

CITY OF BAYONNE SCHOOL DISTRICT

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

JUNE 30, 2017

CITY OF BAYONNE SCHOOL DISTRICT

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

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REPORT OF INDEPENDENT AUDITOR'S

Honorable President and
Members of the Board of Education
City of Bayonne School District
County of Hudson, New Jersey

We have audited, in accordance with generally accepted audit standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the City of Bayonne School District in the County of Hudson for the year ended June 30, 2017, and have issued our report thereon dated November 22, 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 City of Bayonne 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.


DONOHUE, GIRONDA, DORIA & TOMKINS, LLC
Certified Public Accountants



MAURICIO CANTO
Certified Public Accountant
Licensed Public School Accountant
No. 2541

Bayonne, New Jersey
November 22, 2017

**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 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.

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Janet Convery	Treasurer of School Monies*	\$475,000
Leo Smith	School Business Administrator/ Board Secretary/ Custodian of School Moneys	475,000
Gary R. Maita, DMD	Board Secretary	475,000

* This position was removed as of 2/1/2017

The Board also has an errors and omissions policy with the New Jersey School Boards Association Insurance Group with coverage of \$100,000 total for all fees and claims.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The 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-3.1(f)3.

Examination of Claims

A test examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification and proper itemization and/or supporting documentation.

**ADMINISTRATIVE FINDINGS –
FINANCIAL, COMPLIANCE AND PERFORMANCE**

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (Continued)

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and the Board's required payroll contributions were deposited in the Agency Reserve 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 withholdings due to the general fund.

Payrolls were delivered to the treasurer of school monies with a warrant made to her order for the full amount of each payroll. After this position was removed, payrolls were delivered to the secretary of the board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

Finding 2017-001 (CAFR Finding 2017-001)

The District incurred a liability from a retroactive labor contract agreement settled during the year ended June 30, 2017 that was in excess of funds available.

Recommendation

The District properly estimate and commit sufficient funds for anticipated liabilities for retroactive salaries and related costs that may result from pending labor contract negotiations.

Employee Health Benefits

A review of the employee health benefits was made and the following discrepancy was found.

Finding 2017-002

A former employee spouse was receiving health coverage in the District's plan. However, the spouse was not entitled to coverage under the employee's contract.

Recommendation

The District should ensure procedures are in place for timely removal of ineligible individuals from the district's benefit plans.

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 discrepancies were noted.

**ADMINISTRATIVE FINDINGS –
FINANCIAL, COMPLIANCE AND PERFORMANCE**

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (Continued)

Travel

The District did have an approved board travel policy as required by N.J.A.C. 6A:23-6.13 and N.J.S.A. 18A:11-12. No discrepancies were noted.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C.* 6A:23-2.2(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 classification to determine overall reliability and compliance with *N.J.A.C.* 6A:23-8.3. As a result of the procedures performed, the following transaction errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

A. General Classification Findings

Finding 2017-003

Salary expenditures were not always charged to the proper budgetary account during payroll processing.

Recommendation

The District should adhere to the uniform minimum chart of accounts for the recording of expenditures to ensure proper identification.

B. Administrative Classification Findings

No findings were noted

Board Secretary's Records/Business Administrator

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

Treasurer's Records

Our review of the financial and accounting records maintained by the Treasurer found them to be in proper form and order.

**ADMINISTRATIVE FINDINGS –
FINANCIAL, COMPLIANCE AND PERFORMANCE**

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

The E.S.E.A./NCLB financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended.

The study of compliance for E.S.E.A. indicated no instances 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.

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 other special federal and/or state projects indicated the no areas of noncompliance.

T.P.A.F. Reimbursement

Our audit procedures included a test of the semi-monthly 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.

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 District to reimburse the State for the TPAF/FICA payments by the State on-behalf of the District for those employees whose salaries are identified as being paid from federal awards 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

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.

**ADMINISTRATIVE FINDINGS –
FINANCIAL, COMPLIANCE AND PERFORMANCE**

SCHOOL PURCHASING PROGRAMS (Continued)

Contracts and Agreements Requiring Advertisement for Bids (continued)

The law regulating bidding for public school student transportation contracts under *N.J.S.A.* 18A:39-3 is \$18,800 for 2016-2017.

The District 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 our examination, we did not note any individual payments, contracts, or agreements 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

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 financial transactions and statistical records of the school food services 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.

