

**BOARD OF EDUCATION OF THE
BOROUGH OF PINE HILL SCHOOL DISTRICT
COUNTY OF CAMDEN**

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

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2016**



BOROUGH OF PINE HILL SCHOOL DISTRICT
Auditor's Management Report on Administrative
Findings - Financial, Compliance and Performance

Table of Contents

	<u>Page</u>
Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance	1
Scope of Audit	2
Administrative Practices and Procedures	2
Insurance	2
Official Bonds	2
Tuition Charges	2
Financial Planning, Accounting, and Reporting	2
Examination of Claims	2
Payroll Account	2
Employee Position Control Roster	3
Encumbrances and Accounts Payable	3
Travel	3
Classification of Expenditures	3
• General Classifications	3
• Administrative Classifications	3
Board Secretary's Records	3
Treasurer's Records	3
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 (N.C.L.B.) of 2001	3
Other Special Federal and / or State Projects	3
T.P.A.F. Reimbursement	4
TRAF Reimbursement to the State for Federal Salary Expenditures	4
School Purchasing Programs	4
Contracts and Agreements Requiring Advertisement for Bids	4
School Food Service	5
Student Body Activities	5
Application for State School Aid	6
Pupil Transportation	6
Facilities and Capital Assets	6
Miscellaneous	6
Continuing Disclosure Agreements	6
Follow-up on Prior Year Findings	6
Acknowledgment	7
Schedule of Meal Count Activity	8
Schedule of Net Cash Resources	9
Schedule of Audited Enrollments	10
Excess Surplus Calculation	13

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

The Honorable President and
Members of the Board of Education
Pine Hill Borough School District
County of Camden, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Borough of Pine Hill School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2016, which were separately issued in the Comprehensive Annual Financial Report dated November 28, 2016.

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

This report is issued in conjunction with the Comprehensive Annual Financial Report of the Board of Education of the Borough of Pine Hill School District, for the fiscal year ended June 30, 2016, and is intended for the information of the School District's management and the Division of Administration and Finance, Department of Education, State of New Jersey and should not be used by anyone other than these specified parties.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M. DiGangi

Daniel M. DiGangi
Certified Public Accountant
Public School Accountant No. CS 002376

Voorhees, New Jersey
November 28, 2016

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, 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 School District's Comprehensive Annual Financial Report ("CAFR").

Official Bonds (N.J.S.A. 18A: 17-26, 18A:17-32, 18A:13-13)

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Deborah Piccirillo	Board Secretary / School Business Administrator	\$105,000.00
Thomas Cardis	Treasurer	250,000.00

There is a Public Employees' Faithful Performance Blanket Position Bond with the School Alliance Insurance Fund covering all other employees with \$500,000.00 of coverage per loss.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The School District 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

Examination of Claims

Sampled claims paid during the fiscal year under audit did not indicate any reportable noncompliance with respect to signatures, certification, or supporting documentation.

Payroll Account

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

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

Sampled salary withholdings were promptly remitted to the proper agencies, including health benefit premium withholdings due to the General Fund.

Sampled payrolls were delivered to the Board Secretary who then deposited warrants in separate bank accounts for net payroll and withholdings.

FINANCIAL PLANNING, ACCOUNTING, AND REPORTING (CONT'D)

Employee Position Control Roster

A sample of the Employee Position Control Roster indicated that it was in satisfactory condition and was approved by the county office submission with the 2015-2016 budget review checklist.

Encumbrances and Accounts Payable

A sample of outstanding issued purchase orders was made as of June 30 for proper classification of orders as encumbrances and accounts payable. Our sample did not indicate any reportable noncompliance with respect to classification of orders.

Travel

A sample of travel expenditures during the fiscal year under audit did not indicate any reportable noncompliance.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our randomly sampled expenditure transactions. We also tested the coding of expenditures included in our compliance and single audit sampling procedures. In addition, a sample was selected that specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. Our samples did not indicate any reportable noncompliance with respect to classification of expenditures.

Board Secretary's Records

Our audit of the financial and accounting records maintained by the Board Secretary indicated that they were in satisfactory condition.

Treasurer's Records

Our audit of the financial and accounting records maintained by the Treasurer of School Moneys indicated that they were 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 (N.C.L.B.) 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 and II of the Elementary and Secondary Education Act as amended and reauthorized.

The audit of compliance for E.S.E.A. did not indicate any reportable noncompliance.

Other Special Federal and / or State Projects

The School District's Other Special Projects were approved as listed on Exhibits K-3 and K-4 located in the CAFR.

Our audit of the federal and state funds on a sample 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 other special projects.

The audit of compliance for Other Special Projects did not indicate any reportable noncompliance.

