



**TOMS RIVER REGIONAL SCHOOL DISTRICT  
COUNTY OF OCEAN**

**MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
JUNE 30, 2016**

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## INDEPENDENT AUDITORS' REPORT

Honorable President and Members  
of the Board of Education  
Toms River Township Board of Education  
County of Ocean, 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 Toms River Regional School District, County of Ocean as of and for the year ended June 30, 2016, and have issued our report thereon dated December 5, 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 solely for the information of the Toms River Regional School District's management, Board of Education members, others within the entity and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

David J. Gannon  
Licensed Public School Accountant  
No. 2305

WISS & COMPANY, LLP

Livingston, New Jersey  
December 5, 2016

**TOMS RIVER REGIONAL SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS – FINANCIAL,  
COMPLIANCE AND PERFORMANCE**

**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 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 J-20, Insurance Schedule contained in the District's 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>
Matt K. Varley	Treasurer of School Monies	\$ 725,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were greater than or less than estimated costs. The District made a proper adjustment to the billings to sending Districts for the increase (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

An examination of claims paid during the period did not indicate any discrepancies with respect to signatures, certification or supporting documentation. No discrepancies or exceptions were noted.

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 the Board Secretary/Business Administrator.

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

Payrolls were delivered to the Secretary of the Board who then deposited with warrants in separate banks accounts for net payroll and withholdings.

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. No exceptions were noted.

**TOMS RIVER REGIONAL SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS – FINANCIAL,  
COMPLIANCE AND PERFORMANCE**

Classification of Expenditures

The coding of expenditures were 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% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records and Treasurer's Records

Our review of the financial and accounting records maintained by the Board Secretary and Treasurer disclosed no exceptions.

Elementary and Secondary Education Act (ESEA)/Improving America's Schools Act (IASA) as reauthorized by the No Child Left Behind Act of 2001

The ESEA/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 Titles I of the Elementary and Secondary School Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. /I.A.S.A. /N.C.L.B. indicated no exceptions.

Other Special Federal and/or State Projects

The District's special projects were approved as listed on Schedules A (K-3) and B (K-4) 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 reimbursement forms filed with the Department of Education for District employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

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 reviewed subsequent to the reimbursement and no exceptions were noted.

**TOMS RIVER REGIONAL SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS – FINANCIAL,  
COMPLIANCE AND PERFORMANCE**

Non-Public State Aid

Our review of non-public state aid did not disclose any exceptions.

**School Purchasing Programs**

Contracts and Agreements Requiring Advertisement for Bids

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 District 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.

Procedures were performed on a test basis, to indicate if any individual payments, contracts, or agreements were made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of *N.J.S.A. 18A:18A-4*, as amended.

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

**School Food Service**

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

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

During our audit we noted the following opportunities for improvement:

***Finding 2016-001:***

The District's in-house food service department did not prepare the Non-Program Food Revenue Tool as required by the State of New Jersey Department of Agriculture, memo SP20-2016, for the 2015-16 fiscal year. Therefore, we could not break-out the Non-Program and Program cost of sales on the CAFR B-5 schedule. As a result, the District is not in compliance with the guidance set forth by the State of New Jersey Department of Agriculture.

***Recommendation:***

We suggest the District keep appropriate records of their program and non-program cost of sales and complete this tool for year-end on a timely basis.

**TOMS RIVER REGIONAL SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS – FINANCIAL,  
COMPLIANCE AND PERFORMANCE**

**Student Body Activities**

During our audit of the student activity funds, we noted the following opportunities for improvement:

***Finding 2016-002:***

Cash receipt and cash disbursement transactions were not in compliance with the District's Standard Operating Procedures.

Intermediate School South could not provide support for three cash receipt transactions tested during the audit. Therefore, we could not determine that the funds received were deposited timely or agreed to appropriate supporting documentation.

Certain items were purchased with student activity funds from various District schools that we believe would be more appropriately purchased through the District's standard purchasing process.

