

**SHORE REGIONAL HIGH  
SCHOOL DISTRICT  
AUDITOR'S MANAGEMENT REPORT  
FISCAL YEAR ENDED JUNE 30, 2017**

SHORE REGIONAL HIGH SCHOOL DISTRICT

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

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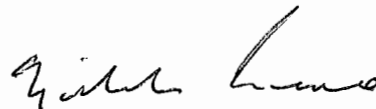
**REPORT OF INDEPENDENT AUDITORS**

Honorable President and  
Members of the Board of Education  
Shore Regional School District  
County of Monmouth

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 Shore Regional High School District in the County of Monmouth for the year ended June 30, 2017, and have issued our report thereon dated February 5, 2018.

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 Monmouth Regional High School District Board of Education management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.



Nicholas A. Cannone  
Licensed Public School Accountant  
No. CS-02103  
Cannone & Company, CPAs

February 5, 2018

## **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 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**

Insurance coverage was carried in the amounts as detailed on the Insurance Schedule contained in the Statistical Section of the District's CAFR.

Adequacy of insurance coverage is the responsibility of the Board of Education.

#### **Official Bonds**

| <u>Name</u>      | <u>Position</u>                        | <u>Amount</u> |
|------------------|--|---------------|
| Corey Lowell     | Board Secretary/Business Administrator | \$200,000     |
| Joanne M. Wilson | Treasurer                              | \$225,000     |

There is an Employee Dishonesty Bond with New Jersey School Boards Association Insurance Group for \$250,000 each employee.

### **Financial Planning, Accounting and Reporting**

#### **Examination of Claims**

An examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting 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.

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 withholding due to the general fund.

Payrolls were delivered to the treasurer of school moneys with a warrant made to his order for the full amount of each payment.

## Reserve for Encumbrances and Accounts Payable

All encumbrances and accounts payable at June 30, 2017 were properly recorded and classified.

## 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, no errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

## Board Secretary's Records

The Board Secretary's Records were found to be in order except for the following:

Finding (2017-1) In the Special Revenue Fund, an accurate and detailed accounting for local grants as of June 30, 2017 was not available.

Recommendation (2017-1) An accurate and detailed accounting of revenues, expenditures and deferred revenue balances for Fund 20 local grants should be maintained.

## Treasurer's Records (optional position)

The Treasurer's Records were found to be in order except for the following:

Finding (2017-2) In the checking accounts for the General Fund- operating and the Trust and Agency Fund-net payroll accounts, there were old outstanding checks which have not cleared the bank accounts.

Recommendation (2017-2) Outstanding checks which remain outstanding for more than twelve months should be reviewed and if necessary, written off.

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

The E.S.E.A. 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. did not indicate any 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.

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 did not indicate any areas of noncompliance.

#### 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.

#### 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. The law regulating bidding for public school student transportation contracts under *N.J.S.A. 18A:39-3* is \$18,800 for 2015-16.

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 questions arise as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

Based on the results of my examination, I did 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 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 District's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

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.

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 were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will either break even, return a profit or incur a loss of not more than a specified amount. The operating results provision has been met.

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

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

Net cash resources did not exceed three months average expenditures.

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.

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 on file, times the number of operating days, on a school by school basis. The free and reduced price meal is uniformly administered throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review.

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

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds.

### **Student Body Activities**

During our review of the Student Activity Funds, we did not note any areas of non-compliance.

### **Application for State School Aid**

Our audit procedures included a test of information reported in the October Application for State School Aid (A.S.S.A.) for on-roll, private schools for the

handicapped, 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. The information that was included on the workpapers was verified. Any errors or exceptions were rectified. 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. No exceptions were noted.

The results of our procedures are presented in the Schedule of Audited Enrollments.

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.