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

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food and supplies were currently maintained and properly applied in determining the cost of food and supplies used. No exceptions were noted.

Net cash resources did not exceed three months average expenditures.

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

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. No exceptions were noted.

**ADMINISTRATIVE FINDINGS –
FINANCIAL, COMPLIANCE AND PERFORMANCE**

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 list of directly certified students on file, times the number of operating days, on a school by school basis. The free and reduced price meals and free milk policy is uniformly administered throughout the school system. Sites approved to participate in Provisions complied with all counting and claiming requirements. The required verification procedures for free and reduced price applications was completed and available for review. No exceptions were noted.

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

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (CAFR Schedule B-5) does separate program and non-program revenue 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.

STUDENT BODY ACTIVITIES

Our audit of the Student Activity funds found no exceptions in regards to proper form and order.

APPLICATION FOR STATE SCHOOL AID

Our audit procedures included a test of information reported in the October 14, 2016, Application for State School Aid (ASSA) 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 ASSA was compared to the district workpapers without exception. The information that was included on the workpapers was verified. 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 2016-17 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.

**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. No exceptions were noted in our review of transportation related purchases of goods and services.

FACILITIES AND CAPITAL ASSETS

Our procedures included a review of the SDA grant agreement for consistency with recording SDA revenue, transfer of local funds from the General Fund or from the Capital Reserve Account, and awarding of contracts for eligible facilities construction. No exceptions were noted.

TESTING FOR LEAD OF ALL DRINKING WATER IN EDUCATIONAL FACILITIES

The District adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.


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.


DONOHUE, GIRONDA, DORIA & TOMKINS, LLC
Certified Public Accountants


MAURICIO CANTO
Certified Public Accountant
Licensed Public School Accountant
No. 2541

Bayonne, New Jersey
November 22, 2017

CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF MEAL COUNT ACTIVITY
ENTERPRISE FUND
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDER CLAIM - FEDERAL
FOR 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	132,256	40,159	40,159	-	0.320	\$ -
	Reduced	54,299	17,126	17,126	-	2.780	-
	Free	<u>624,940</u>	<u>194,930</u>	<u>194,930</u>	<u>-</u>	3.180	<u>-</u>
	Total	<u>811,495</u>	<u>252,215</u>	<u>252,215</u>	<u>-</u>		<u>\$ -</u>
National School Lunch	HHFKA - PB Lunch Only	<u>811,495</u>	<u>252,215</u>	<u>252,215</u>	<u>-</u>	0.06	<u>-</u>
School Breakfast (Severe Needs Rate)	Paid	239,434	72,220	72,220	-	0.290	\$ -
	Reduced	42,417	13,409	13,409	-	1.740	-
	Free	<u>436,205</u>	<u>135,838</u>	<u>135,838</u>	<u>-</u>	2.040	<u>-</u>
	Total	<u>718,056</u>	<u>221,467</u>	<u>221,467</u>	<u>-</u>		<u>\$ -</u>
Special Milk	Paid	118	50	50	-	0.1975	\$ -

CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF MEAL COUNT ACTIVITY
ENTERPRISE FUND
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDER CLAIM - STATE
FOR 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	132,256	40,159	40,159	-	0.040	\$ -
	Reduced	624,940	194,930	194,930	-	0.055	-
	Free	<u>54,299</u>	<u>17,126</u>	<u>17,126</u>	<u>-</u>	0.055	<u>-</u>
	Total	<u><u>811,495</u></u>	<u><u>252,215</u></u>	<u><u>252,215</u></u>	<u><u>-</u></u>		<u><u>\$ -</u></u>
Total Net (Over)/Under Claim					<u><u>-</u></u>		<u><u>\$ -</u></u>

CITY OF BAYONNE SCHOOL DISTRICT
Net cash resources did/did not exceed three months of expenditures
Proprietary Funds - Food Service
For Fiscal Year Ended June 30, 2017

<u>Net Cash Resources:</u>		Food Service B - 4/5	
CAFR	*	Current Assets	
B-4		Due from Other Gov'ts	\$ 331,050
B-4		Accounts Receivable	230,370
		Net Cash Resources	\$ 561,420.00 (A)

Net Adj. Total Operating Expense:

B-5		Tot. Operating Exp.	5,114,856
B-5		Less Depreciation	(149,710)
		Adj. Tot. Oper. Exp.	\$ 4,965,146.00 (B)

Average Monthly Operating Expense:

B / 10		\$ 496,514.60	(C)
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Three times monthly Average:

3 X C		\$ 1,489,543.80	(D)
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TOTAL IN BOX A	\$	561,420.00	
LESS TOTAL IN BOX D	\$	1,489,543.80	
NET	\$	(928,123.80)	
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.			

