

**AUDITORS MANAGEMENT REPORT
ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
PATERSON PUBLIC SCHOOLS
COUNTY OF PASSAIC, NEW JERSEY
JUNE 30, 2018**

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Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkocz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, NJ 07860
973-579-3212
Fax 973-579-7128

REPORT OF INDEPENDENT AUDITORS

Honorable President and
Members of the Board of Education
Paterson Public Schools
Paterson, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Paterson Public Schools, in the County of Passaic, for the year ended June 30, 2018, and have issued our report thereon dated September 17, 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 Paterson Public Schools' management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Steven D. Wielkocz, C.P.A.
Licensed Public School Accountant
No. 816

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

September 17, 2018

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

GENERAL COMMENTS

Scope of Audit

The audit covered the financial transactions of the Board Secretary, School Business Administrator and Treasurer of School Moneys, the activities of the Board of Education, and the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20 of the District's CAFR.

Officials Bonds (N.J.S.A. 18A:17-26, 18A:17-32, 18A:13-13)

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Eileen F. Shafer, M. Ed.	State District Superintendent	\$85,000
Margaret S. Cherone	Treasurer of School Monies	\$2,000,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. Adjustments were made to sending district billings for the increase in per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period 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/School Business Administrator.

Financial Planning, Accounting and Reporting, (continued)

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

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

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents, and business administrator) to the NJ Department of Treasury was filed by the March 15 due date.

Reporting of employee compensation for income tax related purposes did comply with federal and state regulations regarding the compensation which is required to be reported.

Employee Position Control Roster

The Position Control Roster was reviewed and compared to payroll records, employee benefit records and charges made to the general ledger to ensure proper and consistent financial reporting and that employee benefits are only offered to current employees.

Reserve for Encumbrances, Liability for Accounts Payable

Our overview of the financial and accounting records maintained by the Board Secretary did not disclose any issues.

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, a transaction error rate of 1.11% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Finding 2018-001: Expenditures in the following categories were not charged to the appropriate line item account in accordance with the Uniform Minimum Chart of Accounts for New Jersey Public Schools: Required Maintenance.

Recommendation: The District should reference the Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2018 Edition and other available reference/materials, such as the Budget Guidelines for the proper classifications required to be in compliance with N.J.A.C. 6A:23-2.3(f).

Financial Planning, Accounting and Reporting, (continued)

Board Secretary's Records

Our review of the financial and accounting records maintained by the Board Secretary were found to be in good condition.

The Board Secretary should file monthly certifications of the budgetary line item status which are consistent with the actual budgetary records.

Fixed Assets

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

Elementary and Secondary Education Act (E.S.E.A.) as Amended by the Every Student Succeeds Act (ESSA)

The E.S.E.A. financial exhibits contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Title I, Title II, Title III and Title IV of the Elementary and Secondary Education Act, as amended and reauthorized.

The study of compliance for E.S.E.A. indicated that there were no areas of noncompliance and/or questioned costs.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule K-3 and Schedule K-4 located in the CAFR.

Our audit of the federal and state funds on a test basis, indicated that obligation and expenditures were incurred during the fiscal year or project year 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 identified the following:

Finding 2018-002 (CAFR Finding 2018-001): A limited number of individual EXAID applications had services provided to students which were not required by their IEP. Furthermore, a limited number of EXAID applications had direct instructional costs which could not be supported by verifiable cost documentation.

Recommendation: The Special Services Department should ensure that all information being reported on each student's EXAID application is accurate and supported by the necessary documentation.

Financial Planning, Accounting and Reporting, (continued)

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for the District employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Reports for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

Nonpublic State Aid

Project completion reports were finalized and transmitted to the State Department of Education by the due date.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-2 contains definitions for terms used throughout N.J.S.A. 18A:18A-1 et seq. It includes as subsection (p) the term 'competitive contracting', which is defined as "the method described in N.J.S.A. 18A:18A-4.1 through 18A:18A-4.5 and in rules promulgated by DCA at N.J.A.C. 5:34-4 of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal proposals are evaluated by the purchasing agent or counsel or school business administrator; and the board of education awards a contract to a vendor or vendors from among the formal proposals received." Also, subsection (aa) defines the term 'concession' to exclude vending machines.

