

CITY OF ASBURY PARK SCHOOL DISTRICT

Asbury Park, New Jersey
County of Monmouth

**Auditor's Management Report on Administrative Findings -
Financial, Compliance and Performance
for The Year Ended June 30, 2016**

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

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**REPORT OF INDEPENDENT AUDITORS
AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS, FINANCIAL COMPLIANCE AND PERFORMANCE**

Honorable President and Members
of the Board of Education
City of Asbury Park
County of Monmouth
Asbury Park, 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 Asbury Park School District in the County of Monmouth for the year ended June 30, 2016, and have issued our report thereon dated November 16, 2016.

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 Asbury Park 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.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Public School Accountant, No. 1011

Toms River, New Jersey
November 16, 2016

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Honorable President and Members
of the Asbury City Board of Education
County of Monmouth
Asbury Park, New Jersey 07712

**ADMINISTRATIVE FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE**

Scope of Audit

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

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

Official Bonds

Name	Position	Amount
Geof Hastings	Business Administrator	\$400,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The Board made a proper adjustment to the billings to sending districts for the decrease in per pupil costs in accordance with *N.J.A.C.6A:23A-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.

Financial Planning, Accounting and Reporting (continued)

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and 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 School Business Administrator/Board Secretary.

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.

Employee Position Control Roster

An inquiry and subsequent review of the Position Control Roster found no inconsistencies between the payroll records, employee benefit, the general ledger accounts to where wages are posted (administrative versus instruction), and the Position Control Roster.

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.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C.6A:23-1.2 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 0% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

Our review of the financial and accounting records maintained by the board secretary were found to be in satisfactory condition.

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

The E.S.E.A./N.C.L.B. 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 Title VI of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. indicated no areas of noncompliance.

Financial Planning, Accounting and Reporting (continued)

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Exhibits K-3 (Schedule A) and K-4 (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 tests of compliance for the major federal and state programs selected did not indicate any areas of noncompliance.

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.

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the 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 60 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

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

- a) "When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the board of education without public advertising for bids and bidding therefore, except that the board of education may adopt a resolution to set a lower threshold for the receipts of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. (pending before the Legislature as section 15 of this bill) of section 9 of P.L. 1971, c.198 (C.40A:119) the board of education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b) Commencing in the fifth year after the year in which P.L. 1999, c.440 takes effect, and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the board of education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of

School Purchasing Program (continued)

the index rate as that term is defined in N.J.S.18A:18A-2 (pending before the Legislature as section 50 of this bill), and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made.”

N.J.S.A.18A:18A-4 states, "Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder 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.”

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 City of Asbury Park School District currently has a Qualified Purchasing Agent.

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 (contract year for July 1, 2015 and thereafter). 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 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 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.

The number of meals claimed for reimbursement was verified against sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement vouchers were timely filed.

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 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. Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the costs of food and supplies used.

School Food Service (continued)

USDA Food Distribution Program (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

The Food Service is operated and managed by Sodexo, Inc., under contract to the Board of Education. The food service management company 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 Sodexo, Inc. contract were reviewed and audited. The Sodexo, Inc. includes an operating results provision which guarantees that the food service program will earn a profit of \$16,291. The operating results provision has been met.

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.

Expenditures should be separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food and 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 nonprofit status of the school food service.

Net cash resources did not exceed three months average expenditures.

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

Food Distribution Program commodities were received and a single inventory was maintained on a first-in, first-out basis.

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, Section G.

Student Body Activities

A minimal cash receipts and disbursements record was maintained in satisfactory condition. The financial transactions of the student body activities were maintained in satisfactory condition.

Application for State School Aid (ASSA)

Our audit procedures included a test of information reported in the October 15, 2015 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's 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 without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed state forms of 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 2015-2016 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 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 Years' Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations including findings. Corrective action was taken on all prior year finding.

We have also reviewed any findings contained in the audit reports issued by the Office of Fiscal Accountability and Compliance (OFAC). Corrective action had been taken on all findings in the report dated March 30, 2015.