Lastly, the District paid sales taxes on certain disbursement transactions. New Jersey local school districts are political subdivisions of the State of New Jersey and their purchases, except purchases of energy, are exempt from New Jersey sales and use tax, pursuant to Section 9(a)(1) of the New Jersey Sales and Use Tax Act.

***Recommendation:***

We suggest the District continue to enforce the guidance set forth in the District's Standard Operating Procedures Manual, and perform a periodic review of the schools' cash receipts and disbursements ledgers to ensure adherence to the District's policies and procedures.

**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 as presented in the Schedule of Audited Enrollments. 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 2015-16 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, with minor differences identified.



**TOMS RIVER REGIONAL SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS – FINANCIAL,  
COMPLIANCE AND PERFORMANCE**

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. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

**Facilities and Capital Assets**

There were no transactions with SDA during the 2016 fiscal year and therefore this section is not applicable.

**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 has 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.



SCHEDULE OF AUDITED ENROLLMENTS

TOMS RIVER REGIONAL 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 Disabled			
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool	23	-	23	-	-	-	23	-	23	-	-	-	-	-	-	-
Full Day Preschool	26	-	26	-	-	-	26	-	26	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	997.0	-	997.0	-	-	-	68.0	-	68.0	-	-	-	-	-	-	-
One	976.0	-	976.0	-	-	-	106.0	-	106.0	-	-	-	-	-	-	-
Two	1,014.0	-	1,014.0	-	-	-	116.0	-	116.0	-	-	-	-	-	-	-
Three	1,058.0	-	1,058.0	-	-	-	104.0	-	104.0	-	-	-	-	-	-	-
Four	1,018.0	-	1,018.0	-	-	-	90.0	-	90.0	-	-	-	-	-	-	-
Five	1,010.0	-	1,010.0	-	-	-	122.0	-	122.0	-	-	-	-	-	-	-
Six	1,100.0	-	1,100.0	-	-	-	411.0	-	411.0	-	-	-	-	-	-	-
Seven	1,029.0	-	1,029.0	-	-	-	302.0	-	302.0	-	-	-	-	-	-	-
Eight	1,075.0	-	1,075.0	-	-	-	367.0	-	367.0	-	-	-	-	-	-	-
Nine	1,032.0	-	1,032.0	-	-	-	299.0	-	299.0	-	-	-	-	-	-	-
Ten	1,096.0	-	1,096.0	-	-	-	495.0	-	495.0	-	-	-	-	-	-	-
Eleven	988.0	98	988.0	98	-	-	277.0	27.0	277.0	27.0	-	-	-	-	-	-
Twelve	992.0	125	992.0	125	-	-	452.0	27.0	452.0	27.0	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	13,434.0	223	13,434.0	223.0	-	-	3,258.0	54.0	3,258.0	54.0	-	-	-	-	-	-
Special Ed - Elementary	946.0	-	946.0	-	-	-	64.0	-	64.0	-	-	-	19.0	16.0	16.0	-
Special Ed - Middle School	554.0	-	554.0	-	-	-	193.0	-	193.0	-	-	-	16.0	11.0	11.0	-
Special Ed - High School	621.0	126	621.0	126	-	-	203.0	59.0	203.0	59.0	-	-	32.0	24.0	24.0	-
Subtotal	2,121.0	126	2,121.0	126.0	-	-	460.0	59.0	460.0	59.0	-	-	67.0	51.0	51.0	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	15,555.0	349	15,555.0	349.0	-	-	3,718.0	113.0	3,718.0	113.0	-	-	67.0	51.0	51.0	-
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%

