

*NORTHERN HIGHLANDS
REGIONAL HIGH SCHOOL DISTRICT
COUNTY OF BERGEN, NEW JERSEY*

*AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS –
FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED
JUNE 30, 2011*

HODULIK & MORRISON, P.A.
*CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS
PUBLIC SCHOOL ACCOUNTANTS
HIGHLAND PARK, N.J.*

**NORTHERN HIGHLANDS REGIONAL HIGH SCHOOL DISTRICT
BERGEN COUNTY, NEW JERSEY**

**AUDITORS MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE**

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Northern Highlands Regional High School District
County of Bergen, New Jersey

We have audited, in accordance with generally accepted auditing 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 Northern Highlands Regional High School District, County of Bergen, New Jersey, as of and for the year ended June 30, 2011, and have issued our report thereon dated September 19, 2011.

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 Northern Highlands Regional High School District's 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.



HODULIK & MORRISON, P.A.
Certified Public Accountants
Public School Accountants



Robert S. Morrison
Certified Public Accountant
Public School Accountant #871

Highland Park, New Jersey
September 19, 2011

ADMINISTRATIVE FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING

SCOPE OF AUDIT

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the 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.

The audit did not and could not determine the character of services rendered for which payment had been made nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the approval of such claims. Revenues and receipts were established and verified as to sources and amount only insofar as the records permitted.

ADMINISTRATIVE PRACTICES AND PROCEDURES

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20 of the District's CAFR. The details of the various additional insurance coverages by the Board are also presented on this Exhibit. No attempt was made to determine the adequacy of coverage as part of this report. Adequacy of coverage is the responsibility of the Board of Education.

Official Bonds

The following positions were covered by Surety Bonds:

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Roderic McLaughlin, CPA	Business Administrator/ Board Secretary	\$ 25,000.00
M. Alissa Mayer	Treasurer of School Moneys	250,000.00

The surety bond coverage for the Treasurer of School Moneys exceeded the minimum requirement as promulgated by the Department of Education.

Tuition Charges

A comparison of contractual tuition charges and actual certified tuition charges was made. Differences in actual costs, as certified by the Department of Education pursuant to the provisions of N.J.A.C. 6A: 23-3.1(f) 3, from costs billed by the Board during the period did not require adjustment.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING

Examination of Claims

Claims were examined for the period under review and were found to be in good order. Corrective actions were implemented during the current period to address findings from our previous report.

Payroll Account

The Board maintained the Net Payroll and Agency Account method for the depositing and payment of its payrolls. The net payrolls from all sources are deposited in the payroll account and all payroll deductions, together with the Board's share, are deposited to the 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. Tests were made of these records with no exceptions noted.

Salary withholdings were promptly remitted to the proper agencies, including withholdings for employee health benefit contributions, which were transferred timely to the general fund.

Upon the completion of payroll processing and proofs thereof, transfers to the Net Payroll and Agency accounts, in amounts equal to those indicated in the payroll summary reports, are effected by electronic funds transfers.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered. Unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services rendered as of June 30.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A: 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 classifications to determine overall reliability and compliance with N.J.A.C. 6A: 23-8.2. As a result of the procedures performed we found no discrepancies in the classification of expenditures and no additional procedures were deemed necessary to test the propriety of the expenditure classification.

Travel

Tests were performed to determine the existence of required policy documents and the District's compliance with same with respect to the timely approval and appropriate reimbursement rates for approved travel. No exceptions were noted.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (Cont'd):

Unemployment Compensation Insurance Trust Fund

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. Exhibit "H-2" sets forth the activity of this fund for the period under review. Total revenues from all sources amounted to \$131,280.75 and expenditures, which consist of reimbursements to the State of New Jersey Unemployment Insurance Fund, amounted to \$132,628.64. Funds available at June 30, 2011 to pay future claims amounted to \$97,549.07.

Investment of Idle Funds

During the year ended June 30, 2011, the Board had substantially all of its cash and cash equivalents for all of its funds and accounts in depository accounts with The Bank of America.

