

**CITY OF UNION CITY SCHOOL DISTRICT**

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

**JUNE 30, 2017**

# CITY OF UNION CITY 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 Union City 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 Union City School District in the County of Hudson for the year ended June 30, 2017, and have issued our report thereon dated December 1, 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 Union City 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  
December 1, 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 Moneys, the activities of the Board of Education, and the records of the Athletic Fund, The Student Activity Fund, Food Service Fund and Special Revenue Fund 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**

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>Amount</u></b>
Anthony Dragona	School Business Administrator/ Board Secretary/ Custodian of School Moneys	\$750,000

The Board also has an errors and omissions policy with the New Jersey School Boards Association Insurance Group with coverage of \$6,000,000 total for all fees and claims.

**FINANCIAL PLANNING, ACCOUNTING AND REPORTING**

**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.

**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.

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

**FINANCIAL PLANNING, ACCOUNTING AND REPORTING (Continued)**

**Payroll Account (Continued)**

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

**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.

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

**A. General Classification Findings**

No findings were noted

**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.

**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.

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

**FINANCIAL PLANNING, ACCOUNTING AND REPORTING (Continued)**

**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 no areas of noncompliance.

Finding 2017-001: The District did not reconcile special revenue fund expenditures to Final Reports submitted for federal and state grants in a timely manner.

Recommendation: The District should timely reconcile special revenue fund expenditures to Final Reports submitted for federal and state grants in a timely manner to ensure accuracy of reports.

**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.

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

Finding 2017-002: The T.P.A.F. reimbursement to the State for the amount of the expenditures charged to the current year's Final Report 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 subsequent to the end of the 60 day grant liquidation period required by the Office of Grants Management and also subsequent to the 90 days required by *N.J.S.A. 18A:66-90*. Accordingly, the expenditure was not in accordance with State law (90 days).

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

**FINANCIAL PLANNING, ACCOUNTING AND REPORTING (Continued)**

Recommendation: The district should adopt internal control procedures designed to ensure that reimbursement(s) of TPAF/FICA paid by the State on-behalf of TPAF employees charged to federal grants are properly reported in the current year's Final Report(s) for all federal awards and are encouraged to remit payment within the 60 day grant liquidation period and/or certainly within the statutory 90 day liquidation period.

**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:39-3(a) are \$40,000 with a Qualified Purchasing Agent (QPA) and \$29,000 without a QPA, respectively. The law regulating bidding for public school student transportation contracts under *N.J.S.A.* 18A:39-3 is currently \$18,800 for 2016-17.

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.

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 break even. The operating results provision has been met.

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

**SCHOOL FOOD SERVICE (Continued)**

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.

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. The records of the management company included time sheets for its employees who work at the various schools. No exceptions were noted.

In the fiscal year 2016 the District has exercised its option to utilize Community Eligibility, where all students are eligible for free breakfast and lunch. 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.

As a result of utilizing the Community Eligibility, there was no required verification procedures for free and reduced price applications.

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**

During our review of the Student Activity funds no exceptions were noted.



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

**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.

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.

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

**FOLLOW-UP ON PRIOR YEAR FINDINGS**

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations including findings. Corrective action had been taken on all prior year findings with the exception of the following, which are repeated in this year’s recommendations noted as current year finding 2017-001 and 2017-002.

- The District did not reconcile special revenue fund expenditures to Final Reports submitted for federal and state grants in a timely manner. (2017-001)
  
- The T.P.A.F. reimbursement to the State for the amount of the expenditures charged to the current year’s Final Report 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 subsequent to the end of the 60 day grant liquidation period required by the Office of Grants Management and also subsequent to the 90 days required by *N.J.S.A. 18A:66-90*. Accordingly, the expenditure was not in accordance with State law (90 days). (2017-002)