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

SOURCE - USDA resource management comprehensive review form

**CITY OF BAYONNE SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2016**

	2017-2018 Application for State School Aid			Sample of Verification			Resident LEP Low Income			Sample of Verification		
	Reported on ASSA Low Income	Reported on Workpapers Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Registers	Sample Errors	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Registers	Sample Errors
Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	438.0	438.0	-	24.0	24.0	-	15.0	15.0	-	4.0	4.0	-
One	403.0	403.0	-	32.0	32.0	-	19.0	19.0	-	8.0	8.0	-
Two	477.0	477.0	-	25.0	25.0	-	19.0	19.0	-	11.0	11.0	-
Three	432.0	432.0	-	26.0	26.0	-	17.0	17.0	-	9.0	9.0	-
Four	391.0	391.0	-	28.0	28.0	-	15.0	15.0	-	10.0	10.0	-
Five	377.0	377.0	-	35.0	35.0	-	11.0	11.0	-	9.0	9.0	-
Six	405.0	405.0	-	39.0	39.0	-	21.0	21.0	-	11.0	11.0	-
Seven	362.0	362.0	-	19.0	19.0	-	17.0	17.0	-	15.0	15.0	-
Eight	362.0	362.0	-	24.0	24.0	-	16.0	16.0	-	14.0	14.0	-
Nine	368.5	368.5	-	24.0	24.0	-	20.5	20.5	-	13.0	13.0	-
Ten	347.0	347.0	-	36.0	36.0	-	15.0	15.0	-	5.0	5.0	-
Eleven	282.0	282.0	-	31.0	31.0	-	14.5	14.5	-	7.0	7.0	-
Twelve	304.0	304.0	-	29.0	29.0	-	9.5	9.5	-	5.0	5.0	-
Subtotal	4,948.5	4,948.5	-	372.0	372.0	-	209.5	209.5	-	121.0	121.0	-
Special Education-Elementary	418.0	418.0	-	45.0	45.0	-	8.0	8.0	-	4.0	4.0	-
Special Education-Middle	235.0	235.0	-	42.0	42.0	-	3.0	3.0	-	3.0	3.0	-
Special Education-Highschool	253.0	253.0	-	32.0	32.0	-	4.0	4.0	-	4.0	-	-
Subtotal	906.0	906.0	-	119.0	119.0	-	15.0	15.0	-	11.0	7.0	-
TOTALS	5,854.5	5,854.5	0.00%	491.0	491.0	0.00%	224.5	224.5	0.00%	132.0	128.0	0.00%
Transportation												
Reported on DRTRS by DOE/County	14	14	-	7	7	-	-	-	-	-	-	-
Reported on DRTRS by District	398	398	-	198	198	-	-	-	-	-	-	-
Subtotal	63	63	-	44	44	-	-	-	-	-	-	-
TOTALS	475	475	0.00%	249	249	0.00%	-	-	-	-	-	-
Reg.-Public Schools							Reg Avg (Mileage) = Regular including Grade PK Students (Part A)			Reported	Recalculated	
Reg. - Special Education							Reg Avg (Mileage) = Regular excluding Grade PK Students (Part B)			n/a	n/a	
Special Ed. Spec Trans.							Special Avg = Special Ed w/ Special Needs			1.6	1.6	
TOTALS										15.9	15.9	

**CITY OF BAYONNE SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2016**

	LEP Not Low Income			Sample of Verification		
	Reported on ASSA NOT LOW Income	Reported on Workpapers NOT LOW Income	Errors	Sample Selected from Workpapers	Verified per Applications & Registers	Errors
Full Day Kindergarten						
One	8.0	8.0	-	3.0	-	3.0
Two	5.0	5.0	-	5.0	-	5.0
Three	6.0	6.0	-	3.0	-	3.0
Four	5.0	5.0	-	3.0	-	3.0
Five	4.0	4.0	-	4.0	-	4.0
Five	3.0	3.0	-	3.0	-	3.0
Six	-	-	-	-	-	-
Seven	4.0	4.0	-	3.0	-	3.0
Eight	3.0	3.0	-	3.0	-	3.0
Nine	9.0	9.0	-	5.0	-	5.0
Ten	4.5	4.5	-	3.0	-	3.0
Eleven	4.0	4.0	-	3.0	-	3.0
Twelve	-	-	-	-	-	-
Subtotal	55.5	55.5	-	38.0	-	38.0
TOTALS	55.5	55.5	-	38.0	-	38.0
			0.00%			100.00%