N.J.S.A. 18A:18A-3(a) sets forth the bid threshold and requires award by board resolution. There is a higher threshold when there is a "Qualified Purchasing Agent" (QPA) in the district as defined at N.J.A.C. 5:34-1.1 and certified upon approval of an application submitted to DCA. Pursuant to N.J.S.A. 18A:18A-3(b), the bid threshold may be adjusted by the Governor, in consultation with the Department of Treasury, every five years.

N.J.S.A. 18A:18A-4.4 provides boards of education the authority to pass a resolution authorizing the use of competitive contracting. "In order to initiate competitive contracting, the board of education shall pass a resolution authorizing the use of competitive contracting each time specialized goods or services enumerated in sections 45 of L. 1999, c.440 are desired to be contracted."

School Purchasing Programs, (continued)

Contracts and Agreements Requiring Advertisement for Bids, (continued)

Effective July 1, 2015 and thereafter, the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agency) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$19,000.

The board of education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

The results of our examination indicated that no individual payments, contracts or agreements were made for the performance of any work, 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 contract or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

School Food Service

The financial transactions and statistical records of the School Food Service Fund were reviewed. 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.

All districts have been approved to participate in the Community Eligibility Program (CEP). All students attending CEP schools receive free meals through the Child Nutrition Program.

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. 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.

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

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

School Food Service, (continued)

The District did provide 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, section G of the CAFR.

Student Body Activities

The Board has a policy which clearly established the regulation for Student Activity Funds.

During our review of the Student Activity Funds, the following item was noted:

Finding 2018-003: Not all cash receipts were deposited into the JFK High School Athletic Account in a timely manner (N.J.A.C. 6A:23A-16.12).

Recommendation: All cash receipts should be promptly deposited when received.

Application for State School Aid (ASSA)

Our audit procedures included a test of information reported in the October 15, 2017 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income, and bilingual. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers without exception. The information included as part of the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollment.

Finding 2018-004: The District's supporting workpapers for the ASSA-Private Schools Handicapped classification included more students than were actually listed on the submitted ASSA Onroll Report. The 22 handicapped students excluded from the ASSA submission were identified and began receiving related services prior to October 15th. Students identified prior to October 15th must be reported in the current year by the October 15th reporting deadline.

Recommendation: The private school must establish and implement procedures to ensure reporting of Special Education Categorical Aid for all students who are identified and receiving related services prior to the October 15th ASSA reporting deadline.

Finding 2018-005: The school registers did not display similar student information that was shown on the ASSA supporting workpapers.

Recommendation: The District should update information to display correspondingly on both reports.

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2017-2018 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. The following items were noted during our testwork:

Finding 2018-006: There were multiple instances in which students on the DRTRS Summary were listed as attending a different school than what the students were listed as on the ASSA workpapers and school registers.

Recommendation: Be aware of information and update accordingly to display records correctly on all reports.

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.

Testing for Lead of All Drinking Water in Educational Facilities

The school 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.

The school district did submit the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

Status of Prior Year Audit Findings/Recommendation

In accordance with Government Auditing Standards, our procedures included a review on all prior year recommendations including findings. Corrective action had been taken on all prior year findings, with the exception of the comments preceded with an "*".

Suggestions to Management:

- A policy should be established to have all employees verify their employment and salary each year with a signed contract.
- Some student activity accounts are being charged bank fees. Management should review the banking policy to alleviate the fees or reimburse the accounts for the fees charged.
- Review the old outstanding checks in the student activity accounts for legitimacy. Void the stale dated checks and reissue any legitimate payment still due vendors.
- Establish a policy to update employee W-4s to ensure the District has a form on file with accurate withholding requests.

