

**AUDITORS MANAGEMENT REPORT  
ON ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
SCHOOL DISTRICT OF THE  
TOWN OF GUTTENBERG  
COUNTY OF HUDSON, NEW JERSEY  
JUNE 30, 2017**

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## REPORT OF INDEPENDENT AUDITORS

Honorable President and  
Members of the Board of Education  
Town of Guttenberg School District  
County of Hudson, 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 Town of Guttenberg School District in the County of Hudson for the year ended June 30, 2017, and have issued our report thereon dated November 30, 2017.

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 Town of Guttenberg 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.

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November 30, 2017

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

**GENERAL COMMENTS**

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator, 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 of the District's CAFR.

**Officials Bonds**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Jolene Mantineo	Board Secretary/School Business Administrator	\$250,000

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

During our examination of claims submitted for payment for the period under review, we identified the following discrepancies with respect to signatures, certifications or supporting documentation:

**Finding 2017-01:** Payments made for charter school tuition during 2016-17 were inconsistent with State invoices.

**Recommendation:** End of year state invoices should be reviewed to ensure proper amount of tuition was expended.

**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 being approved by the Superintendent and were certified by the President of the Board, the Board Secretary/School Business Administrator and the Chief School Administrator.

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

**Payroll Account, (continued)**

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

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

The Board of Education made a merit bonus payment that a quantitative merit criterion or a qualitative merit criterion had been satisfied with prior approval by the district Board of Education and Executive County Superintendent, as required by N.J.A.C.6A:23A-3.1(e)10.iv.

**Employee Position Control Roster**

Inquiry and subsequent review of the District's Position Control Roster found no inconsistencies between payroll records, employee benefit records and the general ledger accounts to which the wages are posted and the Position Control Roster.

**Reserve for Encumbrances, Liability for 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:23A-16.2(f) as part of our test of transactions of randomly selected expenditures. 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-8.2. As a result of the procedures performed, a transaction error rate of .80% was noted while testing the propriety of expenditure classification.

**\*Finding 2017-02:** During our test of transactions it was noted that the district misclassified and misbudgeted some expenditures for the following services: Operating Leases, Workers' Compensation, Health Insurance, Required Maintenance and Fixed Asset Additions. The expenditure and related appropriations pertaining to fixed asset additions were reclassified to the proper budget account for financial statement presentation purposes.

**Recommendation:** The District should reference the *Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2016-17 Edition* and other available reference materials, such as Budget Guidelines for the proper classifications required to be in compliance with N.J.A.C. 6A:23-2.3(f).

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

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

The Board Secretary's records were reviewed and found to be in good condition.

### **Fixed Assets**

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

**\*Finding 2017-03:** During a review of the District's fixed asset report for the year ended June 30, 2017, it was noted that there were assets purchased that were not included as current year additions.

**Recommendation:** A more thorough review of District records be performed to ensure that all depreciable capital outlay and equipment purchases be included in the District's fixed asset report.

### **Treasurer's Records**

The District does not have a Treasurer.

### **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 in the Special Revenue section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Titles I, II and III 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 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 of 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 the District employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

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

### **T.P.A.F. Reimbursement to the State for Federal Salary Expenditures**

The amount of the expenditure charged to the current year's Final Reports 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**

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.

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.

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

### **Contracts and Agreements Requiring Advertisement for Bids, (continued)**

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

### **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. 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.

Applications for free and reduced meals were reviewed for completeness and accuracy. The number of free and reduced meals claimed as served did not exceed the number of valid applications on file, times the number of operating days, on a school by school basis. The free and reduced meal policy is uniformly administered throughout the School System. The required verification procedures for free applications was completed and available for review.

The District utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with *N.J.S.A.* 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$20,000. The operating results provision has been met.

Expenditures were separately recorded for food purchases and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursement 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.

Timesheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Service employees authorized by the Board of Education. No exceptions were noted.

Cash receipts and bank records were reviewed for timely deposit.

U.S.D.A. commodities were received and a separate inventory was maintained on a first in first out basis. No exceptions were noted.