### **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.



**BOARD OF EDUCATION  
SHORE REGIONAL HIGH SCHOOL DISTRICT  
COUNTY OF MONMOUTH  
SCHEDULE OF AUDITED ENROLLMENTS  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2016**

|                        | 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 Veri- cation | Sample Verified | Sample Errors |
|                        | Full                                       | Shared   | Full                           | Shared   | Full         | Shared       | Full                            | Shared   | Full                           | Shared   | Full                         | Shared       |   |                         |                 |               |
| Half Day Preschool     |  |          |                                |          |              |              |                                 |          |                                |          |                              |              |   |                         |                 |               |
| Full Day Preschool     |  |          |                                |          |              |              |                                 |          |                                |          |                              |              |   |                         |                 |               |
| Half Day Kindegarten   |  |          |                                |          |              |              |                                 |          |                                |          |                              |              |   |                         |                 |               |
| Full Day Kindergarten  |  |          |                                |          |              |              |                                 |          |                                |          |                              |              |   |                         |                 |               |
| One                    |  |          |                                |          |              |              |                                 |          |                                |          |                              |              |   |                         |                 |               |
| Two                    |  |          |                                |          |              |              |                                 |          |                                |          |                              |              |   |                         |                 |               |
| Three                  |  |          |                                |          |              |              |                                 |          |                                |          |                              |              |   |                         |                 |               |
| Four                   |  |          |                                |          |              |              |                                 |          |                                |          |                              |              |   |                         |                 |               |
| Five                   |  |          |                                |          |              |              |                                 |          |                                |          |                              |              |   |                         |                 |               |
| Six                    |  |          |                                |          |              |              |                                 |          |                                |          |                              |              |   |                         |                 |               |
| Seven                  |  |          |                                |          |              |              |                                 |          |                                |          |                              |              |   |                         |                 |               |
| Eight                  |  |          |                                |          |              |              |                                 |          |                                |          |                              |              |   |                         |                 |               |
| Nine                   | 129  |          | 129                            |          |              |              | 129                             |          | 129                            |          |                              |              |   |                         |                 |               |
| Ten                    | 144  |          | 144                            |          |              |              | 144                             |          | 144                            |          |                              |              |   |                         |                 |               |
| Eleven                 | 116  | 2        | 116                            | 2        |              |              | 116                             | 2        | 116                            | 2        |                              |              |   |                         |                 |               |
| Twelve                 | 118  | 5        | 118                            | 5        |              |              | 118                             | 5        | 118                            | 5        |                              |              |   |                         |                 |               |
| Post-Graduate          |  |          |                                |          |              |              |                                 |          |                                |          |                              |              |   |                         |                 |               |
| Adult H.S. (15+CR.)    |  |          |                                |          |              |              |                                 |          |                                |          |                              |              |   |                         |                 |               |
| Adult H.S. (1-14 CR.)  |  |          |                                |          |              |              |                                 |          |                                |          |                              |              |   |                         |                 |               |
| Subtotal               | <u>507</u>                                 | <u>7</u> | <u>507</u>                     | <u>7</u> | <u>0</u>     | <u>0</u>     | <u>507</u>                      | <u>7</u> | <u>507</u>                     | <u>7</u> | <u>0</u>                     | <u>0</u>     | <u>0</u>                                | <u>0</u>                | <u>0</u>        | <u>0</u>      |
| Special Education:     |  |          |                                |          |              |              |                                 |          |                                |          |                              |              |   |                         |                 |               |
| Elementary School      |  |          |                                |          |              |              |                                 |          |                                |          |                              |              |   |                         |                 |               |
| Middle School          |  |          |                                |          |              |              |                                 |          |                                |          |                              |              |   |                         |                 |               |
| High School            | 106  |          | 106                            |          | 0            | 0            | 106                             |          | 106                            |          | 0                            | 0            | 11.0                                    | 11.0                    | 11              | 0             |
| Subtotal               | <u>106</u>                                 | <u>0</u> | <u>106</u>                     | <u>0</u> | <u>0</u>     | <u>0</u>     | <u>106</u>                      | <u>0</u> | <u>106</u>                     | <u>0</u> | <u>0</u>                     | <u>0</u>     | <u>11.0</u>                             | <u>11.0</u>             | <u>11</u>       | <u>0</u>      |
| Co. Voc. - Regular     |  |          |                                |          |              |              |                                 |          |                                |          |                              |              |   |                         |                 |               |
| Co. Voc. Ft. Post Sec. |  |          |                                |          |              |              |                                 |          |                                |          |                              |              |   |                         |                 |               |
| Totals                 | <u>613</u>                                 | <u>7</u> | <u>613</u>                     | <u>7</u> | <u>0</u>     | <u>0</u>     | <u>613</u>                      | <u>7</u> | <u>613</u>                     | <u>7</u> | <u>0</u>                     | <u>0</u>     | <u>11.0</u>                             | <u>11.0</u>             | <u>11</u>       | <u>0</u>      |
| Percentage Error       |  |          |                                |          | <u>0.00%</u> | <u>0.00%</u> |                                 |          |                                |          | <u>0.00%</u>                 | <u>0.00%</u> |   |                         |                 | <u>0.00%</u>  |