FINANCIAL PLANNING, ACCOUNTING, AND REPORTING (CONT'D)

T.P.A.F. Reimbursement

Our audit procedures included a sample of the biweekly reimbursements filed with the Department of Education for School District employees who are members of the Teachers' Pension and Annuity Fund. No exceptions were noted.

TPAF Reimbursement to the State for Federal Salary Expenditures

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 inspected 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 the school contracts in general, are available on the following 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

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 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. 18A:39-3 is \$18,800.00 for 2015-16.

The School District's Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

Based on the results of my examination, I did note one contract made for the performance of 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, amended.

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

The following exception was noted in our test of compliance of the Public School Contracts Law:

Finding No. 2016-001

Our audit of compliance with the Local Public Contracts Law revealed that one contract was not bid, two contracts were not awarded in the minutes and two contract awards were not advertised.

Recommendation

That the district ensure compliance with all facets of the regulations set forth in the Local Public Contracts Law.

SCHOOL FOOD SERVICE

The financial transactions and statistical records of the school food service fund were audited. The financial accounts, meal count records, and eligibility applications were tested on a sample basis. No exceptions were noted.

Cash receipts and bank records were sampled for timely deposit. No exceptions were noted.

Expenditures should be separately recorded as food, labor, and other costs. Vendor invoices were sampled and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash 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.

Sampled time sheets were reviewed and labor costs verified. Payroll records were maintained on all sampled school food service employees authorized by the School District. No exceptions were noted.

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 claims were submitted / certified in a timely manner.

Sampled applications for free and reduced price meals were tested 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 inspected for uniform administration throughout the school system. The required verification procedures for free and reduced price applications were completed and available for audit.

USDA Food Distribution Program (food and / or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

The School District 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

Our audit of the financial and accounting records for student activities indicated that they were in satisfactory condition.

APPLICATION FOR STATE SCHOOL AID

Our audit procedures included a sample of information reported in the October 15, 2015 Application for State School Aid (“A.S.S.A.”) for on-roll, private schools for the disabled, low-income and bilingual. We also performed an inspection of the School District procedures related to its completion. The information on the A.S.S.A. was compared to the School 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 School District maintained workpapers on the prescribed State forms or their equivalent.

The School District has adequate written procedures for the recording of student enrollment data.

PUPIL TRANSPORTATION

Our audit procedures included a sample of on-roll status reported in the 2015-2016 District Report of Transported Resident Students (“DRTRS”). The information that was reported 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 sample of transportation related contracts and purchases. Based on our sample, the School District complied with proper bidding procedures and award of contracts. No exceptions were noted in our sample of transportation related purchases of goods and services.

FACILITIES AND CAPITAL ASSETS

Our audit of the financial and accounting records for facilities and capital assets indicated that they were in satisfactory condition.

MISCELLANEOUS

Continuing Disclosure Agreements

The School District complied with its most recent continuing disclosure agreements made in relation to prior year bond issuances.

FOLLOW-UP ON PRIOR YEAR'S FINDINGS

In accordance with Government Auditing Standards, our procedures included a review of all prior year recommendations. Corrective action was not taken on the prior year finding which is repeated in this year's recommendations noted as current year finding number 2016-001.

Finding No. 2015-001

Our audit of compliance with the Local Public Contracts Law revealed that one contract was not bid, three contracts were not awarded in the minutes and three contract awards were not advertised.

There were no Office of Fiscal Accountability and Compliance audit reports issued during the fiscal year ended June 30, 2016.

ACKNOWLEDGMENT

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M DiGangi

Daniel M. DiGangi
Public School Accountant No. CS 002376

BOROUGH OF PINE HILL SCHOOL DISTRICT
 Schedule of Meal Count Activity
 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>Estimated (Over) / Under Claim</u>
National School Lunch (High Rate)	Paid	69,848	3,778	3,778	-	\$ 0.31	-
	Reduced	21,254	1,150	1,150	-	2.69	-
	Free	111,035	6,031	6,031	-	3.09	-
National School Lunch	HHFKA - PB Lunch Only	<u>202,137</u>	<u>10,959</u>	<u>10,959</u>	<u>-</u>	0.06	<u>-</u>
	Total	<u>404,274</u>	<u>21,918</u>	<u>21,918</u>	<u>-</u>		<u>-</u>
School Breakfast (Severe Need Rate)	Paid	12,565	666	666	-	0.29	-
	Reduced	5,656	316	316	-	1.69	-
	Free	<u>51,599</u>	<u>2,819</u>	<u>2,819</u>	<u>-</u>	1.99	<u>-</u>
	Total	<u>69,820</u>	<u>3,801</u>	<u>3,801</u>	<u>-</u>		<u>-</u>
Special Milk	Paid	2,042	104	104	-	0.20	-
	Free	<u>1,914</u>	<u>101</u>	<u>101</u>	<u>-</u>	Average Cost	<u>-</u>
	Total	<u>3,956</u>	<u>205</u>	<u>205</u>	<u>-</u>		<u>-</u>
After School Snack	Free	<u>37,811</u>	<u>1,907</u>	<u>1,907</u>	<u>-</u>	0.84	<u>-</u>
Total Net Underclaim / (Overclaim)							<u><u>-</u></u>