**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  
December 1, 2017

**CITY OF UNION CITY 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	171,051	59,048	59,048	-	0.320	\$ -
	Free	<u>1,574,364</u>	<u>543,465</u>	<u>543,465</u>	<u>-</u>	3.180	<u>-</u>
	Total	<u><u>1,745,415</u></u>	<u><u>602,513</u></u>	<u><u>602,513</u></u>	<u><u>-</u></u>		<u><u>\$ -</u></u>
National School Lunch	HHFKA - PB Lunch Only	<u>1,745,415</u>	<u>602,513</u>	<u>602,513</u>	<u>-</u>	0.06	<u>-</u>
School Breakfast (Severe Needs Rate)	Paid	135,366	46,070	46,070	-	0.290	\$ -
	Free	<u>1,245,886</u>	<u>424,034</u>	<u>424,034</u>	<u>-</u>	2.040	<u>-</u>
	Total	<u><u>1,381,252</u></u>	<u><u>470,104</u></u>	<u><u>470,104</u></u>	<u><u>-</u></u>		<u><u>\$ -</u></u>

**CITY OF UNION CITY 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	Paid	171,051	59,048	59,048	-	0.040	\$ -
	Free and reduced	<u>1,574,364</u>	<u>543,865</u>	<u>543,865</u>	-	0.055	-
	Total	<u><u>1,745,415</u></u>	<u><u>602,913</u></u>	<u><u>602,913</u></u>	<u>-</u>		<u>\$ -</u>
Total Net (Over)/Under Claim					<u>-</u>		<u>\$ -</u>

**CITY OF UNION CITY 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>		<b>Food Service B - 4/5</b>	
<b>CAFR</b>	*	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	\$ 307,017.00
B-4		Due from Other Gov'ts	\$ 1,106,940
		<b>Net Cash Resources</b>	<b>\$ 1,413,957.00</b>
			<b>(A)</b>

Net Adj. Total Operating Expense:

B-5		Tot. Operating Exp.	9,208,818	
B-5		Less Depreciation	(114,753)	
		Adj. Tot. Oper. Exp.	<b>\$ 9,094,065.00</b>	<b>(B)</b>

Average Monthly Operating Expense:

		B / 10	<b>\$ 909,406.50</b>	<b>(C)</b>
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Three times monthly Average:

		3 X C	<b>\$ 2,728,219.50</b>	<b>(D)</b>
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TOTAL IN BOX A	\$	1,413,957.00	
LESS TOTAL IN BOX D	\$	2,728,219.50	
NET	\$	<b>(1,314,262.50)</b>	
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

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

SCHEDULE OF AUDITED ENROLLMENTS

	2017-2018 Application for State School Aid				Sample of Verification				Private Schools for Disabled			
	Reported on A.S.S.A. On Roll	Workpapers On Roll	Errors	Shared	Sample Selected from Workpapers	Verified per Registers On Roll	Errors per Registers On Roll	Shared	Reported on A.S.S.A. as Private Schools	Sample Verification	Sample Verified	Sample Errors
Full Day Preschool	352	352	-	-	55	55	-	-	-	-	-	-
One	944	944	-	-	52	52	-	-	-	-	-	-
Two	996	996	-	-	49	49	-	-	-	-	-	-
Three	881	881	-	-	38	38	-	-	-	-	-	-
Four	915	881	-	-	51	122	-	-	-	-	-	-
Five	802	802	-	-	42	42	-	-	-	-	-	-
Six	788	788	-	-	82	82	-	-	-	-	-	-
Seven	773	773	-	-	37	37	-	-	-	-	-	-
Eight	722	722	-	-	45	45	-	-	-	-	-	-
Nine	805	805	-	-	29	29	-	-	-	-	-	-
Ten	834	834	-	-	37	37	-	-	-	-	-	-
Eleven	752	752	-	-	41	41	-	-	-	-	-	-
Twelve	690	690	-	-	10	10	-	-	-	-	-	-
Adult Ed (15+ Credits)	690	690	-	-	10	10	-	-	-	-	-	-
Subtotal	11,362	11,362	-	-	705	705	-	-	-	-	-	-
Special Education-Elementary	410	410	-	-	35	35	-	-	33	28	28	-
Special Education-Middle	285	285	-	-	15	15	-	-	22	18	18	-
Special Education-Highschool	460	460	-	-	81	81	-	-	25	19	19	-
Subtotal	1,155	1,155	-	-	131	131	-	-	80	65	65	-
TOTALS	12,517	12,517	-	-	836	836	-	-	80	65	65	0.00%