Net cash resources did not exceed three month's average expenditures.

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



### **School Food Service, (continued)**

The statement of revenues, expenses and changes in net position (CAFR schedule B-5) does separate program and non-program revenues and program and non-program cost of goods sold.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section G of the Comprehensive Annual Financial Report.

### **Student Body Activities**

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 14, 2016 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, bilingual and low-income. 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 with exception. The results of our procedures are presented in the Schedule of Audited Enrollment.

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 2016-2017 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.

Other 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.

### **Suggestions to Management**

- Old outstanding checks in the following accounts be cancelled via resolution:
  - ALK Scholarship Award Fund
  - Mauro Scholarship Award Fund
- The late fees incurred on monthly operating lease payments be investigated and remediated.

**Follow-up on Prior Year Findings**

A review was performed on all prior year recommendations and corrective action was taken on all, except those noted with an “\*”.

**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,

*Steven D. Wielkotz*

Steven D. Wielkotz, C.P.A.

Licensed Public School Accountant

No. 816

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Certified Public Accountants

Pompton Lakes, New Jersey

November 30, 2017

SCHEDULE OF MEAL COUNT ACTIVITY

**GUTTENBERG SCHOOL DISTRICT  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIMED - FEDERAL  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<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>(Over)/ Under Claim</u>	
National School Lunch (High Rate)	Paid	10,295	3,318	3,318		0.320	\$	
National School Lunch (High Rate)	Reduced	8,334	2,777	2,777		2.780		
National School Lunch (High Rate)	Free	<u>93,506</u>	<u>32,971</u>	<u>32,971</u>		3.180		
	Total	<u>112,135</u>	<u>39,066</u>	<u>39,066</u>				
School Breakfast (Severe Needs Rate)	Paid	588	186	186		0.29		
	Reduced	1,015	307	307		1.74		
	Free	<u>7,010</u>	<u>2,371</u>	<u>2,371</u>		2.04		
	Total	<u>8,613</u>	<u>2,864</u>	<u>2,864</u>				
Total (Over)/Under Claim							\$	<u>                    </u>

**SCHEDULE OF MEAL COUNT ACTIVITY**

**GUTTENBERG SCHOOL DISTRICT  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIMED - STATE  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<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>(Over)/ Under Claim</u>	
State Reimbursement - National School Lunch (High Rate)	Paid	10,295	3,318	3,318		0.040	\$	
State Reimbursement - National School Lunch (High Rate)	Reduced	8,334	2,777	2,777		0.055		
State Reimbursement - National School Lunch (High Rate)	Free	<u>93,506</u>	<u>32,971</u>	<u>32,971</u>		0.055		
	Total	<u>112,135</u>	<u>39,066</u>	<u>39,066</u>				
Total (Over)/Under Claim							\$	<u>                    </u>

**TOWN OF GUTTENBERG  
BOARD OF EDUCATION**

**Net cash resources did not exceed three months of expenditures  
Proprietary Funds - Food Service  
Year ended June 30, 2017**

<u>Net Cash Resources:</u>		<b>Food Service B - 4/5</b>	
<b>CAFR</b>	*	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	\$ 59,688
B-4		Due from Other Gov'ts	35,595
<b>CAFR</b>		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	0
B-4		Less Due to Other Funds	<u>(28,633)</u>
		<b>Net Cash Resources</b>	<u><u>\$ 66,650</u></u> (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	523,843	
B-5	Less Depreciation	<u>(7,289)</u>	
	<b>Adj. Tot. Oper. Exp.</b>	<u><u>\$ 516,554</u></u>	(B)

Average Monthly Operating Expense:

	<u><u>\$ 51,655</u></u>	(C)
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Three times monthly Average:

	<u><u>\$ 154,966</u></u>	(D)
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TOTAL IN BOX A	\$	66,650	
LESS TOTAL IN BOX D	\$	154,966	
NET	\$	<u><u>(88,316)</u></u>	
From above:			
<b>A is greater than D, cash exceeds 3 X average monthly operating expenses.</b>			
<b>D is greater than A, cash does not exceed 3 X average monthly operating expenses.</b>			

\* Inventories are not to be included in total current assets.