**SCHEDULE OF AUDITED ENROLLMENTS**

**TOMS RIVER REGIONAL 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 Test Score and Register	Sample Errors
Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	283.0	283.0	-	14.0	14.0	-	36.0	36.0	-	22.0	22.0	-
One	316.0	316.0	-	24.0	24.0	-	33.0	33.0	-	19.0	19.0	-
Two	330.0	330.0	-	22.0	22.0	-	14.0	14.0	-	11.0	11.0	-
Three	352.0	352.0	-	25.0	25.0	-	2.0	2.0	-	1.0	1.0	-
Four	317.0	317.0	-	19.0	19.0	-	1.0	1.0	-	-	-	-
Five	290.0	290.0	-	19.0	19.0	-	2.0	2.0	-	1.0	1.0	-
Six	293.0	293.0	-	20.0	20.0	-	-	-	-	-	-	-
Seven	286.0	286.0	-	18.0	18.0	-	3.0	3.0	-	2.0	2.0	-
Eight	280.0	280.0	-	20.0	20.0	-	1.0	1.0	-	-	-	-
Nine	263.0	263.0	-	18.0	18.0	-	3.0	3.0	-	2.0	2.0	-
Ten	264.0	264.0	-	17.0	17.0	-	3.0	3.0	-	2.0	2.0	-
Eleven	212.0	212.0	-	13.0	13.0	-	3.0	3.0	-	2.0	2.0	-
Twelve	204.5	204.5	-	16.0	16.0	-	3.0	3.0	-	1.0	1.0	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	3,690.5	3,690.5	-	245.0	245.0	-	104.0	104.0	-	63.0	63.0	-
Special Ed - Elementary	424.0	424.0	-	27.0	27.0	-	1.0	1.0	-	1.0	1.0	-
Special Ed - Middle	243.0	243.0	-	16.0	16.0	-	-	-	-	-	-	-
Special Ed - High	258.0	258.0	-	15.0	15.0	-	-	-	-	-	-	-
Subtotal	925.0	925.00	-	58.0	58.00	-	1.0	1.0	-	1.0	1.0	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	4,615.5	4,615.5	-	303.0	303.0	-	105.0	105.0	-	64.0	64.0	-
Percentage Error			0.00%			0.00%			0.00%			0.00%

**Transportation**

	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
	Reg. - Public Schools, col. 1	5,111.0	5,113.0	(2.0)	222.0	222.0
Reg -SpEd, col. 4	823.5	823.5	-	36.0	36.0	-
Transported - All, col.2 & Non-Public, col. 3	702.0	702.0	-	30.0	30.0	-
Special Ed Spec, col. 6	550.5	551.5	(1.0)	24.0	24.0	-
Totals	7,187.0	7,190.0	(3.0)	312.0	312.0	-
Percentage Error						0.00%

	Reported	Recalculated
Reg Avg (Mileage) = Regular Including Grade PK students (Part A)	4.2	4.2
Reg Avg (Mileage) = Regular Excluding Grade PK students (Part B)	4.2	4.2
Spec Avg. = Special Ed with Special Needs	7.1	7.1

TOMS RIVER REGIONAL SCHOOL DISTRICT

SCHEDULE OF AUDITED ENROLLMENTS

APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 15, 2015

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. 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>Sample Errors</u>
Half Day Preschool						
Full Day Preschool	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	8.0	8.0	-	8.0	8.0	-
One	11.0	11.0	-	10.0	10.0	-
Two	3.0	3.0	-	2.0	2.0	-
Three	4.0	4.0	-	3.0	3.0	-
Four	1.0	1.0	-	1.0	1.0	-
Five	1.0	1.0	-	1.0	1.0	-
Six	1.0	1.0	-	1.0	1.0	-
Seven	-	-	-	-	-	-
Eight	1.0	1.0	-	1.0	1.0	-
Nine	1.0	1.0	-	1.0	1.0	-
Ten	4.0	4.0	-	3.0	3.0	-
Eleven	2.5	2.5	-	2.0	2.0	-
Twelve	3.0	3.0	-	3.0	3.0	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-
Subtotal	<u>40.5</u>	<u>40.5</u>	<u>-</u>	<u>36.0</u>	<u>36.0</u>	<u>-</u>
Special Ed - Elementary	-	-	-	-	-	-
Special Ed - Middle	-	-	-	-	-	-
Special Ed - High	-	-	-	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Co. Voc. - Regular	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-
Totals	<u>40.5</u>	<u>40.5</u>	<u>-</u>	<u>36.0</u>	<u>36.0</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**TOMS RIVER REGIONAL SCHOOL DISTRICT**