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

SCHEDULE OF AUDITED ENROLLMENTS

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A. as Low Income	Verified 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	Verified on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Full Day Kindergarten	850	850	-	47	47	-	527	527	-	20	20	-
One	892	892	-	32	32	-	472	472	-	33	33	-
Two	830	830	-	19	19	-	340	340	-	22	22	-
Three	791	791	-	24	24	-	237	237	-	37	37	-
Four	834	834	-	22	22	-	131	131	-	14	14	-
Five	715	715	-	17	17	-	76	76	-	16	16	-
Six	731	731	-	15	15	-	64	64	-	21	21	-
Seven	710	710	-	20	20	-	87	87	-	17	17	-
Eight	669	669	-	28	28	-	87	87	-	17	17	-
Nine	729	729	-	24	24	-	144	144	-	24	24	-
Ten	731	731	-	21	21	-	151	151	-	17	17	-
Eleven	670	670	-	29	29	-	164	164	-	14	14	-
Twelve	573	573	-	17	17	-	106	106	-	32	32	-
Subtotal	9,723	9,723	-	315	315	-	2,567	2,567	-	287	287	-
Special Education-Elementary	389	389	-	15	15	-	36	36	-	14	14	-
Special Education-Middle	289	289	-	15	15	-	7	7	-	3	3	-
Special Education-Highschool	433	433	-	15	15	-	11	11	-	5	5	-
Subtotal	1,111	1,111	-	45	45	-	54	54	-	22	22	-
TOTALS	10,834	10,834	0.00%	360	360	-	2,621	2,621	0.00%	309	309	0.00%

	Transportation		
	Reported on D/RTS by DOE/County	Reported on D/RTS by District	Errors
Reg.-Public Schools	10	10	-
Reg.-Special Education	180	180	-
Special Ed. Spec Trans.	106	106	-
Courtesy Student	28	28	-
TOTALS	324	324	0.00%

Reg. Avg (Mileage) = Regular including Grade PK Students (Part A)  
Reg Avg (Mileage) = Regular excluding Grade PK Students (Part B)  
Special Avg = Special Ed w/ Special Needs

Reported n/a  
Recalculated n/a  
1.5  
9.3

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

**SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool	-	-	-	-	-	-
Full Day Kindergarten	33	33	-	9	9	-
One	13	13	-	7	7	-
Two	16	16	-	6	6	-
Three	5	5	-	4	4	-
Four	2	2	-	2	2	-
Five	3	3	-	1	1	-
Six	3	3	-	2	2	-
Seven	3	3	-	1	1	-
Eight	5	5	-	2	2	-
Nine	17	17	-	9	9	-
Ten	7	7	-	2	2	-
Eleven	4	4	-	3	3	-
Twelfth	9	9	-	4	4	-
Subtotal	120	120	-	52	52	-
Special Education-Elementary	2	2	-	1	1	-
Special Education-Middle	-	-	-	-	-	-
Special Education-Highschool	1	1	-	1	1	-
Subtotal	3	3	-	2	2	-
TOTALS	123	123	0.00%	54	54	0.00%



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

**SECTION 1**

Calculation A: 2 Percent Excess Surplus

All districts required to use school-based budgeting are required to complete this calculation using 2 percent on line A10.

2016-17 Total General Fund Expenditures per the CAFR, Exhibit C-1	<u>\$ 223,779,769</u> (A)
Increased by Applicable Operating Transfers:	
Transfer from Capital Outlay to Capital Projects	<u>                    -</u> (A1a)
Transfer from Reserve to Capital Projects	<u>1,000,000</u> (A1a)
Transfer from G/F to SRF for Preschool - Regular	<u>                    -</u> (A1a)
Transfer from G/F to SRF for Preschool - Inclusion	<u>595,080</u> (A1a)
Less:	
Expenditures Allocated to Restricted Federal Resources as Reported on Exhibit D-2	<u>(4,454,807)</u> (A1b)
2016-17 Adjusted General Fund & Other State Expenditures [(A) - (A1)-(A1b)]	<u>\$ 220,920,042</u> (A2)
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>\$ (20,177,893)</u> (A3)
Assets Acquired Under Capital Leases:	
General Fund 10 Assets Acquired Under Capital Leases reported on Exhibit C-1a	<u>\$                    -</u> (A4)
Add:	
General Fund & State Resources Portion of Fund 15	
Assets Acquired Under Capital Leases:	
Assets Acquired Under Capital Leases in Fund 15 reported on Exhibit C-1a	<u>                    -</u> (A5)
Combined General Fund Contribution & State Resources % of Fund 15 Resources Reported on Exhibit D-2	<u>96.20%</u> (A6)
General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases [(A5) x (A6)]	<u>                    -</u> (A7)
Total Assets Acquired Under Capital Leases [(A4) + (A7)]	<u>                    -</u> (A8)
2016-17 General Fund Expenditures [(A2) - (A3) - (A8)]	<u>\$ 200,742,149</u> (A9)
2% of Adjusted 2016-2017 General Fund Expenditures [(A9) x 2%]	<u>\$ 4,014,843</u> (A10)
Enter Greater of (A10) or \$250,000	<u>4,014,843</u> (A11)
Increased by: Allowable Adjustment*	<u>354,173</u> (K)
Maximum Unassigned Fund Balance [(A11) + (K)]	<u>\$ 4,369,016</u> (M)