**BOARD OF EDUCATION  
SHORE REGIONAL HIGH SCHOOL DISTRICT  
COUNTY OF MONMOUTH  
SCHEDULE OF AUDITED ENROLLMENTS (CONTINUED)  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2016**

|                        | Low Income                         |                                      |              | Sample for Verification         |                                      |               | 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  |                                    |                                      |              |                                 |                                      |               |  |  |              |                                 |                                     |               |
| One                    |                                    |                                      |              |                                 |                                      |               |  |  |              |                                 |                                     |               |
| Two                    |                                    |                                      |              |                                 |                                      |               |  |  |              |                                 |                                     |               |
| Three                  |                                    |                                      |              |                                 |                                      |               |  |  |              |                                 |                                     |               |
| Four                   |                                    |                                      |              |                                 |                                      |               |  |  |              |                                 |                                     |               |
| Five                   |                                    |                                      |              |                                 |                                      |               |  |  |              |                                 |                                     |               |
| Six                    |                                    |                                      |              |                                 |                                      |               |  |  |              |                                 |                                     |               |
| Seven                  |                                    |                                      |              |                                 |                                      |               |  |  |              |                                 |                                     |               |
| Eight                  |                                    |                                      |              |                                 |                                      |               |  |  |              |                                 |                                     |               |
| Nine                   | 10                                 | 10                                   |              | 10                              | 10                                   |               | 1                                      | 1  |              | 1                               | 1                                   |               |
| Ten                    | 5                                  | 5                                    |              | 5                               | 5                                    |               | 0                                      | 0  |              | 0                               | 0                                   |               |
| Eleven                 | 2                                  | 2                                    |              | 2                               | 2                                    |               | 0                                      | 0  |              | 0                               | 0                                   |               |
| Twelve                 | 1.5                                | 1.5                                  |              | 1.5                             | 1.5                                  |               | 0                                      | 0  |              | 0                               | 0                                   |               |
| Post-Graduate          |                                    |                                      |              |                                 |                                      |               |  |  |              |                                 |                                     |               |
| Adult H.S. (15+CR.)    |                                    |                                      |              |                                 |                                      |               |  |  |              |                                 |                                     |               |
| Adult H.S. (1-14 CR.)  |                                    |                                      |              |                                 |                                      |               |  |  |              |                                 |                                     |               |
| Subtotal               | <u>18.5</u>                        | <u>18.5</u>                          | <u>0</u>     | <u>18.5</u>                     | <u>18.5</u>                          | <u>0</u>      | <u>1</u>                               | <u>1</u>                                 | <u>0</u>     | <u>1</u>                        | <u>1</u>                            | <u>0</u>      |
| Special Education:     |                                    |                                      |              |                                 |                                      |               |  |  |              |                                 |                                     |               |
| Elementary School      |                                    |                                      |              |                                 |                                      |               |  |  |              |                                 |                                     |               |
| Middle School          |                                    |                                      |              |                                 |                                      |               |  |  |              |                                 |                                     |               |
| High School            | 8                                  | 8                                    |              | 8                               | 8                                    |               | 0                                      | 0  |              | 0                               | 0                                   |               |
| Subtotal               | <u>8</u>                           | <u>8</u>                             | <u>0</u>     | <u>8</u>                        | <u>8</u>                             | <u>0</u>      | <u>0</u>                               | <u>0</u>                                 | <u>0</u>     | <u>0</u>                        | <u>0</u>                            | <u>0</u>      |
| Co. Voc. - Regular     |                                    |                                      |              |                                 |                                      |               |  |  |              |                                 |                                     |               |
| Co. Voc. Ft. Post Sec. |                                    |                                      |              |                                 |                                      |               |  |  |              |                                 |                                     |               |
| Totals                 | <u>26.5</u>                        | <u>26.5</u>                          | <u>0</u>     | <u>26.5</u>                     | <u>26.5</u>                          | <u>0</u>      | <u>1</u>                               | <u>1</u>                                 | <u>0</u>     | <u>1</u>                        | <u>1</u>                            | <u>0</u>      |
| Percentage Error       |                                    |                                      | <u>0.00%</u> |                                 |                                      | <u>0.00%</u>  |  |  | <u>0.00%</u> |                                 |                                     | <u>0.00%</u>  |