SOURCE - USDA resource management comprehensive review form

**SCHEDULE OF AUDITED ENROLLMENTS**

**TOWN OF GUTTENBERG  
BOARD OF EDUCATION**

Application for State School Aid Summary  
Enrollment as of October 14, 2016  
Year ended June 30, 2017

Enrollment category	2017-18 Application for State School Aid						Sample for Verification						Private Schools for the Disabled						
	Reported on A.S.S.A. on roll		Reported on workpapers on roll		Errors		Sample Selected from Workpapers		Registers Verified per		Errors		Reported on A.S.S.A. as Private Schools		Sample for Verification		Errors		
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	
Half Day Preschool 4yrs	31	-	31	-	-	-	31	-	31	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	110	-	110	-	-	-	110	-	110	-	-	-	-	-	-	-	-	-	-
One	94	-	94	-	-	-	94	-	94	-	-	-	-	-	-	-	-	-	-
Two	94	-	94	-	-	-	94	-	94	-	-	-	-	-	-	-	-	-	-
Three	102	-	102	-	-	-	102	-	102	-	-	-	-	-	-	-	-	-	-
Four	104	-	104	-	-	-	104	-	104	-	-	-	-	-	-	-	-	-	-
Five	96	-	96	-	-	-	96	-	96	-	-	-	-	-	-	-	-	-	-
Six	97	-	97	-	-	-	97	-	97	-	-	-	-	-	-	-	-	-	-
Seven	98	-	98	-	-	-	98	-	98	-	-	-	-	-	-	-	-	-	-
Eight	99	-	99	-	-	-	99	-	99	-	-	-	-	-	-	-	-	-	-
Subtotal	925	-	925	-	-	-	925	-	925	-	-	-	-	-	-	-	-	-	-
Special Ed - Elementary	55	-	55	-	-	-	41	-	41	-	-	-	-	3	3	-	-	-	-
Special Ed - Middle School	35	-	35	-	-	-	27	-	27	-	-	(0)	-	-	-	-	-	-	-
Special Ed - High School	-	-	-	-	-	-	-	-	-	-	-	-	-	1	3	-	-	-	-
	1,015	-	1,015	-	-	-	993	-	993	-	-	(0)	-	4	3	-	-	-	-
Percentage	-	-	-	-	-	-	-	-	-	-	-	(0)	-	-	-	-	-	-	-

**SCHEDULE OF AUDITED ENROLLMENTS**

**TOWN OF GUTTENBERG  
BOARD OF EDUCATION**

Application for State School Aid Summary  
Enrollment as of October 14, 2016

Year ended June 30, 2017

Enrollment category	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	Sample selected from workpapers	Verified to Application and Register	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers LEP Low Income	Sample Selected from Workpapers	Verified to Test score and Register
Half Day Preschool								
Full Day Preschool								
Half Day Kindergarten								
Full Day Kindergarten								
One	86	86	14	14	16	16	14	14
Two	80	80	25	25	30	30	13	13
Three	76	76	32	32	16	16	10	10
Four	85	85	31	31	13	13	9	9
Five	90	90	34	34	12	12	9	9
Six	83	83	16	16	11	11	11	11
Seven	83	83	24	24	9	9	7	7
Eight	83	83	14	14	8	8	7	7
Subtotal	88	88	30	30	15	15	15	15
	754	754	220	220	130	130	95	95
Special Ed - Elementary	51	45	8	8	1	-	-	-
Special Ed - Middle School	36	33	4	4	-	-	-	-
Subtotal	87	78	12	12	1	-	-	-
Totals	841	832	232	232	131	130	95	95

Percentage

Category	Transportation		Errors	Verified	Errors	Re-calc.
	Reported on DRTS by DOE	Reported on DRTS by District				
Special Ed Spec, col. 6	20	20	17	17	-	5.4
Totals	20	20	17	17	-	5.4