**SECTION 2**

Total General Fund - Fund Balances at June 30, 2017	<u>\$ 82,343,733</u> (C)
Decreased by:	
Year-end Encumbrances	<u>(5,692,419)</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>                    -</u> (C2)
Excess Surplus - Designated for Subsequent Year's Expenditures**	<u>(24,785,266)</u> (C3)
Other Restricted Fund Balances****	<u>(9,997,704)</u> (C4)
Assigned - Designated for Subsequent Year's Expenditures	<u>(4,746,093)</u> (C5)
Total Unassigned Fund Balance [(C) - (C1) - (C2) - (C3) - (C4) - (C5)]	<u>\$ 37,122,251</u> (U)

**SECTION 3**

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

Restricted Fund Balance - Excess Surplus\*\*\*[(U) - (M)] IF NEGATIVE ENTER -0- \$ 32,753,235 (E)

Summary:

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures\*\* \$ 24,785,266 (C3)  
 Restricted Excess Surplus\*\*\*[(E)] 32,753,235 (E)

Total [(C3) + (E)] \$ 57,538,501 (D)

\* This adjustment line (line (K) as detailed below) is to utilized for Impact Aid, Sale and Lease-back, Extraordinary Aid, 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.

**Detail of Allowable Adjustments**

Impact Aid	<u>\$ - (H)</u>
Sale & Lease-back	<u>- (I)</u>
Extraordinary Aid	<u>354,173 (J1)</u>
Additional Nonpublic School Transportation Aid	<u>- (J2)</u>
Current Year School Bus Advertising Revenue Recognized	<u>- (J3)</u>
Family Crisis Transportation Aid	<u>- (J4)</u>
 Total Adjustments [(H) + (I) + (J1) + (J2) + (J3) + (J4)]	 <u>\$ 354,173 (K)</u>

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

\*\*\* See (E) above. The amount entered must agree with the June 30, 2017 CAFR and Audit Summary Worksheet Line 90030.

\*\*\*\* Amount for Other Restricted 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) School bus fuel offset reserve – current year - June 30, 2017
- (N-6) School bus fuel offset reserve – prior year - June 30, 2017
- (N-7) Impact Aid general fund reserve at June 30, 2017
- (N-8) Impact Aid capital fund reserve at June 30, 2017

**Detail of Other Restricted/Reserved Fund Balance**

**Statutory restrictions:**

Approved unspent separate proposal	<u>-</u>
Sale/lease-back reserve	<u>-</u>
Capital reserve (N-1)	<u>3,997,704</u>
Maintenance reserve (N-2)	<u>-</u>
Tuition reserve (N-3)	<u>-</u>
Emergency reserve (N-4)	<u>-</u>
School Bus Advertising 50% Fuel Offset Reserve - current year (N-5)	<u>-</u>
School Bus Advertising 50% Fuel Offset Reserve - prior year (N-6)	<u>-</u>
Impact Aid General Fund Reserve (Section 8002 and 8003) (N-7)	<u>-</u>
Impact Aid Capital Fund Reserve (Section 8007 and 8008) (N-8)	<u>-</u>

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

Capital reserve - reserved for local share of 2017-2018 district budget	<u>4,000,000</u>
Maintenance reserve - reserved for local share of 2017-2018 district budget	<u>2,000,000</u>

Total Other Restricted/Reserved Fund Balance \$ 9,997,704 (C4)