

Auditor's Management Report

for the

*City of Elizabeth
School District*

in the

*County of Union
New Jersey*

for the

*Fiscal Year Ended
June 30, 2018*

**AUDITOR'S MANAGEMENT REPORT OF ADMINISTRATIVE
FINDINGS FINANCIAL AND COMPLIANCE**

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
City of Elizabeth
500 North Broad Street
County of Union
Elizabeth, New Jersey 07201

We have audited, in accordance with U.S. generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the City of Elizabeth School District in the County of Union for the year ended June 30, 2018, and have issued our report dated February 15, 2019.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information of the City of Elizabeth School District, County of Union, New Jersey, the New Jersey Department of Education and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 948

February 15, 2019

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

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator, the activities of the City of Elizabeth - Board of Education, the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Insurance coverage was carried in the amounts as detailed in the District's CAFR. (See Exhibit J-20)

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount Of Bonds</u>
Louis C. Mai, CPA	Treasurer of School Moneys	\$1,300,000.00
Harold E. Kennedy, Jr., CPA	Business Administrator/Board Secretary	300,000.00
Rajeev Malhotra, CPA	Comptroller	300,000.00
Patricia J. Grant	Accountant	300,000.00
Guilherme Matheus	Supervisor of Accounts Payable	300,000.00
All Employees	All Employee Faithful Position Bond	500,000.00

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

Tuition Charges

Per N.J.A.C. 6A-23A-17.1(f)3 the District is allowed to make adjustments to tuitions billings for the difference between tentative charges and actual certified tuition charges. The District currently bills tuition for 8 students using the tuition rate generated by the State of New Jersey. Considering the small number of students involved the District has elected not to make any tuition adjustments.

Financial Planning, Accounting and Reporting

Examination of Claims

Our audit of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certifications or supporting documentation.

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

Payroll Accounts

The net salaries of all employees of the Board were deposited in the Net Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/Business Administrator.

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

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 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:23-16.2(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, the following was noted:

Finding 2018-003: During the course of our audit we noted that expenditures for items included in the District's Capital Asset inventory were charged to non-capital outlay accounts. These expenditures have been reclassified for financial statement presentation.

Recommendation 2018-003: The District should reference The Uniform Minimum Chart of Accounts for New Jersey Public Schools 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:23A-16.20.

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

Board Secretary's Records

The records maintained by the Board Secretary were in agreement with the records maintained by the Treasurer of School Monies.

Treasurer's Records

The records maintained by the Treasurer of School Monies were in satisfactory condition and were in agreement with the records maintained by the Board Secretary/Business Administrator.

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

The E.S.S.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 Title I, Title II and Title III 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.

The study of compliance for the special projects indicated the following areas of noncompliance:

Finding 2018-002: Our audit of Federal Temporary Emergency Impact Aid for Displaced Students revealed that five (5) student were duplicated on the quarterly counts of enrolled displaced students resulting in an excess reimbursement.

Recommendation 2018-002: That the excess reimbursement received for Federal Temporary Emergency Impact Aid for Displaced Students be returned to the grantor and that greater care be taken when filling out the quarterly counts of enrolled displaced students.

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

T.P.A.F. Reimbursement

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

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 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.

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 \$29,000.00, 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 therefor, except that the board of education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b of section 9 of P.L. 1971 c. 198 (C.40A:11-9) the board of education may establish that the bid threshold may be up to \$40,000.00. 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 the index rate as that term is defined in N.J.S.A. 18A:18A-2 and shall round the adjustment to the nearest \$1,000.00. 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 every year in which it is made. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection a. of N.J.S.A. 18A:18A-5 may be awarded for a period not exceeding 12 consecutive months.”

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

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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 therefor, except as is provided otherwise in this chapter or specifically by any other law.

N.J.S.A. 18A:18A-3 States: The board of education may, by resolution approve by the majority of the board of education and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the board of education finds that it has had negative prior experience with the bidder."

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 \$40,000.00 (with a Qualified Purchasing Agent), \$29,000.00 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18:39-3 is currently \$19,000.00.

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.

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.

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, but meals claimed did not always agree with meal count records.

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

School Food Service (Continued)

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 priced meal policy is uniformly administered throughout the School system. The required verification procedures for free and reduced price applications were completed and available for review.