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,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Public School Accountant, No. 1011

Toms River, New Jersey
November 16, 2016

ADDITIONAL INFORMATION

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SCHEDULE OF AUDITED ENROLLMENTS (1)

ASBURY PARK BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2015

	2016-2017 Application for State School Aid				Sample for Verification				Private Schools for Disabled					
	Reported on A.S.S.A. On Roll		Workpapers Reported on		Sample Selected from Workpapers		Registers Verified per On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools		Sample for Verification	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Full Day Preschool-3YRS	160	-	160	-	23	-	23	-	-	-	-	-	-	-
Full Day Preschool-4YRS	49	-	49	-	7	-	7	-	-	-	-	-	-	-
Full Day Kindergarten	67	-	67	-	10	-	10	-	-	-	-	-	-	-
One	177	-	177	-	26	-	26	-	-	-	-	-	-	-
Two	161	-	161	-	23	-	23	-	-	-	-	-	-	-
Three	133	-	133	-	19	-	19	-	-	-	-	-	-	-
Four	150	-	150	-	22	-	22	-	-	-	-	-	-	-
Five	110	-	110	-	16	-	16	-	-	-	-	-	-	-
Six	86	-	86	-	13	-	13	-	-	-	-	-	-	-
Seven	116	-	116	-	17	-	17	-	-	-	-	-	-	-
Eight	79	-	79	-	12	-	12	-	-	-	-	-	-	-
Nine	70	-	70	-	10	-	10	-	-	-	-	-	-	-
Ten	70	-	70	-	10	-	10	-	-	-	-	-	-	-
Eleven	75	1	75	1	11	-	11	-	-	-	-	-	-	-
Twelve	54	1	54	1	8	-	8	-	-	-	-	-	-	-
Subtotal	1,557	2	1,557	2	227	-	227	-	-	-	-	-	-	-
Special Ed - Elementary	194	-	194	-	28	-	28	-	-	-	9	-	7	7
Special Ed - Middle School	93	-	93	-	14	-	14	-	-	-	11	-	8	8
Special Ed - High School	70	8	70	8	10	1	10	1	-	-	45	-	34	34
Subtotal	357	8	357	8	52	1	52	1	-	-	65	-	49	49
Totals	1,914	10	1,914	10	279	1	279	1	-	-	65	-	49	49
Percentage Error					-0%-		-0%-		-0%-		-0%-		-0%-	

SCHEDULE OF AUDITED ENROLLMENTS (2)

ASBURY PARK BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2015

	Resident Low Income			Sample for Verification			Resident 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
Full Day Preschool-3YRS	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool-4YRS	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten:												
One	181	181	-	23	23	-	8	8	-	5	5	-
Two	196	196	-	25	25	-	25	25	-	16	16	-
Three	180	180	-	23	23	-	32	32	-	20	20	-
Four	153	153	-	20	20	-	15	15	-	9	9	-
Five	158	158	-	20	20	-	12	12	-	7	7	-
Six	126	126	-	16	16	-	11	11	-	7	7	-
Seven	100	100	-	13	13	-	4	4	-	2	2	-
Eight	130	130	-	17	17	-	7	7	-	4	4	-
Nine	94	94	-	12	12	-	8	8	-	5	5	-
Ten	99	99	-	13	13	-	11	11	-	7	7	-
Eleven	101	101	-	13	13	-	14	14	-	9	9	-
Twelve	98.5	98.5	-	13	13	-	12	12	-	7	7	-
	83.5	83.5	-	11	11	-	13	13	-	8	8	-
Subtotal	1,700	1,700	-	219	219	-	172	172	-	106	106	-
Special Ed - Elementary	246	246	-	32	32	-	9	9	-	6	6	-
Special Ed - Middle	114	114	-	15	15	-	6	6	-	4	4	-
Special Ed - High	145	145	-	19	19	-	1	1	-	1	1	-
Subtotal	505	505	-	66	66	-	16	16	-	11	11	-
Totals	2,205	2,205	-	285	285	-	188	188	-	117	117	-
Percentage Error			-0%-			-0%-			-0%-			-0%-

Transportation

	Reported on DRTS by DOE/county			Reported on DRTS by District			Tested and Verified			Errors		
	Reported on	Reported on	Errors	Reported on	Reported on	Errors	Tested	Verified	Errors	Tested	Verified	Errors
Reg. - Public Schools, col. 1	140.0	140.0	-	67	67	-	67	67	-	-	-	-
Reg -SpEd, col. 4	50.5	50.5	-	24	24	-	24	24	-	-	-	-
Non-Public -AIL	-	-	-	-	-	-	-	-	-	-	-	-
Transported - Non-Public, col. 3	-	-	-	-	-	-	-	-	-	-	-	-
Special Ed Spec, col. 6	207.5	207.5	-	100	100	-	100	100	-	-	-	-
Totals	398	398	-	191	191	-	191	191	-	-	-	-
Percentage Error			-0%-			-0%-			-0%-			-0%-

