

**AUDITORS MANAGEMENT REPORT  
ON ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
SCHOOL DISTRICT OF THE  
BOROUGH OF POMPTON LAKES  
COUNTY OF PASSAIC, NEW JERSEY  
JUNE 30, 2016**

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

**SCHOOL DISTRICT OF THE BOROUGH OF POMPTON LAKES**  
**COUNTY OF PASSAIC, NEW JERSEY**

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## REPORT OF INDEPENDENT AUDITORS

Honorable President and  
Members of the Board of Education  
Borough of Pompton Lakes School District  
County of Passaic, 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 Pompton Lakes School District in the County of Passaic for the year ended June 30, 2016, and have issued our report thereon dated October 28, 2016.

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

This report is intended for the information of the Borough of Pompton Lakes 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.

*James Cerullo*

James Cerullo, C.P.A.  
Licensed Public School Accountant  
No. 881

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FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

October 28, 2016

**ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING**

**Scope of Audit**

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

**Administrative Practices and Procedures**

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the district's CAFR.

Officials Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Nancy M. Ciavaglia	Board Secretary/School Business Administrator	\$235,000.00
Herbert Diamond	Treasurer	\$235,000.00

There is a Public Employees' Faithful Performance Blanket Position Bond covering all other employees with multiple coverage of \$500,000.00.

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-3.1(f)3.

**Financial Planning, Accounting and Reporting**

Examination of Claims

An examination of claims paid during the period under review did not reveal any material discrepancies with respect to each of signature, certification or proper 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.

## **Financial Planning, Accounting and Reporting, (continued)**

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

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding to the General Fund.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents, and business administrator) to the NJ Department of Treasury was filed by the March 15 due date.

Reporting of employee compensation for income tax related purposes did comply with federal and state regulations regarding the compensation which is required to be reported.

**Finding 2016-01:** In one instance, an employee eligible to be enrolled in the DCRP was not enrolled.

**Recommendation:** That all eligible employees be enrolled in the DCRP.

**Finding 2016-02:** In some instances, the employee share of health benefits was calculated incorrectly or not being deducted from employee's pay at all.

**Recommendation:** That the correct amount for the employee's share of health benefit costs be deducted from the employee's pay.

### **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 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.

## **Financial Planning, Accounting and Reporting, (continued)**

### **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 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 0.0% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

### **Board Secretary's Records**

**Finding 2016-03:** Three budgetary line accounts were over-expended due to mistakenly appropriating the budgetary withdrawal from the maintenance reserve twice and then the disallowance of budget transfers.

**Recommendation:** That the budgetary withdrawal from restricted reserve accounts be done only once.

### **Fixed Assets**

The general fixed asset records were updated for the additions and disposals of general fixed assets made during the year.

### **Treasurer's Records**

Treasurer's records were examined and found to be in good condition.

### **Elementary and Secondary Education Act (E.S.E.A.)/Improving America's School Act (IASA) as Reauthorized By the No Child Left Behind Act of 2001 (NCLB)**

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 Title I, Title II and Title III of the Elementary and Secondary Education Act as amended.

The study of compliance for E.S.E.A. indicated that there were no areas of noncompliance and/or questionable costs.

### **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.

## **Financial Planning, Accounting and Reporting, (continued)**

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.

The study of compliance for the special projects indicated that there were no areas of noncompliance.

### **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.

### **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(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 (or charter school or renaissance school project) for those employees whose salaries are identified as being paid from federal funds was made prior to the end of 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.

### **Nonpublic State Aid**

Project completion reports were finalized and transmitted to the Department by the due date.

## **School Purchasing Programs**

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

N.J.S.A. 18A:18A-2 contains definitions for terms used throughout N.J.S.A. 18A:18A-1 et seq. It includes as subsection (p) the term 'competitive contracting', which is defined as "the method described in N.J.S.A. 18A:18A-4.1 through 18A:18A-4.5 and in rules promulgated by DCA at N.J.A.C. 5:34-4 of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal proposals are evaluated by the purchasing agent or counsel or school business administrator; and the board of education awards a contract to a vendor or vendors from among the formal proposals received." Also, subsection (aa) defines the term 'concession' to exclude vending machines.