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 cost of food and supplies used.

The cash disbursements records reflected expenditures for program related goods and services. The Board is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34 and 19-1 through 19-4.1. 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.

Cash receipts and bank records were reviewed for timely deposit.

National Food Distribution Commodities were received and an 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 B.

Finding 2018-001: During the course of audit, we noted exceptions where the meal claims reported for reimbursement did not agree back to the detailed meal count records.

Recommendation 2018-001: That better controls be implemented to prevent any over/under claims with regards to the food service fund.

Finding 2018-004: During our testing of Cafeteria cash receipts, we noted instances where the amount deposited was not reconciled to the Daily receipts report produced by the Point of Service System.

Recommendation 2018-004: That Cafeteria cash receipt deposited be reconciled to the Daily receipts report produced by the Point of Service System.

Student Body Activities

The records for the Student Body Activities were maintained in satisfactory condition.

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

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 with minor exceptions. 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.

Finding 2018-005: During testing of students with special needs, exceptions were noted where the student's listed on the transportation report did not agree back to the school's registers.

Recommendation 2018-005: The District should establish procedures that will reconcile the students that meet the transportation requirements to the school's registers.

Facilities and Capital Assets

Our procedures included a review of the SDA grant agreements for consistency with recording SDA revenue, transfer of local funds from the general or capital reserve account, and awarding of contracts for eligible facilities construction. No exceptions were noted.

Finding 2018-006: We noted that the District's Capital Asset Inventory was not reconciled to detailed supporting documentation. In addition, the accumulated costs of SDA funded projects in Construction in Progress that have been completed have not been transferred to the proper inventory classification.

Recommendation 2018-006: That the detail of the Districts Capital Assets Inventory be reconciled to supporting documentation and that the accumulated SDA Construction costs included in Construction in Progress be analyzed and transferred to the proper inventory classification.

Application for State School Aid

Our audit procedures included a test of information reported in the October 13, 2017 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, and low-income. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers without exception. The information that was included on the workpapers was verified with minor exceptions. 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 had written procedures for the recording of student enrollment.

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

Testing for Lead of All Drinking Water in Educational Facilities

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

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

Follow-Up Prior Year's Audit Findings

In accordance with *Government Auditing Standards*, our procedures included a review of the prior year audit recommendations. 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 the following current year findings:

Classification of Expenditures

Finding 2017-003:

Condition: During the course of our audit we noted that expenditures for the payment of principal and interest on lease payments were charged to Supplies and Materials. Per the Uniform Chart of Accounts for New Jersey Public Schools generally lease payments are to be charged to the rentals line under the appropriate program and function code. In addition, we noted that expenditures for items included in the District's Capital Asset inventory were charged to non-capital outlay accounts. These expenditures have been reclassified for financial statement presentation.

Current Status: The condition has been partially corrected, however expenditures included in the Capital Assets inventory were again charged to non-capital account (2018-003).

Board Secretary's Records

Finding: 2017-001:

Condition: The District did not maintain an accurate or timely general ledger. Balances in the General Ledger were not examined or reconciled to detailed analysis on an ongoing basis. As a result the preparation of the financial statements was delayed and audit adjustments were required to reflect accurate financial statements.

Current Status: The condition has been corrected.

Finding 2017-004:

Condition: The district should establish procedures to ensure that it maximizes its efforts under SEMI for obtaining federal reimbursement for special education services.

Current Status: The condition has been corrected.

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

Follow-Up Prior Year's Audit Findings (Continued)

Finding 2017-005:

Condition: Our examination of the budget transfers revealed that transfers were made in excess of 10% from Undistributed Expenditures – Instruction and from Support Services – School Administration. In addition, we noted that transfers in excess of 10 percent were made to Support Services-General Administration. In neither case did the District receive the approval of the County Superintendent as required by N.J.A.C. 6A:23-13.3 (f).

Current Status: The condition has been corrected.

Finding: 2017-007:

Condition: We noted that several budget transfer resolutions were approved without the required two-thirds vote of the authorized membership of the board as required by N.J.S.A 18:22-8.1. These transfers were subsequently ratified by the Board.

Current Status: The condition has been corrected.