**CITY OF BAYONNE SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

SECTION 1

A. 2% Calculation of Excess Surplus

2016-2017 Total General Fund Expenditures per the CAFR, Exhibit C-1	<u>\$ 143,952,322</u> (B)
Increased by:	
Transfer to Food Service Fund	<u>\$ -</u> (B1a)
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -</u> (B1b)
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ -</u> (B2c)
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>\$ (17,044,313)</u> (B2a)
Assets Acquired Under Capital Leases:	<u>\$ (2,480,106)</u> (B2b)
Adjusted 2016-17 General Fund Expenditures [(B) + (B1s) - (B2s)]	<u>\$ 124,427,903</u> (B3)
2% of Adjusted 2016-17 General Fund Expenditures [(B3) times .02]	<u>\$ 2,488,558</u> (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 2,488,558</u> (B3)
Increased by:	
Allowable Adjustment*	<u>\$ 688,925</u> (K)
Maximum Unassigned Fund Balance [(B5) + (K)]	<u>\$ 3,177,483</u> (M)

SECTION 2

Total General Fund - Fund Balances at for the Fiscal Year Ended June 30, 2017 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 1,276,296</u> (C)
Decreased by:	
Year-end Encumbrances	<u>\$ (144,899)</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	<u>\$ -</u> (C3)
Other Restricted/Reserved Fund Balances****	<u>\$ -</u> (C4)
Assigned Fund Balance - Unreserved-Designated for Subsequent Year's Expenditures	<u>\$ -</u> (C5)
Total Unassigned Fund Balance [(C) - (C1) - (C2) - (C3) - (C4) - (C5)]	<u>\$ 1,131,397</u> (U1)

SECTION 3

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

Recapitulation of Excess Surplus as of June 30, 2016

Restricted Excess Surplus -- Designated for Subsequent Year's Expenditures**	<u>\$ -</u> (C3)
Restricted Excess Surplus***[(E)]	<u>\$ -</u> (E)
Total [(C3) + (E)]	<u>\$ -</u> (D)

* This adjustment line (line (K) as detailed below) is to utilized for Impact Aid, Sale and Lease-back, Extraordinary Aid, and Additional Nonpublic School Transportation Aid, and unbudgeted FICA Wage Freeze Grant Revenue, if applicable. Extraordinary Aid and Additional Nonpublic School Transportation Aid for 2016-17 received after June 30 is limited to the amount of revenue recognized in the audit year that was not appropriated.

**CITY OF BAYONNE SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Detail of Allowable Adjustments

Impact Aid	\$ - (H)
Sale & Lease-back	\$ - (I)
Extraordinary Aid	\$ 688,925 (J1)
Additional Nonpublic School Transportation Aid	\$ - (J2)
 Total Adjustments [(H) + (I) + (J1) + (J2)]	 <u>\$ 688,925 (K)</u>

** This amount represents the June 30, 2016 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amount must agree with the June 30, 2017 CAFR and Audit Summary Worksheet Line 90030.

**** Amount for Other Restricted/Reserved Fund Balance must be detailed for each source and request for approval to use amounts other than state imposed legal restrictions in the excess surplus calculation must be submitted to that Assistant to the Commissioner for Finance prior to September 30.

- (N-1) Capital reserve at June 30, 2017
- (N-2) Maintenance reserve minimum required under EFCFA
- (N-3) Tuition reserve at June 30, 2017
- (N-4) Emergency reserve at June 30, 2017
- (N-5) Waiver offset reserve at June 30, 2017

Detail of Other Reserved Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$ -
Sale/lease-back reserve	\$ -
Capital reserve	\$ -
Maintenance reserve	\$ -
Emergency reserve	\$ -
Waiver offset reserve	\$ -
Tuition reserve	\$ -
Other state/government mandated reserve	\$ -
[Other Restricted/Reserved Fund Balance not noted above]****	\$ -
 Total Other Restricted/Reserved Fund Balance	 <u>\$ - (C4)</u>