Although the aggregate average daily balance of funds held by The Bank of America in the various District accounts exceed \$5 million during most of the school year, any interest earnings were absorbed by banking services costs, and an additional \$20,435 of banking charges were paid during the year. During the year, management explored the possibility of changing depositories and determined that the geographic convenience of the current depository offset the small financial incentives offered by more remote banking institutions. Based upon a review of the cost drivers in the current banking services arrangement, the District consolidated a large number of small accounts to reduce monthly fees.

Board Secretary's Records

The minutes maintained by the Board Secretary were in good condition.

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

General Fixed Assets

During the period under review the general fixed asset accounting and reporting system was maintained satisfactorily to provide for all the required financial information for the preparation of the statement of changes in general fixed assets.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (CONT'D.)

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 (NCLB)

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 II and IV of the Elementary and Secondary Education Act as amended and reauthorized.

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.

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

N.J.S.A. 18A: 18A-3 states"

"a. Any purchase, contract or agreement for the performance of any work or the furnishing or hiring of materials or supplies, the cost or price of which, together with any other sums expended or foreseeably to be expended for the performance of any work or services in connection with the same project or the furnishing of similar materials or supplies during the same fiscal year paid with or out of school funds, does not exceed the total sum of \$7,500.00 or the amount determined pursuant to subsection b. of this section, in the fiscal year or, in the case of purchases that are not annually recurring, in a period of one year may be made negotiated and awarded by a contracting agent when so authorized by resolution of the board of education without public advertising for bids and bidding therefore.

"b. Commencing January 1, 1983 and every two years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount set forth in subsection a. of this section in direct proportion to the rise or fall of the consumer price index for all urban consumers in the New York City and the Philadelphia area as reported by the United States Department of Labor. The Governor shall notify all local school districts of the adjustment. The adjustment shall become effective on July 1, of the year in which it is reported."

SCHOOL PURCHASING PROGRAMS (CONT'D):

Contracts and Agreements Requiring Advertisement for Bids (Cont'd.)

N.J.S.A. 18A: 18A-4 states, "Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of school funds, not included within the terms of N.J.S.A. 18A: 18A-3, shall be made and awarded only by the board of education after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or calculated by the Governor pursuant to N.J.S.A. 18A: 18A-3 except by contract or agreement."

Effective July 1, 2010 and thereafter the bid thresholds in accordance with N.J.S.A. 18A: 18A-2 and 18A: 18A-3(a) are \$36,000 if the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c. 198 (C.40A: 11-9), and \$26,000 in the absence of a Qualified Purchasing Agent. the bid threshold the board of education may establish that the bid threshold may be up to \$29,000.00. The threshold for student transportation contracts, pursuant to N.J.S.A. 18A: 39-3 is \$17,200.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal 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.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The results of the examination indicated that no individual payments, contracts or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

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

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained.

Any interpretation as to possible violation of statute(s) would be in the province of the Board's solicitor.

SCHOOL FOOD SERVICE FUND

The District does not participate in any subsidized federal or state sponsored school nutrition programs.

The District has contracted with a Food Service management Company (FSMC) and utilized the standard contract form recommended by the regulatory agency. As required by the contract, the FSMC provided a report of its internal controls under Statement on Auditing Standards No. 70

SCHOOL FOOD SERVICE FUND (CONT'D.)

(SAS 70). We reviewed this report as provided by the FSMC and found it to contain a significantly less detailed description of the FSMC's internal control objectives and the relevant control processes and procedures put in place to achieve those objectives, than the minimum information necessary for us to gain an understanding of the FMSC's internal control. We are required to gain this understanding in order to plan our audit of the District's Food Service Fund.

Furthermore, SAS 70 reports can take two forms, known as Type I and Type II. In a Type I report, such as the report provided by the District's FSMC, the service auditor only reports on the fairness of the presentation and the suitability of the controls. No tests of the operating effectiveness of the controls during the school year are performed.

As the District's independent auditors, our opinion on your financial statements would normally cover all of the opinion units, including the Food Services Fund, that are indentified in the first paragraph of our report. However due to the following conditions, we were unable to obtain audit evidence sufficient to allow us to perform the audit of the Food Services Fund in accordance with auditing standards generally accepted in the United States of America:

1. The FSMC's SAS 70 report did not contain detailed information of the control objectives and procedures in place that would allow us to determine if the District's objectives in operating a Food Service Fund were being met by the FSMC.
2. The FSMC's SAS 70 report did not provide detailed information of the controls over the accumulation of costs and billings to the District that would be indicative of a rational and systematic allocation of indirect costs and fringe benefits.
3. Our reviews of the financial information of the Food Service Fund for the year indicated that certain material FSMC costs, such as Group Insurance, Compensation Insurance and Liability Insurance, were not supported by financial information provided by the FSMC.