Finding 2017-006:

Condition: Our audit of cash receipts disclosed several instances where receipts were not promptly deposited in accordance with N.J.S.A. 18A:17-34 and 18A:17-9.1. Furthermore, we noted instances where the supporting documentation for the receipts did not indicate the date received.

Current Status: The condition has been corrected.

Treasurer's Records

Finding 2017-008:

Condition: Our examination of the bank reconciliations presented for audit disclosed numerous miscellaneous reconciling items outstanding, that have not been addressed in a timely manner. The District has subsequently corrected these items. The reconciliations however still include checks outstanding in excess of one year.

Current Status: The condition has been corrected.

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

Follow-Up Prior Year's Audit Findings (Continued)

T.P.A.F. Reimbursement

Finding 2017-009:

Condition: The District submitted the TPAF Reimbursement voucher on a timely basis, however subsequent to the submission, it was discovered that certain expenses booked as accounts payable were, in fact, not valid.

Current Status: The condition has been corrected.

School Food Service

Finding 2017-10

Condition: Financial records maintained by the Nutrition Services Department detailing the operations of the District's Food Service Fund were not reconciled to the financial records of the Central Business Office on a monthly basis. The records maintained by the Nutrition Service Department were inaccurate and required material adjustments at year end.

Current Status: The condition has been corrected.

Finding 2017-011:

Condition: During our testing of Cafeteria cash receipts we noted several instances where the amount deposited was not reconciled to the Daily receipts report produced by the Point of Service System.

Current Status: The condition still exists (2018-004).

Pupil Transportation

Finding 2017-012

Condition: During testing of students with special needs, several exceptions were noted where the student's Individualized Education Program (I.E.P.) did not have the proper documentation for required transportation.

Current Status: The condition has been corrected.

Facilities and Capital Assets

Finding 2017-002:

Condition: The amount reported by the District for Capital Assets could not be reconciled to a detailed listing.

Current Status: The condition has been corrected.

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

Recommendations

Administrative Practices and Procedures

None

Financial Planning, Accounting and Reporting

Recommendation 2018-002: That the excess reimbursement received for Federal Temporary Emergency Impact Aid for Displaced Students be returned to the grantor and that greater care be taken when filling out the quarterly counts of enrolled displaced students.

Recommendation 2018-003: The District should reference The Uniform Minimum Chart of Accounts for New Jersey Public Schools 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:23A- 16.20.

School Purchasing Program

None

School Food Service

Recommendation 2018-001: That better controls be implemented to prevent any over/under claims with regards to the food service fund.

Recommendation 2018-004: That Cafeteria cash receipt deposited be reconciled to the Daily receipts report produced by the Point of Service System.

Student Body Activities

None

Application for State School Aid

None

Pupil Transportation

Recommendation 2018-005: The District should establish procedures that will reconcile the students that meet the transportation requirements to the school's registers.

Facilities and Capital Assets

Recommendation 2018-006: That the detail of the Districts Capital Assets Inventory be reconciled to supporting documentation and that the accumulated SDA Construction costs included in Construction in Progress be analyzed and transferred to the proper inventory classification.

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SCHEDULE OF MEAL COUNT ACTIVITY
CITY OF ELIZABETH SCHOOL DISTRICT
FOOD SERVICE FUND

CITY OF ELIZABETH SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM- FEDERAL
ENTERPRISE FUND
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 (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
National School Lunch (Severe Rate)	Paid	430,699	127,122	125,225	(1,897)	0.33	(626.01)
	Reduced	322,849	99,496	98,433	(1,063)	2.85	(3,029.55)
	Free	2,721,499	841,001	841,432	431	3.25	1,400.75
	TOTAL	3,475,047	1,067,619	1,065,090			(2,254.81)
School Breakfast (Severe Rate)	Paid	396,621	118,792	118,636	(156)	0.30	(46.80)
	Reduced	213,698	65,369	65,511	142	1.79	254.18
	Free	1,703,555	521,641	521,756	115	2.09	240.35
	TOTAL	2,313,874	705,802	705,903			447.73
School Breakfast (Regular Rate)	Paid	5,459	1,384	1,353	(31)	0.30	(9.30)
	Reduced	2,888	643	630	(13)	1.45	(18.85)
	Free	19,104	4,993	5,169	176	1.75	308.00
	TOTAL	27,451	7,020	7,152			279.85
Special Milk	Paid				0	0.2075	0.00
After School Snacks	Free (Area Eligible)	43,108	16,671	16,671	0	0.88	0.00
	TOTAL	43,108	16,671	16,671			0.00
	Total Net Overclaim (Underclaim)						(1,807.08)