**EXCESS SURPLUS CALCULATION**

JUNE 30, 2016

**SECTION 1 - Regular District**

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

2015-16 Total General Fund Expenditures Reported on Exhibit C-1	\$ 239,696,060 (B)
Increased by Applicable Operating Transfers:	
Transfer from Capital Outlay to Capital Projects Fund	\$ _____ - (B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ _____ - (B1a)
Transfer from General Fund to SRF for PreK-Regular	\$ _____ - (B1a)
Transfer from General Fund to SRF for PreK-Inclusion	\$ _____ - (B1a)
2015-2016 Adjusted General Fund and Other State Expenditures [(A) - (A1)]	\$ 239,696,060 (B2)
Decreased by:	
On-Behalf TPAF Pension & Social Security	\$ 22,524,633 (B3)
Assets Acquired Under Capital Leases	\$ _____ -
General Fund 10 Assets Acquired Under Capital Leases Reported on Exhibit C-1a	\$ _____ - (B4)
Total Assets Acquired Under Capital Leases [(A4) + (A7)]	\$ _____ - (B5)
2015-2016 General Fund Expenditures [(A2)-(A3)-(A8)]	\$ 217,171,427 (B6)
2% of Adjusted 2015-16 General Fund Expenditures [(A9) times .02]	\$ 4,343,429 (B7)
Enter Greater of (A10) or \$250,000	\$ 4,343,429 (B8)
Increased by: Allowable Adjustment*	\$ 525,053 (K)
Maximum Unassigned/Undesignated - Unreserved Fund Balance [(A11) + (K)]	\$ 4,868,482 (M)

**SECTION 2**

Total General Fund - Fund Balances at 6-30-16 (Per CAFR Budgetary Comparison Schedule C-1)	\$ 22,205,780 (C)
Decreased by:	
Year-end Encumbrances	\$ 2,706,175 (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ 1,062,691 (C3)
Other Restricted Fund Balances****	\$ 13,272,003 (C4)
Assigned Fund Balance - Unrestricted - Designated for Subsequent Year's Expenditures	\$ 137,309 (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ 5,027,602 (U1)

**TOMS RIVER REGIONAL SCHOOL DISTRICT**

**EXCESS SURPLUS CALCULATION**

**JUNE 30, 2016**

**SECTION 3**

Restricted Fund Balance - Excess Surplus ***	
[(U1)-(M)] IF NEGATIVE ENTER -0-	\$ <u>159,120</u> (E)

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

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>1,062,691</u> (C3)
Restricted Excess Surplus *** [(E)]	\$ <u>159,120</u> (E)
 Total [(C3)+(E)]	 \$ <u>1,221,811</u> (D)

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

- (I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);
- (J1) Extraordinary Aid;
- (J2) Additional Nonpublic School Transportation Aid;
- (J3) Recognized current year School Bus Advertising Revenue; and
- (J4) Family Crisis Transportation Aid.

**Detail of Allowable Adjustments**

Impact Aid	\$ - (H)
Sales & Lease-back	\$ - (I)
Extraordinary Aid	\$ <u>501,389</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>23,664</u> (J2)
Current Year School Bus Advertising Revenue Recognized	\$ - (J3)
Family Crisis Transportation Aid	\$ - (J4)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	 \$ <u>525,053</u> (K)

\*\* This amount represents the June 30, 2015 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

\*\*\* Amount must agree to the June 30, 2016 CAFR and must agree to Audit Summary Worksheet Line 90030.

\*\*\*\* Amount for Other Restricted Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by any other 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.

TOMS RIVER REGIONAL SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2016

Detail of Other Restricted Fund Balance

Statutory Restrictions:	
Approved Unspent Separate Proposal	\$ -
Sale/Lease-Back Reserve	\$ -
Capital Reserve	\$ 4,419,305
Maintenance Reserve	\$ 8,147,733
Emergency Reserve	\$ 704,965
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	\$ -
Impact Aid Capital Fund Reserve	\$ -
Other State/Government Mandated Reserves	\$ -
Other Restricted Fund Balance Not Noted Above****	\$ -
Total Other Restricted Fund Balance	\$ 13,272,003 (C4)