N.J.S.A. 18A:18A-3(a) sets forth the bid threshold and requires award by board resolution. There is a higher threshold when there is a "Qualified Purchasing Agent" (QPA) in the district as defined at N.J.A.C. 5:34-1.1 and certified upon approval of an application submitted to DCA. Pursuant to N.J.S.A. 18A:18A-3(b), the bid threshold may be adjusted by the Governor, in consultation with the Department of Treasury, every five years.

## **School Purchasing Programs, (continued)**

N.J.S.A. 18A:18A-4.4 provides boards of education the authority to pass a resolution authorizing the use of competitive contracting. "In order to initiate competitive contracting, the board of education shall pass a resolution authorizing the use of competitive contracting each time specialized goods or services enumerated in sections 45 of L. 1999, c.440 are desired to be contracted."

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 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.

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4, amended.

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

**Finding 2016-04:** There were several vendors paid in excess of \$17,500 that did not have Political Contribution Disclosure forms on file.

**Recommendation:** That procedures be implemented to ensure that vendors paid in excess of \$17,500 file a Political Contribution Disclosure form with the District.

## **School Food Service**

The financial transactions and statistical records of the school food service fund were maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. No exceptions were noted.

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 claims were submitted/certified in a timely manner. Meals claimed did agree with meal count records.

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)**

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 and/or to the list of directly certified students, times the number of operating days, on a school by school basis. The free and reduced price meal and free milk policy is uniformly administered throughout the School System. The required verification procedures for free and reduced price applications were completed and available for review.

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 provide an annual financial return of \$17,000.00 for the 2015-2016 school year. The operating results provision has not been met. The FSMC reimbursed the District for the shortfall.

Expenditures were separately recorded as food, labor and other cost. 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.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education.

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 exceed three months average expenditures; however, the District is in the process of purchasing a point of sale system.

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

The School District food management company 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 Activity Fund**

A cash receipts and disbursements record is maintained in satisfactory condition.

Cash disbursements had proper signatures and supporting documentation.

### **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 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 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 Year Findings**

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Corrective action had been taken on all prior year findings.

### **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,

*James Cerullo*

James Cerullo, C.P.A.  
Licensed Public School Accountant  
No. 881

*Ferraioli, Wielkocz, Cerullo & Cuva, P.A.*

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Certified Public Accountants  
Pompton Lakes, New Jersey

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**SCHEDULE OF AUDITED ENROLLMENTS**

**Borough of Pompton Lakes School District**  
**Application for State School Aid Summary**  
**Enrollment as of October 15, 2015**

Enrollment Category	2016-2017 Application for State School Aid				Sample for Verification				Private School for Handicapped					
	Reported on ASSA on Roll		Reported on Workpapers on Roll		Sample Selected from Workpapers		Verified per Registers on Roll		Reported on ASSA as Private School		Sample for Verifi- cation		Sample Verified Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day PREK - 3Yr	2		2		2		2		2					
Half Day PREK - 4Yr	7		7		7		7		7					
Half Day Kindergarten	85		85		85		85		85					
One	100		100		100		100		100					
Two	77		77		77		77		77					
Three	87		87		87		87		87					
Four	117		117		117		117		117					
Five	76		76		76		76		76					
Six	112		112		112		112		112					
Seven	96		96		96		96		96					
Eight	95		95		95		95		95					
Nine	122		122		122		122		122					
Ten	141		141		141		141		141					
Eleven	160		160		160		160		160					
Twelve	140		140		140		140		140					
Subtotal	1,417	0	1,417	0	1,417	0	1,417	0	1,417	0	0	0	0	0
Special Ed - Elementary	94		94		15		15		15		4		2	0
Special Ed -Middle School	72		72		12		12		12		3		2	0
Special Ed -High School	81	2	81	2	13		13		13		6	7	7	0
Subtotal	247	2	247	2	40		40		40		13	11	11	0
Totals	1,664	2	1,664	2	1,457	0	1,457	0	1,457	0	13	11	11	0
Percentage Error														0.00%