* For "Federal Performance Based Lunch" Healthy Hunger-Free Kids Act of 2010

PINE HILL BOROUGH SCHOOL DISTRICT
 Schedule of Net Cash Resources
 Net Cash Resources Did/Did Not Exceed Three Months of Expenditures
 Proprietary Funds - Food Service Fund
 For the Fiscal Year Ended June 30, 2016

<u>Net Cash Resources:</u>	<u>Food Service B - 4/5</u>	
CAFR	Current Assets	
B-4	Cash & Cash Equivalents	\$ 169,815.05
B-4	Due from Other Governments	20,754.15
B-4	Due from Other Funds	
B-4	Other Accounts Receivable	4,238.91
CAFR	Current Liabilities	
B-4	Less Accounts Payable	
B-4	Less Accruals	
B-4	Less Due to Other Funds	(9,206.84)
B-4	Less Unearned Revenue	(6,714.75)
	Net Cash Resources	<u><u>\$ 178,886.52</u></u> (A)
<u>Net Adjusted Total Operating Expense:</u>		
B-5	Total Operating Expenditures	\$ 986,985.24
B-5	Less Depreciation	(20,867.98)
	Adjusted Total Operating Expense	<u><u>\$ 966,117.26</u></u> (B)
<u>Average Monthly Operating Expense:</u>		
	B / 10	<u><u>\$ 96,611.73</u></u> (C)
<u>Three Times Monthly Average:</u>		
	3 X C	<u><u>\$ 289,835.18</u></u> (D)

TOTAL IN BOX A	\$ 178,886.52
LESS TOTAL IN BOX D	\$ 289,835.18
NET	<u><u>\$ (110,948.66)</u></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.	

BOROUGH OF PINE HILL 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 the Disabled					
	Reported on A.S.S.A. On Roll		Workpapers On Roll		Errors		Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool	50		50				19		19					
Full Day Preschool														
Half Day Kindergarten	135		135				79		79					
Full Day Kindergarten	122		122				55		55					
One	122		122				65		65					
Two	128		128				55		55					
Three	101		101				62		62					
Four	99		99				45		45					
Five	96		96				88		88					
Six	74		74				72		72					
Seven	89		89				87		87					
Eight	144		144				136		136					
Nine	147		147				144		144					
Ten	139		139				135		135					
Eleven	140		140				140		140					
Twelve														
Post-Graduate														
Adult H.S. (15+CR.)														
Adult H.S. (1-14CR.)														
Subtotal	1,586	-	1,586	-	-	-	1,182	-	1,182	-	-	-	-	-
Special Education-Elementary	126		126				8		8				8	8
Special Education-Middle School	60		60				10		10				9	9
Special Education-High School	139		139				23		23				8	8
Subtotal	325	-	325	-	-	-	41	-	41	-	-	-	25	25
Co. Voc. - Regular														
Co. Voc. Ft. Post Sec.														
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	1,911	-	1,911	-	-	-	1,223	-	1,223	-	-	-	28	25
Percentage Error														

BOROUGH OF PINE HILL SCHOOL DISTRICT
 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.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 LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Application, Test Score and Register	Sample Errors
Half Day Preschool	74	74		26	26		1	1		1	1	
Full Day Preschool	73	73		29	29		2	2		2	2	
Half Day Kindergarten	73	73		3	3		1	1		1	1	
Full Day Kindergarten	64	64		2	2							
One	56	56		33	33		1	1		1	1	
Two	56	56		20	20							
Three	38	38		28	28							
Four	37	37		2	2							
Five	42	42		6	6							
Six	51	51		7	7							
Seven	36	36		4	4							
Eight	32	32		8	8		1	1		1	1	
Nine	26	26		39	39							
Ten												
Eleven												
Twelve												
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14CR.)												
Subtotal	658	658	-	207	207	-	6	6	-	6	6	-
Special Education-Elementary	95	95		36	36							
Special Education-Middle School	41	41		32	32							
Special Education-High School	44	44		5	5							
Subtotal	180	180	-	73	73	-	-	-	-	-	-	-
Co. Voc. -Regular												
Co. Voc. Ft. Post Sec.												
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
Totals	838	838	-	280	280	-	6	6	-	6	6	-
Percentage Error												
Transportation												
	Reported on DTRTS by DOE/County	Reported on DTRTS by District	Errors	Tested	Verified	Errors				Reported	Re-Calculated	
Reg. - Public Schools, Col. 1	325	325		101	101					3.7	3.7	
Reg. - SpEd, Col. 4	132	132		41	41					3.7	3.7	
Transported - Non-Public, Col. 2	14	14		5	5					5.1	5.1	
Special Needs, Col. 6	118	118		36	36							
Totals	589	589	-	183	183	-						
Percentage Error												