SCHEDULE OF AUDITED ENROLLMENTS (3)

**ASBURY PARK BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2015**

	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 Preschool	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	3	3	-	3	3	-
One	4	4	-	3	3	-
Two	-	-	-	-	-	-
Three	-	-	-	-	-	-
Four	-	-	-	-	-	-
Five	2	2	-	2	2	-
Six	-	-	-	-	-	-
Seven	-	-	-	-	-	-
Eight	-	-	-	-	-	-
Nine	-	-	-	-	-	-
Ten	-	-	-	-	-	-
Eleven	-	-	-	-	-	-
Twelve	-	-	-	-	-	-
Subtotal	9	9	-	8	8	-
Special Ed - Elementary	1	1	-	1	1	-
Special Ed - Middle	-	-	-	-	-	-
Special Ed - High	-	-	-	-	-	-
Subtotal	1	1	-	1	1	-
Totals	10	10	-	9	9	-
Percentage Error			<u><u>-0%-</u></u>			<u><u>-0%-</u></u>

SCHEDULE OF MEAL COUNT ACTIVITY - FEDERAL

**CITY OF ASBURY PARK SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE	(OVER)/ UNDER CLAIM
National School Lunch (Severe Need Rate)	Paid	27,327	7,957	7,957	-	0.31	NONE
	Reduced	-	-	-	-	2.69	NONE
	Free	<u>283,216</u>	<u>82,462</u>	<u>82,462</u>	<u>-</u>	3.09	<u>NONE</u>
	Total	<u><u>310,543</u></u>	<u><u>90,419</u></u>	<u><u>90,419</u></u>	<u><u>-</u></u>		<u><u>NONE</u></u>
National School Performance Based Lunch (Severe Need Rate)	Paid	27,327	7,957	7,957	-	0.06	NONE
	Reduced	-	-	-	-	0.06	NONE
	Free	<u>283,216</u>	<u>82,462</u>	<u>82,462</u>	<u>-</u>	0.06	<u>NONE</u>
	Total	<u><u>310,543</u></u>	<u><u>90,419</u></u>	<u><u>90,419</u></u>	<u><u>-</u></u>		<u><u>NONE</u></u>
School Breakfast (Severe Need Rate)	Paid	23,175	6,650	6,650	-	0.29	NONE
	Reduced	-	-	-	-	1.69	NONE
	Free	<u>240,187</u>	<u>68,910</u>	<u>68,910</u>	<u>-</u>	1.99	<u>NONE</u>
	Total	<u><u>263,362</u></u>	<u><u>75,560</u></u>	<u><u>75,560</u></u>	<u><u>-</u></u>		<u><u>NONE</u></u>
After School Snack (Severe Need Rate)	Free	<u>18,439</u>	<u>3,750</u>	<u>3,750</u>	<u>-</u>	0.84	<u>NONE</u>
	Total	<u><u>18,439</u></u>	<u><u>3,750</u></u>	<u><u>3,750</u></u>	<u><u>-</u></u>		<u><u>NONE</u></u>

EXCESS SURPLUS CALCULATION

SECTION 1

Calculation A: 2% Excess Surplus

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

2015-2016 Total General Fund Expenditures Reported on Exhibit (C-1)	\$ <u>73,498,343</u> (A)
Increased by Applicable Operating Transfers:	
Transfer from Capital Outlay to Capital Projects	\$ <u> -</u> (A1a)
Transfer from Capital Reserve to Capital Projects	\$ <u> -</u> (A1a)
Transfer from General Fund to SRF for Preschool	\$ <u> 573,648</u> (A1a)
Less: Expenditures Allocated to Restricted Federal Resources as Reported on Exhibit D-2	\$ <u> 1,768,060</u> (A1b)
2015-2016 Adjusted General Fund & Other State Expenditures {(A)-(A1)}	\$ <u> 72,303,931</u> (A2)
Decreased by:	
On-Behalf TPAF Pension & Social Security	\$ <u> 5,958,357</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 Percent of Fund 15 Resources Reported on Exhibit D-2	<u> 94.59%</u> (A6)
General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases {(A5)*(A6)}	\$ <u> -</u> (A7)
Total Assets Acquired Under Capital Leases {(A4)+(A7)}	\$ <u> -</u> (A8)
Adjusted 2015-2016 General Fund Expenditures {(A2)-(A3)-(A8)}	\$ <u> 66,345,574</u> (A9)
2% of Adjusted 2015-2016 General Fund Expenditures {(A9) times .02}	\$ <u> 1,326,911</u> (A10)
Enter Greater of (A10) or \$250,000	\$ <u> 1,326,911</u> (A11)
Increased by: Allowable Adjustment *	\$ <u> 675,280</u> (K)
Maximum Unassigned Fund Balance [(A11)+(K)]	\$ <u> 2,002,191</u> (M)