CITY OF ELIZABETH SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -STATE
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<u>PROGRAM</u>	<u>MEAL</u> <u>CATEGORY</u>	<u>MEALS</u> <u>CLAIMED</u>	<u>MEALS</u> <u>TESTED</u>	<u>MEALS</u> <u>VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER)</u> <u>UNDER</u> <u>CLAIM (b)</u>
State Reimbursement - National School Lunch (Severe Rate)	Paid	430,699	127,122	125,225	(1,897)	0.055	(104.34)
State Reimbursement - National School Lunch (Severe Rate)	Reduced	322,849	99,496	98,433	(1,063)	0.055	(58.47)
State Reimbursement - National School Lunch (Severe Rate)	Free	2,721,499	841,001	841,432	431	0.050	21.55
	TOTAL	<u>3,475,047</u>	<u>1,067,619</u>	<u>1,065,090</u>			
					Total Net Overclaim (Underclaim)		<u><u>(141.25)</u></u>

**SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017**

	2018-2019 Application for State School Aid (10/13/17 data)				Sample for Verification				Private School for Disabled			
	Reported as on Roll		Reported on Workpapers		Selected from Workpapers		Verified per Registers on Roll		Reported on A.S.S.A. as Private Schools		Sample Verified	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Full D Pre K- 3 yr	903		903		8		8					
Full D Pre K- 4 yr	1,494		1,494		19		19					
Full Day Kindergarten	1,808		1,808		21		21					
One	1,881		1,881		21		21					
Two	1,831		1,831		21		21					
Three	1,844		1,844		21		21					
Four	1,796		1,796		20		20					
Five	1,886		1,886		21		21					
Six	1,724		1,724		20		20					
Seven	1,628		1,628		19		19					
Eight	1,618		1,618		19		19					
Nine	1,830		1,830		20		20					
Ten	1,612		1,612		19		19					
Eleven	1,438		1,438		17		17					
Twelve	1,212		1,212		15		15					
Post-Graduate												
Adult H.S. (15+ CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	24,505		24,505		281		281					
Sp. Ed. - Elementary	1,429		1,429		19		19			117		54
Sp. Ed. - Middle School	624		624		10		10			80		41
Sp. Ed. - High School	660		660		12		12			146		72
Subtotal	2,713		2,713		41		41			343		167

Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	27,218		27,218		322		322			343		167
Percentage Error												0%

	Transportation			
	Reported on DRTS by DOE/county	Reported on DRTS by District	Tested	Errors
Regular - Public School , col 1	2,184	2,184	130	126
AIL, col 2	211	211	40	40
Transportation - Non-Public col 3	61	61	17	17
Reg. Spe Ed, col 4	385	385	64	62
Spec. Ed., col 6	1,184	1,184	52	52
Totals	4,025	4,025	303	297
Percentage Error				
				2%

Avg. Mileage - Regular Including Grade PK students **Reported** 3.90 **Recalculated** 3.90
 Avg. Mileage - Regular Excluding Grade PK students **Reported** 8.20 **Recalculated** 8.20
 Avg. Mileage - Special Ed with Special Needs **Reported** 8.20 **Recalculated** 8.20

**CITY OF ELIZABETH SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017**

	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 D Pre K- 3 yr	1,502	1,502		22	22		514	514		43	43	
Full D Pre K- 4 yr	1,592	1,592		24	24		542	542		43	43	
Full Day Kindergarten	1,481	1,481		22	22		519	519		43	43	
One	1,552	1,552		24	24		471	471		34	34	
Two	1,512	1,512		24	24		349	349		19	19	
Three	1,560	1,560		23	23		250	250		12	12	
Four	1,388	1,388		22	22		161	161		11	11	
Five	1,313	1,313		21	21		169	169		10	10	
Six	1,321	1,321		21	21		185	185		12	12	
Seven	1,533	1,533		22	22		287	287		19	19	
Eight	1,379	1,379		20	20		280	280		16	16	
Nine	1,225	1,225		19	19		241	241		11	11	
Ten	999	999		10	10		172	172		8	8	
Eleven												
Twelve												
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	18,357	18,357		274	274		4,140	4,140		281	281	
Special Ed - Elementary	1,345	1,345		24	24		177	177		12	12	
Special Ed - Middle	604	604		12	12		24	24		6	6	
Special Ed - High	676	676		12	12		19	19		4	4	
Subtotal	2,625	2,625		48	48		220	220		22	22	
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	20,982	20,982		322	322		4,360	4,360		303	303	
Percentage Error			0%						0%			0%