Percentage

**SCHEDULE OF AUDITED ENROLLMENTS**

**TOWN OF GUTTENBERG  
BOARD OF EDUCATION**

**Application for State School Aid Summary  
Enrollment as of October 14, 2016**

Year ended June 30, 2017

Enrollment category	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 Scores and Register	Errors
Half Day Preschool	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	3	3	-	3	3	-
One	3	3	-	3	3	-
Two	3	3	-	2	2	-
Three	1	1	-	1	1	-
Four	1	1	-	1	1	-
Five	-	-	-	-	-	-
Six	2	2	-	2	2	-
Seven	2	2	-	1	1	-
Eight	-	-	-	-	-	-
Subtotal	15	15	-	13	13	-
Special Ed - Elementary	-	-	-	-	-	-
Special Ed - Middle School	-	-	-	-	-	-
Special Ed - High School	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Totals	15	15	-	13	13	-

Percentage



**GUTTENBERG BOARD OF EDUCATION**  
**EXCESS SURPLUS CALCULATION**

**REGULAR DISTRICT**

**SECTION 1**

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

2016-17 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>17,966,914</u>	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$ _____	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ _____	(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	\$ <u>1,577,232</u>	(B2a)
Assets Acquired Under Capital Leases	\$ _____	(B2b)
Adjusted 16-17 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$ <u>16,389,682</u>	(B3)
2% of Adjusted 2016-17 General Fund Expenditures [(B3) times .02]	\$ <u>327,794</u>	(B4)
Enter Greater of (B4) or \$250,000	\$ <u>327,794</u>	(B5)
Increased by: Allowable Adjustment *	\$ <u>70,006</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]		\$ <u>397,800</u> (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-17 (Per CAFR Budgetary Comparison Schedule C-1))	\$ <u>3,755,764</u>	(C)
Decreased by:		
Year-end Encumbrances	\$ <u>4,344</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ _____	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>1,896,627</u>	(C3)
Other Restricted Fund Balances****	\$ <u>1</u>	(C4)
Assigned Fund Balance - Unreserved -- Designated for Subsequent Year's Expenditures	\$ <u>6,499</u>	(C5)
Additional Assigned Fund Balance - Unreserved- Designated for Subsequent Year's Expenditures July 1, 2017 - August 1, 2017	\$ _____	(C6)*****
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]		\$ <u>1,848,293</u> (U1)

**GUTTENBERG BOARD OF EDUCATION**  
**EXCESS SURPLUS CALCULATION**

**SECTION 3**

Restricted Fund Balance - Excess Surplus\*\*\* [(U1)-(M)] IF NEGATIVE ENTER -0- \$ 1,450,493 (E)

**Recapitulation of Excess Surplus as of June 30, 2017**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$	<u>1,896,627</u>	(C3)
Reserved Excess Surplus ***[(E)]	\$	<u>1,450,493</u>	(E)
Total [(C3) + (E)]	\$	<u>3,347,120</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, 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**

Impact Aid	\$	_____	(H)
Sale & Lease-back	\$	_____	(I)
Extraordinary Aid	\$	<u>70,006</u>	(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>70,006</u>	(K)

\*\* This amount represents the June 30, 2017 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

\*\*\* Amounts must agree to the June 30, 2017 CAFR and the sum of the two lines must agree to Audit Summary Worksheet Line 90030.

\*\*\*\* Amount for Other Reserved 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 an 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.

\*\*\*\*\* Increase in Assigned Fund Balance - Unreserved-Designated for Subsequent Year's expenditures July 1, 2017 to August 1, 2017 resulting from decrease in state aid after adoption of 2017-18 district budget.

**GUTTENBERG BOARD OF EDUCATION**  
**EXCESS SURPLUS CALCULATION**

**Detail of Other Reserved Fund Balance**

Statutory restrictions:		
Approved unspent separate proposal	\$	_____
Sale/Lease-back reserve	\$	_____
Capital Reserve	\$	_____ 1
Maintenance Reserve	\$	_____
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 reserve	\$	_____
[Other Restricted Fund Balance not noted above]****	\$	_____
 Total Other Restricted Fund Balance	\$	_____ 1 (C4)