EXCESS SURPLUS CALCULATION (continued)

SECTION 2:

Total General Fund - Fund Balances at June 30, 2016	\$ <u>9,316,957</u> (C)
Decreased by:	
Year-End Encumbrances	\$ <u>1,200,686</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ <u>-</u> (C-2)
Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>2,098,324</u> (C3)
Other Restricted/Reserved Fund Balances ****	\$ <u>1,483,259</u> (C4)
Assigned - Designated for Subsequent Year's Expenditures	\$ <u>-</u> (C5)
 Total Unassigned Fund Balance {(C)-(C1)-(C2)-(C3)-(C4)-(C5)}	 \$ <u>4,534,688</u> (U)

SECTION 3

Restricted Fund Balance - Excess Surplus *** {(U)-(M)} IF NEGATIVE ENTER -0-	\$ <u>2,532,497</u> (E)
--	-------------------------

Recapitulation of excess surplus as of June 30, 2016

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>2,098,324</u> (C3)
Restricted Excess Surplus ***	\$ <u>2,532,497</u> (E)
 Total {(C3) + (E)}	 \$ <u>4,630,821</u> (D)

Footnotes:

* This adjustment line (line (K) as detailed below) is to be utilized for Impact Aid, Sale, 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 of 2015-2016 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>-</u> (H)
Sale & Lease-back	\$ <u>-</u> (I)
Extraordinary Aid	\$ <u>675,280</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>-</u> (J2)
 Total Adjustments {(H)+(I)+(J1)+(J2)+(J3)}	 \$ <u>675,280</u> (K)

** This amount represents the June 30, 2015 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 10025.

*** Amounts must agree to the June 30, 2016 CAFR and must agree Audit Summary Worksheet Line 10024.

EXCESS SURPLUS CALCULATION (continued)

SECTION 3 (continued):

**** Amount for Other Restricted/Reserved Fund Balances 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.

- (N-1) Capital Reserve at June 30, 2016
- (N-2) Maintenance Reserve Minimum Required Under EFCFA.
- (N-3) Tuition Reserve at June 20, 2016
- (N-4) Emergency Reserve at June 30, 2016
- (N-5) Waiver Offset Reserve at June 20, 2016

Detail of Other Restricted Fund Balance

Statutory Restrictions:	
Approved Unspent Separate Proposal	\$ <u> -</u>
Sale/Lease-Back Reserve	\$ <u> -</u>
Capital Reserve (N-1)	\$ <u> 330,809</u>
Maintenance Reserve (N-2)	\$ <u> 505,461</u>
Tuition Reserve (N-3)	\$ <u> -</u>
Emergency Reserve (N4)	\$ <u> 646,989</u>
Waiver Offset Reserve (N5)	\$ <u> -</u>
Other Restricted/Reserved Fund Balance Not Noted Above ****	\$ <u> -</u>
Total Other Restricted/Reserved Fund Balance	\$ <u> 1,483,259</u> (C4)

**CITY OF ASBURY PARK SCHOOL DISTRICT
ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Encumbrances per the June 30, 2016 Board Secretary Report

DESCRIPTION	TOTAL BY CATEGORY	AMOUNT PROPERLY ENCUMBERED	FUND 10	FUND 15
Administrative Information				
Technology	\$ 1,118	\$ 1,118	\$ 1,118	\$ -
Construction	1,191,880	1,191,880	1,191,880	-
Other	7,688	7,688	7,688	-
	<hr/>			
Total	<u>\$ 1,200,686</u>	<u>\$ 1,200,686</u>		
	<hr/>			
Total Encumbrances Cancelled During the Audit			<u>-</u>	<u>-</u>
	<hr/>			
Fund Balance Reserved for Encumbrances in the CAFR			<u>\$ 1,200,686</u>	<u>\$ -</u>
	<hr/>			