Based upon the preceding, we were not able to rely on financial information provided by the FSMC in support of amounts billed to the District for the year, we cited a scope limitation in our report on the financial statements and our opinion thereon does not include the net assets, revenues and expenses of the Food Service Fund.

We would be remiss if we did not point out that the problems that we encountered in the audit of the Food Service Fund were not of the making of the District or its management. The regulatory agency has always advised LEAs to utilize the standard contract "as is", and that contract does not require the Type II report that would allow District auditors to rely on the FSMC's internal controls. The FSMC has essentially complied with its contractual reporting obligation to the District. To resolve this issue prospectively, either the FSMCs must be required to have Type II

SAS 70 reports prepared annually or the contract must include a provision requiring FSMCs to allow District auditors access to the various books, records, employee manuals and procedural manuals to permit audits of Food Service Funds in accordance with professional standards.

On a state-wide basis, it would be inefficient to have each District's auditor performing a separate evaluation and testing of an FSMC's internal controls, and the costs would be significant. The avoidance of such conditions was clearly part of the process that resulted in the SAS 70 standard.

During the year, this matter was brought to the attention of the Department of Education, and meeting were conducted between the Department's Divisions of Finance and Child Nutrition Programs and the audit community. Based upon the cooperative efforts of the parties, changes were made to the standard FSMC contract for School Year 2011-2012 to require FSMCs to

SCHOOL FOOD SERVICE FUND (CONT'D.)

obtain the more rigorous evaluation and testing of relevant internal controls that should permit school district auditors to rely on FSMC internal controls prospectively.

Exhibits reflecting Food Services Fund operations are included in the section entitled Enterprise Funds, Section G. Total realized operating revenues amounted to \$651,283.34 and total operating expenses amounted to \$645,106.10 resulting in net income of \$6,177.24. During the current period, the Board was not required and did not make operating transfers to the Food Service fund.

Student Activity Funds

The recordkeeping of the various student activities funds were reviewed for the 2010-2011 school year. The records were maintained in generally good condition.

Application for State School Aid

Our audit procedures included tests of information reported in the October 15, 2010 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 that was included on the workpapers was verified without exception. 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 procedures included a test of on-roll status reported in the 2010-11 District Report of Resident Transported Students (DRTRS). The information 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.

Follow-Up on Prior Years' Findings

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations, and corrective action had been taken on all prior year findings.

RECOMMENDATIONS

NONE

ACKNOWLEDGMENT

During the course of our audit, we received the complete cooperation of all the officials of the school district, and we greatly appreciate the courtesies extended to us.

Respectfully submitted,



HODULIK & MORRISON, P.A.
Certified Public Accountants
Public School Accountants



Robert S. Morrison
Certified Public Accountant
Public School Accountant #871

SCHEDULE OF AUDITED ENROLLMENTS

**NORTHERN HIGHLANDS REGIONAL HIGH SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENTS AS OF OCTOBER 15, 2010**

	2011-2012 Application for State School Aid				Sample for Verification				Private Schools for Disabled					
	Reported on A.S.S.A. On Roll		Workpapers		Errors		Sample Selected From Workpapers		Verified per Registers On Roll		Errors per Register On Roll		Reported on A.S.S.A. Private Schools	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Sample Verification	Sample Errors
Half Day Preschool - 3 Years Old														
Half Day Preschool - 4 Years Old														
Half Day Kindergarten														
Full Day Kindergarten														
One														
Two														
Three														
Four														
Five														
Six														
Seven														
Eight														
Nine														
Ten														
Eleven														
Twelve														
Adult High School (15+ credits)														
Adult High School (1-14 credits)														
Subtotals	1,167		1,167		278	48	294	69	319	65	276	52	234	234
Special Ed - Elementary														
Special Ed - Middle School	149		149		149	30	149	30	149	30	149	30	15	15
Special Ed - High School														
Subtotals	149		149		149	30	149	30	149	30	149	30	15	15
Totals	1,316		1,316		1,316	264	1,316	264	1,316	264	1,316	264	15	15
Percentage Error														