Reg. Avg. (Mileage) = Regular Including Grade PK students (Part A)
 Reg. Avg. (Mileage) = Regular Excluding Grade PK students (Part B)
 Spec. Avg. (Mileage) = Special Ed. with Special Needs

BOROUGH OF PINE HILL SCHOOL DISTRICT
 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 Test Score and Register	Sample Errors
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten	2	2		2	2	
One						
Two						
Three						
Four						
Five	2	2		2	2	
Six						
Seven						
Eight						
Nine						
Ten						
Eleven						
Twelve						
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14CR.)						
Subtotal	4	4	-	4	4	-
Special Education-Elementary						
Special Education-Middle School	1	1		1	1	
Special Education-High School						
Subtotal	1	1	-	1	1	-
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Subtotal	-	-	-	-	-	-
Totals	5	5	-	5	5	-
Percentage Error			-			-

EXCESS SURPLUS CALCULATION

REGULAR DISTRICT / CHARTER SCHOOL / RENAISSANCE SCHOOL PROJECT

SECTION 1

2% Calculation of Excess Surplus

2015-16 Total General Fund Expenditures Reported on CAFR Exhibit C-1	\$ 34,890,061.10 (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	- (B1a)
Transfer from Capital Reserve to Capital Projects Fund	770,600.00 (B1b)
Transfer from General Fund to SRF for PreK-Regular	- (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	- (B1d)
Decreased by:	
On-Behalf TPAF Pension & Social Security	3,447,641.30 (B2a)
Assets Acquired Under Capital Leases	- (B2b)
Adjusted 2015-16 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ 32,213,019.80 (B3)
2% of Adjusted 2015-16 General Fund Expenditures [(B3) times .02]	\$ 644,261.00 (B4)
Enter Greater of (B4) or \$250,000	644,261.00 (B5)
Increased by: Allowable Adjustment *	68,020.88 (K)
Maximum Unassigned Fund Balance [(B5) + (K)]	\$ 712,281.88 (M)

SECTION 2

Total General Fund - Fund Balances at June 30, 2016 (Per CAFR Budgetary Comparison Schedule, Ex. C-1)	\$ 4,745,020.17 (C)
Decreased by:	
Year-End Encumbrances	1,382,721.35 (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	- (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	- (C3)
Other Restricted Fund Balances ****	1,641,230.68 (C4)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	842,491.29 (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ 878,576.85 (U1)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER -0-	\$ 166,294.97 (E)
---	-------------------

Recapitulation of Excess Surplus as of June 30, 2016

Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	- (C3)
Restricted - Excess Surplus *** [(E)]	\$ 166,294.97 (E)
Total Excess Surplus [(C3)+(E)]	\$ 166,294.97 (D)

EXCESS SURPLUS CALCULATION (CONT'D)

REGULAR DISTRICT / CHARTER SCHOOL / RENAISSANCE SCHOOL PROJECT

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, 2016 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 School Transportation Aid;

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

(J4) Family Crisis Transportation Aid.

Notes to auditor: 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

Federal Impact Aid	-	(H)
Sale & Lease-back	-	(I)
Extraordinary Aid	\$ 59,458.88	(J1)
Additional Nonpublic School Transportation Aid	8,562.00	(J2)
Current Year School Bus Advertising Revenue Recognized	-	(J3)
Family Crisis Transportation Aid	-	(J4)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	 \$ 68,020.88	 (K)

** This amount represents the June 30, 2015 Excess Surplus (C3 above) and must be included in the Audit Summary Line 90031. This amount was to be appropriated in the 2016-2017 general fund budget.

*** Amounts must agree to the June 30, 2016 CAFR and must agree to Audit Summary 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 Administration and Finance prior to September 30.

Detail of Other Restricted Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	-
Sale/lease-back reserve	-
Capital reserve	\$ 40,297.33
Maintenance reserve	1,600,933.35
Emergency reserve	-
Tuition reserve	-
School bus advertising 50% fuel offset reserve - current year	-
School bus advertising 50% fuel offset reserve - prior year	-
Impact Aid General Fund Reserve (Sections 8002 and 8003)	-
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	-
Other state/government mandated reserves	-
 [Other Restricted Fund Balance not noted above]****	 -
 Total Other Restricted Fund Balance	 \$ 1,641,230.68 (C4)