Acknowledgment

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

Steven D. Wielkocz, C.P.A.
Licensed Public School Accountant
No. 816

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

SCHEDULE OF MEAL COUNT ACTIVITY

**CITY OF PATERSON SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIMED - FEDERAL
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<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					0.33	\$
National School Lunch (High Rate)	Reduced					2.85	
National School Lunch (High Rate)	Free	<u>3,198,135</u>	<u>3,178,216</u>	<u>3,178,216</u>		3.25	
	Total	<u>3,198,135</u>	<u>3,178,216</u>	<u>3,178,216</u>			
National School Lunch	HHFKA - PB Lunch Only	<u>3,198,135</u>	<u>3,178,216</u>	<u>3,178,216</u>		0.06	
School Breakfast (Severe Needs Rate)	Paid					0.30	
	Reduced					1.79	
	Free	<u>2,851,510</u>	<u>2,835,733</u>	<u>2,835,733</u>		2.09	
	Total	<u>2,851,510</u>	<u>2,835,733</u>	<u>2,835,733</u>			
School Breakfast (Regular Needs Rate)	Paid					0.30	
	Reduced					1.45	
	Free	<u>20,602</u>	<u>20,204</u>	<u>20,204</u>		1.75	
	Total	<u>20,602</u>	<u>20,204</u>	<u>20,204</u>			
After School Snacks	Free	<u>118,272</u>	<u>118,272</u>	<u>118,272</u>		0.88	
	Total	<u>118,272</u>	<u>118,272</u>	<u>118,272</u>			
CACFP	Supper	<u>71,394</u>	<u>37,312</u>	<u>37,312</u>		3.23	
	Breakfast	<u>12,849</u>	<u>7,152</u>	<u>7,152</u>		1.75	
	Total	<u>71,394</u>	<u>37,312</u>	<u>37,312</u>			
Total (Over)/Under Claim							\$

SCHEDULE OF MEAL COUNT ACTIVITY

**CITY OF PATERSON SCHOOL DISTRICT
FOOD SERVICE FUND**

**NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIMED - STATE
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<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					0.050	\$
State Reimbursement - National School Lunch (High Rate)	Reduced					0.055	
State Reimbursement - National School Lunch (High Rate)	Free	<u>3,198,135</u>	<u>3,178,216</u>	<u>3,178,216</u>	<u> </u>	0.055	<u> </u>
	Total	<u>3,198,135</u>	<u>3,178,216</u>	<u>3,178,216</u>	<u> </u>		<u> </u>
Total (Over)/Under Claim							\$ <u> </u>

**CITY OF PATERSON
BOARD OF EDUCATION**

**Net cash resources did not exceed three months of expenditures
Proprietary Funds - Food Service
Year ended June 30, 2018**

<u>Net Cash Resources:</u>		Food Service B - 4/5	
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 1,355,331
B-4		Due from Other Gov'ts	1,693,281
CAFR		Current Liabilities	
B-4		Less Accounts Payable	(514,311)
B-4		Less Due to Other Funds	(1,635,149)
B-4		Less Deferred Revenue	<u>28,789</u>
		Net Cash Resources	<u><u>\$ 927,941</u></u> (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	20,379,511	
B-5	Less Depreciation	<u>(147,844)</u>	
	Adj. Tot. Oper. Exp.	<u><u>\$ 20,231,667</u></u>	(B)

Average Monthly Operating Expense:

B / 10	<u><u>\$ 2,023,167</u></u>	(C)
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Three times monthly Average:

3 X C	<u><u>\$ 6,069,500</u></u>	(D)
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TOTAL IN BOX A	\$	927,941.00	
LESS TOTAL IN BOX D	\$	<u>6,069,500.10</u>	
NET	\$	<u><u>(5,141,559.10)</u></u>	

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

SCHEDULE OF AUDITED ENROLLMENTS

**CITY OF PATERSON
BOARD OF EDUCATION**

**Application for State School Aid Summary
Enrollment as of October 13, 2017**

Year ended June 30, 2018

Enrollment category	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A as NOT Low Income	Reported on Workpapers NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten	71	71		18	18	-
One	55	55		17	17	-
Two	60	60		12	12	-
Three	55	55		15	15	-
Four	51	51		16	16	-
Five	39	39		7	7	-
Six	39	39		9	9	-
Seven	45	45		12	12	-
Eight	67	67		18	18	-
Nine	93	93		22	22	-
Ten	95	95		26	26	-
Eleven	92	92		25	25	-
Twelve	71	71		18	18	-
Special Ed. Elementary	25	25		1	1	-
Special Ed. Middle School	6	6		5	5	-
Special Ed. High School	10	10		4	4	-
	<u>874</u>	<u>874</u>		<u>225</u>	<u>225</u>	
	<u>874</u>	<u>874</u>		<u>225</u>	<u>225</u>	