SCHEDULE OF AUDITED ENROLLMENTS

NORTHERN HIGHLANDS REGIONAL HIGH SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENTS AS OF OCTOBER 15, 2010

	Low Income		Sample for Verification		Resident LEP Low Income		Sample for Verification	
	Reported on A.S.S.A. As Low Income	Workpapers As Low Income	Sample Selected From Workpapers	Verified to Application and Register	Reported on A.S.S.A. as LEP Low Income	Workpapers as LEP Low Income	Sample Selected from Workpapers	Verified to Test Score and Register
Kindergarten								
One								
Two								
Three								
Four								
Five								
Six								
Seven								
Eight	1	1	1	1				
Nine	2	2	2	2				
Ten	2	2	2	2				
Eleven								
Twelve								
Subtotals	5	5	5	5				
Special Ed - Elementary								
Special Ed - Middle	1	1	1	1				
Special Ed - High								
Subtotals	1	1	1	1				
Co. Voc - Regular								
Co. Voc Ft. Post Sec								
Totals	6	6	6	6				
Percentage Error								

	Transportation		Sample for Verification		Resident LEP Low Income		Sample for Verification	
	Reported on DRTRS by DOE	Reported on DRTRS by District	Sample Selected From Workpapers	Verified to Application and Register	Reported on A.S.S.A. as LEP Low Income	Workpapers as LEP Low Income	Sample Selected from Workpapers	Verified to Test Score and Register
Reg - Public Schools (col. 1)	497	497						
Reg - Special Ed. (col. 4)	72	72						
Transported - Non-Public (col. 3)	87	87						
Special Needs (col. 6)	17	17						
Totals	673	673						
Percentage Error								

Reg. Avg. Mileage - Regular Inc. Grade PK students (Part A) 6.1
 Reg. Avg. Mileage - Regular Exc. Grade PK students (Part B) 6.1
 Spec. Avg. Mileage - Special Ed. With Special Needs 12.9

Reported Recalculated

Reg. Avg. Mileage - Regular Inc. Grade PK students (Part A) 6.1
 Reg. Avg. Mileage - Regular Exc. Grade PK students (Part B) 6.1
 Spec. Avg. Mileage - Special Ed. With Special Needs 12.9

Reported Recalculated

Totals 673 673 232 232 0 0.0%

SCHEDULE OF AUDITED ENROLLMENTS

**NORTHERN HIGHLANDS REGIONAL HIGH SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2010**

	Reported on A.S.A as NOT Low Income	Resident LEP NOT Low Income Reported on Workpapers as NOT Low Income	Errors	Sample Selected From Workpapers	Verified per Test Score and Register	Sample Errors
Half Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten						
One						
Two						
Three						
Four						
Five						
Six						
Seven						
Eight	4	4		4	4	
Nine						
Ten	1	1		1	1	
Eleven	1	1		1	1	
Twelve						
Adult High School (15+ credits)						
Adult High School (1-14 credits)						
Subtotals	6	6		6	6	
Special Ed-Elementary						
Special Ed - Middle School						
Special Ed - High School						
Subtotals						
C. Voc. - Regular						
C. Voc. Ft. Post Sec.						
Totals	6	6		6	6	
Percentage Error						