**Transportation**

|                             | Reported on DRTRS by DOE | Reported on DRTRS by District | Errors     | Tested       | Verified     | Errors     | Average Mileage - Regular Including Grade PK students | Average Mileage - Regular Excluding Grade PK students | Average Mileage - Special Ed with Special Needs | Reported | Re-Calculated |
|-----------------------------|--------------------------|-------------------------------|------------|--------------|--------------|------------|---|---|---|----------|---------------|
|                             |                          |                               |            |              |              |            |   |   |   |          |               |
| AIL - Non-Public            | 19.0                     | 19.0                          |            | 19.0         | 19.0         |            |   |   |   | 6.0      | 6.0           |
| Regular - Public Schools    | 246.0                    | 246.0                         |            | 246.0        | 246.0        |            |   |   |   | 6.0      | 6.0           |
| Regular - Special Education | 92.0                     | 92.0                          |            | 92.0         | 92.0         |            |   |   |   |          |               |
| Transported - Non-Public    | 145.0                    | 145.0                         |            | 145.0        | 145.0        |            |   |   |   | 24.0     | 24.0          |
| Special Ed Spec             | 20.0                     | 20.0                          |            | 20.0         | 20.0         |            |   |   |   |          |               |
| Totals                      | <u>522.0</u>             | <u>522.0</u>                  | <u>0.0</u> | <u>522.0</u> | <u>522.0</u> | <u>0.0</u> |   |   |   |          |               |
| Percentage Error            |                          |                               |            |              |              |            |   |   |   |          |               |

8 0.00%

**BOARD OF EDUCATION  
SHORE REGIONAL HIGH SCHOOL DISTRICT  
COUNTY OF MONMOUTH  
SCHEDULE OF AUDITED ENROLLMENTS (CONTINUED)  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2016**

|                        | <u>LEP NOT Low Income</u>                                 |   |               | <u>Sample for Verification</u>                     |   |                          |
|------------------------|---|---|---------------|--|---|--------------------------|
|                        | <u>Reported<br/>on A.S.S.A.<br/>as NOT Low<br/>Income</u> | <u>Reported on<br/>Workpapers<br/>as NOT Low<br/>Income</u> | <u>Errors</u> | <u>Sample<br/>Selected<br/>from<br/>Workpapers</u> | <u>Verified to<br/>Application<br/>and<br/>Register</u> | <u>Sample<br/>Errors</u> |
| Half Day Preschool     |   |   |               |  |   |                          |
| Full Day Preschool     |   |   |               |  |   |                          |
| Half Day Kindergarten  |   |   |               |  |   |                          |
| Full Day Kindergarten  |   |   |               |  |   |                          |
| One                    |   |   |               |  |   |                          |
| Two                    |   |   |               |  |   |                          |
| Three                  |   |   |               |  |   |                          |
| Four                   |   |   |               |  |   |                          |
| Five                   |   |   |               |  |   |                          |
| Six                    |   |   |               |  |   |                          |
| Seven                  |   |   |               |  |   |                          |
| Eight                  |   |   |               |  |   |                          |
| Nine                   | 2   | 2   |               | 2  | 2   |                          |
| Ten                    | 1   | 1   |               | 1  | 1   |                          |
| Eleven                 | 0   | 0   |               | 0  | 0   |                          |
| Twelve                 | 0   | 0   |               | 0  | 0   |                          |
| Post-Graduate          |   |   |               |  |   |                          |
| Adult H.S. (15+CR.)    |   |   |               |  |   |                          |
| Adult H.S. (1-14 CR.)  |   |   |               |  |   |                          |
| Subtotal               | <u>3</u>  | <u>3</u>  | <u>0</u>      | <u>3</u>   | <u>3</u>  | <u>0</u>                 |
| Special Education:     |   |   |               |  |   |                          |
| Elementary School      |   |   |               |  |   |                          |
| Middle School          |   |   |               |  |   |                          |
| High School            |   |   |               |  |   |                          |
| Subtotal               | <u>0</u>  | <u>0</u>  | <u>0</u>      | <u>0</u>   | <u>0</u>  | <u>0</u>                 |
| Co. Voc. - Regular     |   |   |               |  |   |                          |
| Co. Voc. Ft. Post Sec. |   |   |               |  |   |                          |
| Totals                 | <u>3</u>  | <u>3</u>  | <u>0</u>      | <u>3</u>   | <u>3</u>  | <u>0</u>                 |
| Percentage Error       |   |   | <u>0.00%</u>  |  |   | <u>0.00%</u>             |