**SCHEDULE OF AUDITED ENROLLMENTS (cont.)**

**Borough of Pompton Lakes School District  
Application for State School Aid Summary  
Enrollment as of October 15, 2015**

Enrollment Category	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on ASOA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Errors	Reported on ASOA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Errors
Half Day Kindergarten	17	17	0	8	8	0	3	3	0	3	3	0
One	24	24	0	12	12	0	2	2	0	2	2	0
Two	13	13	0	6	6	0	1	1	0	1	1	0
Three	18	18	0	9	9	0	3	3	0	3	3	0
Four	37	37	0	18	18	0	2	2	0	2	2	0
Five	15	15	0	7	7	0	0	0	0	0	0	0
Six	22	22	0	11	11	0	0	0	0	0	0	0
Seven	22	22	0	11	11	0	0	0	0	0	0	0
Eight	14	14	0	7	7	0	0	0	0	0	0	0
Nine	18	18	0	9	9	0	1	1	0	1	1	0
Ten	21	21	0	10	10	0	2	2	0	2	2	0
Eleven	18	18	0	9	9	0	1	1	0	1	1	0
Twelve	11	11	0	5	5	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>250</b>	<b>250</b>	<b>0</b>	<b>122</b>	<b>122</b>	<b>0</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>15</b>	<b>15</b>	<b>0</b>
Special Ed - Elementary	26	26	0	12	12	0	4	4	0	3	3	0
Special Ed -Middle School	23	23	0	11	11	0	0	0	0	0	0	0
Special Ed -High School	22.0	22	0	11	11	0	1	1	0	1	1	0
<b>Subtotal</b>	<b>71.0</b>	<b>71.0</b>	<b>0</b>	<b>34</b>	<b>34</b>	<b>0</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>0</b>
<b>Totals</b>	<b>321.0</b>	<b>321.0</b>	<b>0.0</b>	<b>156</b>	<b>156</b>	<b>0</b>	<b>20</b>	<b>20</b>	<b>0</b>	<b>19</b>	<b>19</b>	<b>0</b>
Percentage Error			<b>0.00%</b>			<b>0.00%</b>			<b>0.00%</b>			<b>0.00%</b>

**SCHEDULE OF AUDITED ENROLLMENTS (cont.)**

**Borough of Pompton Lakes School District  
Application for State School Aid Summary  
Enrollment as of October 15, 2015**

<u>Enrollment Category</u>	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on ASOA as NOT Low Income</u>	<u>Reported on Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Errors</u>
Half Day Kindergarten	4	4	0	4	4	0
One	5	5	0	5	5	0
Two	5	5	0	5	5	0
Three	2	2	0	2	2	0
Four	0	0	0	0	0	0
Five	0	0	0	0	0	0
Six	0	0	0	0	0	0
Seven	1	1	0	1	1	0
Eight	0	0	0	0	0	0
Nine	0	0	0	0	0	0
Ten	2	2	0	2	2	0
Eleven	2	2	0	2	2	0
Twelve	0	0	0	0	0	0
Subtotal	21	21	0	21	21	0
Special Ed - Elementary	3	3	0	3	3	0
Special Ed - Middle	0	0	0	0	0	0
Special Ed - High	0	0	0	0	0	0
Subtotal	3	3	0	3	3	0
Totals	24	24	0	24	24	0
Percentage Error			0.00%			0.00%

**SCHEDULE OF AUDITED ENROLLMENTS (cont.)**

**Borough of Pompton Lakes School District  
Application for State School Aid Summary  
Enrollment as of October 15, 2015**