EXCESS SURPLUS CALCULATION

SECTION 1 - REGULAR DISTRICT

A. 2% Calculation of Excess Surplus

2010-2011 Total General Fund Expenditures per the CAFR "C-1"	\$ <u>23,003,844.74</u> (A)
Increased by Applicable Operating Transfers:	
Transfer to Food Service Fund	\$ <u>0.00</u> (A1a)
Transfer from Capital Outlay to Capital Projects Fund	\$ <u>0.00</u> (A1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ <u>0.00</u> (A1a)
Less: Expenditures Allocated to Restricted Federal Resources as Reported on Exhibit D-2	\$ <u>0.00</u> (A1b)
2010-11 Adjusted General Fund & Other State Expenditures [(A)-(A-1)]	\$ <u>23,003,845</u> (A2)
Decreased by:	
On-Behalf TPAF Pension & Social Security	\$ <u>1,559,266.10</u> (A3))
Assets Acquired Under Capital Leases (Exhibit C-1a)	\$ <u>0.00</u> (A4)
Add: General Fund & State Resources Portion of Fund 15 Assets Acquired under Capital Leases (Exhibit C-1a)	\$ <u>0.00</u> (A5)
Combined General Fund Contribution & State Resources Percent of Fund 15 Resources Reported on Exhibit D-2	<u>0.00%</u> (A6)
General Fund & State Resources Portion of Fund 15 Assets Acquired under Capital Leases [(A5)*(A6)]	\$ <u>0.00</u> (A7)
Total Assets Acquired Under Capital Leases [(A4)+(A7)]	\$ <u>0.00</u> (A8)
2010-11 General Fund Expenditures [(A2)-(A3)-(A8)]	\$ <u>21,444,578.64</u> (A9)
2% of Adjusted 2009-2010 General Fund Expenditures ((A9) times .02)	\$ <u>428,890.91</u> (A10)
Enter Greater of (B4) or \$250,000	\$ <u>428,890.91</u> (A11)
Increased by: Allowable Adjustment*	\$ <u>313,866.17</u> (K)
Maximum Unassigned Fund Balance ((A11)+(K))	\$ <u>742,757.08</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6/30/11 (Per CAFR Budgetary Comparison schedule/statement)	\$ <u>4,872,192.60</u> (C)
Decreased by:	
Year-End Encumbrances	\$ <u>304,300.31</u> (C1)
Legally Restricted -Designated for Subsequent Year's Expenditures	\$ _____ (C2)
Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>755,978.96</u> (C3)
Other Restricted/Reserved Fund Balances****	\$ <u>2,011,103.80</u> (C4)
Assigned - Designated for Subsequent Year's Expenditures	\$ <u>136,033.04</u> (C5)
Total Unassigned Fund Balance ((C)-(C1)-(C2)-(C3)-(C4)-(C5))	\$ <u>1,664,776.49</u> (U)

SECTION 3

Restricted Fund Balance-Excess Surplus ***((U)-(M)) If negative enter -0- \$ 922,019.41 (E)
Recapitulation of Excess Surplus as of June 30, 2011

Restricted Excess Surplus-Designated for Subsequent Year's Expenditures** \$ 755,978.96 (C3)
Restricted Excess Surplus*** (E) \$ 922,019.41 (E)

Total [(C3) +(E)] \$ 1,677,998.37 (D)

Footnotes:

* This adjustment line(as detailed below) is to be utilized for Impact Aid, (when applicable) Sale and Leaseback (Refer to audit Program Section 10), Extraordinary Aid, Additional Nonpublic School Transportation Aid, and unbudgeted FICA Wage Freeze Grant Revenue, if applicable.
(Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid and Additional Nonpublic School Transportation Aid.)

Detail of Allowable Adjustments

Impact Aid	\$ _____	(H)
Sale & Lease-back	\$ _____	(I)
Extraordinary Aid	\$ <u>306,586.00</u>	(J1)
Additional Nonpublic School Transportation Aid	\$ <u>7,280.17</u>	(J2)
Unbudgeted FICA Wage Freeze Grant Revenue	\$ _____	(J3)
 Total Adjustments ((H)+(I)+(J1)+(J2)+(J3))	 \$ <u>313,866.17</u>	 (K)

** This amount represents the June 30, 2010 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 10025.

*** Amount must agree to the June 30, 2011 CAFR and the sum of the two lines must agree to Audit Summary Worksheet Line 10024.

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

Detail of Other Restricted/Reserved Fund Balance

Statutory restrictions:

Approved unspent speareate proposal	\$ _____
Capital Outlay for a district with a capital outlay SGLA	\$ _____
Sale/lease-back reserve	\$ _____
Capital Reserve (N-1)	\$ <u>161,103.80</u>
Maintenance Reserve (N-2)	\$ <u>1,600,000.00</u>
Tuition Reserve (N-3)	\$ _____
Emergency Reserve (N-4)	\$ <u>250,000.00</u>
Waiver Offset Reserve (N-5)	\$ _____
(Other Restricted/Reserved Fund Balance not noted above)****	\$ _____
 Total Other Restricted/Reserved Fund Balance	 \$ <u>2,011,103.80</u> (C4)