**CITY OF ELIZABETH SCHOOL DISTRICT
 SCHEDULE OF AUDITED ENROLLMENTS
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 13, 2017**

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.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
Full D Pre K- 3 yr	61	61		21	21	
Full D Pre K- 4 yr	56	56		15	15	
Full Day Kindergarten	59	59		15	15	
One	41	41		15	15	
Two	37	37		15	15	
Three	26	26		15	15	
Four	30	30		17	17	
Five	22	22		8	8	
Six	35	35		18	18	
Seven	64	64		20	20	
Eight	41	41		10	10	
Nine	41	41		10	10	
Ten	14	14		8	8	
Eleven						
Twelve						
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	527.0	527.0		187	187	
Special Ed - Elementary	12	12		6	6	
Special Ed - Middle	2	2		2	2	
Special Ed - High	3	3		2	2	
Subtotal	17	17		10	10	
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	544.0	544.0		197	197	
Percentage Error			0%			0%

**ELIZABETH SCHOOL DISTRICT
NET CASH RESOURCE SCHEDULE - FOOD SERVICE
FY 2018**

<u>Net Cash Resources:</u>		Food Service B - 4/5	
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	3,419,979.00
B-4		Due from Other Gov'ts	1,435,839.00
B-4		Accounts Receivable	24,520.00
B-4		Investments	
CAFR		Current Liabilities	
B-4		Less Accounts Payable	(707,391.00)
B-4		Less Accruals	
B-4		Less Due to Other Funds	(1,842,583.00)
B-4		Less Deferred Revenue	<u>(125,939.00)</u>
		Net Cash Resources	<u>2,204,425.00</u> (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.		20,016,503.00
B-5	Less Depreciation		<u>(179,592.00)</u>
	Adj. Tot. Oper. Exp.		<u>19,836,911.00</u> (B)

Average Monthly Operating Expense:

B / 10 **1,983,691.10 (C)**

Three times monthly Average:

3 X C **5,951,073.30 (D)**

TOTAL IN BOX A	<u>2,204,425.00</u>	
LESS TOTAL IN BOX D	<u>(5,951,073.30)</u>	D IS GREATER THAN A
NET	<u>(3,746,648.30)</u>	

**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.

EXCESS SURPLUS CALCULATION

SECTION 1

General Fund Expenditures:		
Fiscal Year Ended June 30, 2018		\$518,818,426
Increased by:		
Transfer from General Fund to SFR- Inclusion		3,541,104
Less: Expenditures Allocated to Restricted Federal Resources as reported on Schedule D-2		7,563,416
		514,796,114
Less On-Behalf TPAF Pension and Social Security	\$59,763,711	
Assets Acquired Under Capital Leases	15,040,838	
		74,804,549
Adjusted General Fund Expenditures		439,991,565
Excess Surplus Percentage		2.00%
Subtotal		8,799,831
Increased by:		
Extraordinary Aid (Unbudgeted)	77,806	
Non-Public Transportation Aid (Unbudgeted)	168,725	
		246,531
Maximum Unassigned Fund Balance		9,046,362

SECTION 2

Total General Fund Balance		37,885,018
Decreased by:		
Year End Encumbrances	58,308	
Legally Restricted:		
Excess Surplus - Designated for Subsequent Year's Expenditures	8,562,687	
Capital Reserve	9,000,000	
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	5,700,000	
		23,320,995
Total Unassigned Fund Balance		14,564,023
Reserved Fund Balance-Excess Surplus		\$5,517,661

SECTION 3

Recapitulation of Excess Surplus as of June 30, 2018		
Reserved Excess Surplus-Designated for Subsequent Years Expenditures		\$8,562,687
Reserved Excess Surplus		5,517,661
Total		\$14,080,348