**SHORE REGIONAL HIGH SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
As of June 30, 2017**

**Section 1**

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

|  |    |                             |
|--|----|-----------------------------|
| 2016-17 Total General Fund Expenditures per the CAFR | \$ | 17,792,749                  |
| Decreased by:  |    |                             |
| On-Behalf TPAF Pension & Social Security             | \$ | 1,557,924                   |
| Assets Acquired under Capital Leases                 |    | 353,250                     |
| Adjustment for Disallowed Expenditures per S1701     |    | <u>                    </u> |
| Adjusted 16-17 General Fund Expenditures             | \$ | 15,881,575                  |
| 2% of Adjusted 2016-17 General Fund Expenditures     | \$ | 317,632                     |
| Increased by Allowable Adjustment                    |    | <u>181,380</u>              |
| Maximum Unreserved/Undesignated Fund Balance         | \$ | <u><u>499,012</u></u>       |

**Section 2**

|  |    |                             |
|--|----|-----------------------------|
| Total General Fund Balances @ 06/30/17   | \$ | 1,303,569                   |
| Decreased by:  |    |                             |
| Year-end Encumbrances  | \$ | 13,788                      |
| Capital Reserve  |    | 312,717                     |
| Legally Restricted - Excess Surplus- Designated for Subsequent Year's Expenditures |    | 176,948                     |
| Other Restricted Fund Balances   |    | -                           |
| Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures |    | <u>39</u>                   |
| Total Unassigned Fund Balance  | \$ | 800,077                     |
| Increased by:  |    |                             |
| Adjustment for Disallowed Transfers per S1701                                      | \$ | <u>                    </u> |
| Total Unreserved/Undesignated Fund Balance for Excess Surplus Calculation          | \$ | <u><u>800,077</u></u>       |

**Section 3**

|  |    |                |
|--|----|----------------|
| Restricted Fund Balance - Excess Surplus | \$ | <u>301,066</u> |
|--|----|----------------|

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

|  |    |                |
|--|----|----------------|
| Reserved Excess Surplus -- Designated for Subsequent Year's Expenditures | \$ | 176,948        |
| Reserved Excess Surplus  |    | <u>301,066</u> |
| Total  | \$ | 478,014        |

**Detail of Allowable Adjustments**

|  |    |                             |
|--|----|-----------------------------|
| Impact Aid   | \$ |                             |
| Sale and Lease-back                                  |    |                             |
| Extraordinary Aid                                    |    | 172,550                     |
| Additional Non Public School Transportation Aid      |    | 8,830                       |
| Unbudgeted TPAF Wage Freeze Grant Funding            |    |                             |
| Higher Expectations for Learning and Proficiency Aid |    | <u>                    </u> |
| Total Adjustments                                    | \$ | 181,380                     |

**Detail of Other Restricted Fund Balance**

|  |    |                             |
|--|----|-----------------------------|
| Statutory Restrictions:  |    |                             |
| Approved unspent separate proposal                             | \$ |                             |
| Capital Outlay for a district with a Capital Outlay cap waiver |    |                             |
| Sale/Lease-Back Reserve  |    |                             |
| Impact Aid General Fund Reserve                                |    |                             |
| Maintenance Reserve  |    |                             |
| Emergency Reserve  |    |                             |
| Tuition Reserve  |    |                             |
| Other State/Government Mandated Reserve                        |    | <u>                    </u> |
| [Other Restricted Fund Balance not noted above]                |    |                             |
| Total Other Restricted Fund Balance                            | \$ | <u><u>-</u></u>             |