							*	1,940		20,110
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	9,650			9,650	(9,650)							*	931		9,650
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	9,650			9,650	(9,650)							*	931		9,650
Extra-Ordinary Aid	16-495-034-5120-044	7/1/15-6/30/16	184,219					(184,219)		\$ (184,219)				*			184,219
Extra-Ordinary Aid	15-495-034-5120-044	7/1/14-6/30/15	200,781	\$ (200,781)		200,781								*			
Non-Public Transportation Aid	16-100-034-5120-068	7/1/15-6/30/16	9,517				(9,517)				(9,517)			*			9,517
Non-Public Transportation Aid	15-100-034-5120-068	7/1/14-6/30/15	9,104	(9,104)		9,104								*			-
On-behalf TPAF Pension	16-495-034-5094-002	7/1/15-6/30/16	558,072			558,072	(558,072)							*			558,072
On-behalf TPAF Pension PMR	16-495-034-5094-001	7/1/15-6/30/16	697,612			697,612	(697,612)							*			697,612
On-Behalf TPAF Pension Non-Contrib Ins	16-495-034-5094-004	7/1/15-6/30/16	27,800			27,800	(27,800)							*			27,800
Reimb.TPAF Soc.Sec.Contrib.	16-495-034-5094-003	7/1/15-6/30/16	496,027	(21,064)		517,091	(496,027)							*			496,027
Total General Fund				(230,949)		7,005,786	(6,968,573)				(193,736)			*	481,879		6,968,573
State Department of Agriculture:													*				
Enterprise Fund:													*				
Nat. School Lunch Prog. (State Share)	16-100-010-3350-023	7/1/15-6/30/16	1,661			1,378	(1,661)				(283)			*			1,661
Nat. School Lunch Prog. (State Share)	15-100-010-3350-023	7/1/14-6/30/15	1,824	(100)		100								*			1,824
Total Enterprise Fund				(100)		1,478	(1,661)				(283)			*			3,485
Total State Financial Assistance				\$ (231,049)		\$ 7,007,264	\$ (6,970,234)				\$ (194,019)			*	\$ 481,879		\$ 6,972,058

Less: On-behalf TPAF Pension Amounts 1,283,484

Total State Expenditures Subject to Major Program Determination \$ (5,686,750)

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

NORTH WARREN REGIONAL SCHOOL DISTRICT

ANALYSIS OF EXCESS GENERAL FUND FREE BALANCE

June 30, 2016

THE CALCULATION OF THE 2% EXCESS AT JUNE 30, 2016 IS AS FOLLOWS :

	2015-2016 GENERAL FUND EXPENDITURES (per the CAFR, Exhibit C-1)			
B	TOTAL	\$	17,761,869	
	INCREASED BY:			
B1a	TRANSFER TO FOOD SERVICE FUND			
B1b	TRANSFER FROM CAPITAL OUTLAY TO CAPITAL PROJECTS FUND			
B1c	TRANSFER FROM CAPITAL RESERVE TO CAPITAL PROJECTS FUND			
	DECREASED BY:			
B2a	ON-BEHALF TPAF PENSION/PRM & SOCIAL SECURITY		(1,779,511)	
B2b	ASSETS ACQUIRED UNDER CAPITAL LEASES			
B2c	ADJUSTMENT FOR DISALLOWED EXPENDITURES PER S1701		<u>-</u>	
B3	ADJUSTED 2015-2016 GENERAL FUND EXPENDITURES		<u>\$ 15,982,358</u>	
B4	GREATER OF .02 OF EXPENDITURES OR \$250,000	\$	319,647	
K	INCREASED BY: ALLOWABLE ADJUSTMENT		<u>193,736</u>	
M	MAXIMUM UNRESERVED/UNDESIGNATED FUND BALANCE		3.21%	\$ 513,383
C	GENERAL FUND FUND BALANCE AT 6-30-2016 (per CAFR Budgetary Schedule C-1)	\$	708,021	
	DECREASED BY:			
C1	YEAR END ENCUMBRANCES		(58,468)	
C2	LEGALLY RESTRICTED - DESIGNATED FOR SUBSEQUENT YEARS' EXPENDITURES			
C3	LEGALLY RESTRICTED - EXCESS SURPLUS - DESIGNATED FOR SUBSEQUENT YEARS' EXPENDITURES			
C4	OTHER RESERVED FUND BALANCES		(52,392)	
C5	ASSIGNED FUND BALANCE - UNRESERVED - DESIGNATED FOR SUBSEQUENT YEARS' EXPENDITURES		<u>(53,474)</u>	
U1	TOTAL UNASSIGNED FUND BALANCE		3.40%	543,687
C6	INCREASED BY: ADJUSTMENT FOR DISALLOWED EXPENDITURES			<u>-</u>
U2	TOTAL UNRESERVED/UNDESIGNATED FUND BALANCE FOR EXCESS SURPLUS CALC.			<u>543,687</u>
E	RESERVED - EXCESS SURPLUS			<u>\$ 30,304</u>
	(IF NEGATIVE, NO ADDITIONAL RESERVED AMOUNT)			

NORTH WARREN REGIONAL SCHOOL DISTRICT
ANALYSIS OF EXCESS GENERAL FUND FREE BALANCE
June 30, 2016

RECAPITULATION OF EXCESS SURPLUS AS OF JUNE 30, 2016

C3	RESERVED EXCESS SURPLUS - DESIGNATED FOR SUBSEQUENT YEARS' EXPEND.	-
E	RESERVED EXCESS SURPLUS	30,304
	TOTAL	<u>30,304</u>

DETAIL OF ALLOWABLE ADJUSTMENTS:

H	IMPACT AID	
I	SALE & LEASE-BACK	
J1	EXTRAORDINARY AID	\$ 184,219
J2	ADDITIONAL NON-PUBLIC SCHOOL TRANSPORTATION AID	<u>9,517</u>
K	TOTAL ADJUSTMENTS	<u>193,736</u>

DETAIL OF OTHER RESTRICTED FUND BALANCE:

STATUTORY RESTRICTIONS:

	APPROVED UNSPENT SEPARATE PROSAL	
	CAPITAL OUTLAY FOR A DISTRICT WITH A CAPITAL OUTLAY SGLA	
	SALE/LEASE-BACK RESERVE	
	CAPITAL RESERVE	\$ 46,547
	MAINTENANCE RESERVE	5,845
	TUITION RESERVE	
	OTHER STATE/GOV'T MANDATED RESERVES	
	OTHER RESERVES FUND BALANCE NOT NOTED ABOVE	-
C-4	TOTAL OTHER RESTRICTED FUND BALANCE	<u>\$ 52,392</u>