PATERSON BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2017-18 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>535,192,558</u>	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$ _____	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ _____	(B1b)
Transfer from General Fund to SRF for PreK-Regular	\$ <u>2,275,105</u>	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$ _____	(B1d)
Decreased by:		
On-Behalf TPAF Pension & Social Security	\$ <u>57,767,885</u>	(B2a)
Assets Acquired Under Capital Leases	\$ <u>5,392,879</u>	(B2b)
Expenditures Allocated to Restricted Federal Sources as Reported on Exhibit D-2	\$ <u>9,868,461</u>	(B2c)
Adjusted 17-18 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$ <u>464,438,438</u>	(B3)
2% of Adjusted 2017-18 General Fund Expenditures [(B3) times .02]	\$ <u>9,288,769</u>	(B4)
Enter Greater of (B4) or \$250,000	\$ <u>9,288,769</u>	(B5)
Increased by: Allowable Adjustment *	\$ <u>222,922</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]	\$ <u>9,511,691</u>	(M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-18 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>30,944,648</u>	(C)
Decreased by:		
Year-end Encumbrances	\$ <u>184,722</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ _____	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>3,794,453</u>	(C3)
Other Restricted Fund Balances****	\$ <u>2,879,263</u>	(C4)
Assigned Fund Balance - Unreserved -- Designated for Subsequent Year's Expenditures	\$ <u>4,852,460</u>	(C5)
Additional Assigned Fund Balance - Unreserved- Designated for Subsequent Year's Expenditures July 1, 2018 - August 1, 2018	\$ _____	(C6)*****
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	\$ <u>19,233,750</u>	(U1)

SECTION 3

Restricted Fund Balance - Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0- \$ 9,722,059 (E)

Recapitulation of Excess Surplus as of June 30, 2018

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>3,794,453</u>	(C3)
Reserved Excess Surplus ***[(E)]	\$ <u>9,722,059</u>	(E)
Total [(C3) + (E)]	\$ <u>13,516,512</u>	(D)

- * Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:
- (H) Federal Impact Aid. The passage of P.L.2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, effective for the year ending June 30, 2016 the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve - General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
 - (I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);
 - (J1) Extraordinary Aid;
 - (J2) Additional Nonpublic School Transportation Aid;
 - (J3) Recognized current year School Bus Advertising Revenue; and
 - (J4) Family Crisis Transportation Aid
- Notes to auditor: Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid, and Additional Nonpublic School Transportation Aid.

Detail of Allowable Adjustments

Impact Aid	\$ _____	(H)
Sale & Lease-back	\$ _____	(I)
Extraordinary Aid	\$ <u>81,897</u>	(J1)
Additional Nonpublic School Transportation Aid	\$ <u>141,025</u>	(J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____	(J3)
Family Crisis Transportation Aid	\$ _____	(J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	\$ <u>222,922</u>	(K)

- ** This amount represents the June 30, 2018 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.
- *** Amounts must agree to the June 30, 2018 CAFR and the sum of the two lines must agree to Audit Summary Worksheet Line 90030.
- **** Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by an other type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Division of Finance prior to September 30.
- ***** Increase in Assigned Fund Balance - Unreserved-Designated for Subsequent Year's expenditures July 1, 2018 to August 1, 2018 resulting from decrease in state aid after adoption of 2018-19 district budget.

Detail of Other Reserved Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	\$ _____
Sale/Lease-back reserve	\$ _____
Capital Reserve	\$ <u>1,879,263</u>
Maintenance Reserve	\$ _____
Emergency Reserve	\$ <u>1,000,000</u>
Tuition Reserve	\$ _____
School Bus Advertising 50% Fuel Offset Reserve - current year	\$ _____
School Bus Advertising 50% Fuel Offset Reserve - prior year	\$ _____
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ _____
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$ _____
Other state/government mandated reserve	\$ _____
[Other Restricted Fund Balance not noted above]****	\$ _____
 Total Other Restricted Fund Balance	 \$ <u>2,879,263</u> (C4)