	Transportation					
	<u>Reported on</u> <u>DRTRS by DOE</u>	<u>Reported on</u> <u>DRTRS</u> <u>by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>
Regular - Public Schools, col. 1	6	6	0	5	5	0
Regular Special Ed, col. 4	5	5	0	4	4	0
Transported - Non-Public, col. 3	0	0	0	0	0	0
Special Ed. Special, col. 6	36	36	0	31	31	0
<b>Totals</b>	<b>47</b>	<b>47</b>	<b>0</b>	<b>40</b>	<b>40</b>	<b>0</b>
<b>Percentage Error</b>			<b>0%</b>			<b>0%</b>
<b>Avg. Mileage - Regular Excluding Grade PK Students</b>					<b>4.6</b>	<b>4.6</b>
<b>Avg. Mileage - Special Ed with Special Needs</b>					<b>7.4</b>	<b>7.4</b>

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT**  
**EXCESS SURPLUS CALCULATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**REGULAR DISTRICT**

**SECTION 1**

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

2015-16 Total General Fund Expenditures per the CAFR, Ex. C-1	\$	<u>33,925,851.82</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>3,547,844.92</u>	(B2a)
Assets Acquired Under Capital Leases	\$	<u>474,125.34</u>	(B2b)
Adjusted 15-16 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$	<u>29,903,881.56</u>	(B3)
2% of Adjusted 2015-16 General Fund Expenditures [(B3) times .02]	\$	<u>598,077.63</u>	(B4)
Enter Greater of (B4) or \$250,000	\$	<u>598,077.63</u>	(B5)
Increased by: Allowable Adjustment*	\$	<u>                    -</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]	\$	<u>598,077.63</u>	(M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-16 (Per CAFR Budgetary Comparison Schedule C-1)	\$	<u>3,750,898.53</u>	(C)
Decreased by:			
Year End Encumbrances Encumbrances	\$	<u>325,959.71</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$	<u>                    </u>	(C2)
Legally Restricted Excess Surplus - Designated for Designated for Subsequent Year's Expenditures**	\$	<u>376,216.00</u>	(C3)
Other Restricted Fund Balances****	\$	<u>2,154,883.36</u>	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$	<u>                    </u>	(C5)
Total Unreserved/Undesignated Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$	<u>893,839.46</u>	(U1)

**SECTION 3**

Restricted Fund Balance - Excess Surplus\*\*\*[(U1)-(M)] IF NEGATIVE ENTER -0- \$ 295,761.83 (E)

**Recapitulation of Excess Surplus as of June 30, 2016**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>376,216.00</u> (C3)
Reserved Excess Surplus***[(E)]	\$ <u>295,761.83</u> (E)
Total [(C3)+(E)]	\$ <u>671,977.83</u> (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:7-F-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), Extraordinary Aid;
    - (J1) Extraordinary Aid;
    - (J1) Additional Nonpublic School Transportation Aid
    - (J3) Current Year School Bus Advertising Revenue Recognized
    - (J4) Family Crisis Transportation Aid.
- Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid and Additional Nonpublic School Transportation Aid.

**Detail of Allowable Adjustments**

Impact Aid/SEMI Settlement 2013-14	\$ _____ (H)
Sale & Lease-back	\$ _____ (I)
Extraordinary Aid	\$ _____ (J1)
Additional Nonpublic School Transportation Aid	\$ _____ (J2)
Current Year School Bus Advertising Revenue Recognized	_____ (J3)
Family Crisis Transportation Aid	\$ _____ (J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	\$ <u>0.00</u> (K)

- \*\* This amount represents the June 30, 2015 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 the sum of the two lines must agree to Audit Summary Worksheet Line 90030.
- \*\*\*\* Amount of Other Reserved Fund Balance 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 prior to September 30.



**Detail of Other Restricted Fund Balance**

Statutory restrictions:

Approved unspent separate proposal

\$ \_\_\_\_\_

Sale/lease-back reserve

\$ \_\_\_\_\_

Capital reserve

\$ 1,652,055.96

Maintenance reserve

\$ 502,827.40

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 General Fund Reserve (Sections 8007 and 8008)

\$ \_\_\_\_\_

Other state/government mandated reserve

\$ \_\_\_\_\_

[Other Restricted Fund Balance not noted above]\*\*\*\*

\$ \_\_\_\_\_

Total Other Restricted Fund Balance

\$ 2,154,883.36 (C4)