

Ocean Township School District

Auditor's Management Report on Administrative Findings
Financial, Compliance and Performance

For the Fiscal Year Ended June 30, 2018

Ocean Township School District
Oakhurst, New Jersey

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INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Ocean Township Board of Education
County of Monmouth
Oakhurst, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States; the basic financial statements of the Ocean Township School District in the County of Monmouth, State of New Jersey, for the year ended June 30, 2018, and have issued our report thereon dated February 25, 2019.

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

This report is intended solely for the information and use of the management of the Board of Education of the Ocean Township School District and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Smolin, Lupin & Co. P.A.
SMOLIN, LUPIN & CO., P.A.
Certified Public Accountants

Laura DiTommaso
Laura DiTommaso
Licensed Public School Accountant
License #20CS-00164

Red Bank, New Jersey
February 25, 2019

OCEAN TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
June 30, 2018

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.

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 Comprehensive Annual Financial Report (CAFR).

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Joseph Zanno	Treasurer- from July 1, 2017 to March 1, 2018	\$360,000
Meredith Leming- Nelson	Treasurer- effective March 1, 2018	\$360,000
Kenneth Jannarone	Board Secretary/School Business Administrator	\$ 3,000

There is a Public Employees' Faithful Performance Blanket Position Bond through the Monmouth Ocean Counties Shared Services Insurance Fund covering all other employees with multiple coverage of \$1,000,000.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The Board makes proper adjustments to the billings for a decrease in per pupil costs to sending districts 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 indicated no discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account

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

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

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

An examination of employee contracts indicated that employees were paid their approved contract amounts.

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

OCEAN TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
June 30, 2018

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (continued)

Employee Position Control Roster

A sample of the Employee Position Control Roster indicated it was in satisfactory condition.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, 2018 for proper classification of orders as reserve for encumbrances and accounts payable. No exceptions were noted.

Travel Expense and Reimbursement Policy

Travel Regulations require each District to adopt a formal policy and procedures pertaining to travel and reimbursement for its employee and board members. The regulations require the District to establish a maximum travel amount for the year and to ensure that the maximum is not exceeded. The regulations also require that all travel be preapproved by the Board of Education and the Superintendent and that the approval must be itemized by event, event total cost, and individuals attending. No exceptions were noted in our review of travel expense and reimbursement policy.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6:23-2.2(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. 6:23A-8.3*. As a result of the procedures performed, no errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classifications.

Board Secretary's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Board Secretary's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records.

District funds were provided and expended in the proper GAAP account/code based upon audit testing of transactions.

The School District's double - entry system of accounting records was maintained in accordance with the Department of Education's prescribed GAAP Technical Systems Manual.

There were transfers exceeding 10% of original budget amounts that required approval of the county superintendent.

Treasurer's Records

During our review of the Treasurer's records, no exceptions were noted.

Elementary and Secondary Education Act (ESEA) as amended by the Every Student succeeds Act (ESSA)

These 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, II, and III of the Elementary and Secondary Education Act as amended and reauthorized.

**OCEAN TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
June 30, 2018**

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (continued)

IDEA Part B

Financial exhibits for IDEA Part B, Basic and Preschool are contained within the Special Revenue section of the CAFR.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Exhibit 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 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 noted no areas of noncompliance and/or questioned costs.

T.P.A.F. Reimbursement

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

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

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

SCHOOL PURCHASING PROGRAMS

Contracts and Agreements Requiring Advertisement for Bids

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

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

The results of our examination indicated there were no 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, as amended.

OCEAN TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
June 30, 2018

SCHOOL PURCHASING PROGRAMS (continued)

Contracts and Agreements Requiring Advertisement for Bids (continued)

In accordance with *N.J.S.A.* 18A:18A-37, for all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount, the purchasing agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered. The purchasing agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor. No exceptions were noted.

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

SCHOOL FOOD SERVICE

The school food service program was not selected as a major federal or state program. However, the program expenditures exceeded \$100,000 in federal support. Accordingly, we inquired of school management as to whether the school food authority had any Child Nutrition Program reimbursement over claims or under claims.

Additionally, we inquired as to whether the school food authority expenditures were limited to allowable direct and indirect costs. No exceptions were noted.

The school district maintained the detailed revenue and expenditure information necessary in order to execute the USDA - mandated Non-program Food Revenue Tool annually. The Statement of Revenues, Expenses and Changes in Fund Net Assets (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

USDA food distribution commodities were received and reflected as revenue and expenditures. A single inventory was maintained on a first-in, first out basis.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Proprietary Fund, Section B of the CAFR.

OCEAN TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
June 30, 2018

ATHLETICS AND STUDENT BODY ACTIVITIES

In planning and performing our audit of the financial statements of the Board, we considered the condition of the records of Athletics and Student Body Activities Fund for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

APPLICATION FOR STATE SCHOOL AID

Our audit procedures included a test of information reported in the October 15, 2017 Application for State School Aid (A.S.S.A) for on roll, private schools for the handicapped, low-income, and bilingual students. 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 supporting 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 audit procedures included a test of on roll status reported in the 2017-2018 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation - related purchases of goods and services.

FACILITIES AND CAPITAL ASSETS

Our procedures included a review of contracts for facilities construction. No exceptions were noted.

MISCELLANEOUS

Testing for Lead in all Drinking Water in Educational Facilities

The District adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

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

FOLLOW UP ON PRIOR-YEAR FINDINGS

There were no audit findings in the prior year.

**OCEAN TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
June 30, 2018**

ACKNOWLEDGMENT

We received the complete cooperation of all the officials of the School District, and I greatly appreciate the courtesies extended to the members of the audit team.

Smolin, Lupin & Co, P.A.

SMOLIN, LUPIN & CO., P.A.
Certified Public Accountants

Laura DiTommaso

Laura DiTommaso
Licensed Public School Accountant
License #20CS-00164

Red Bank, New Jersey
February 25, 2019

OCEAN TOWNSHIP SCHOOL DISTRICT
Application for State School Aid Summary
Enrollment as of October 13, 2017

	2017-2018 Application for State School Aid					
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors	
	Full	Shared	Full	Shared	Full	Shared
Half-Day Preschool	27	-	27	-	-	-
Full-Day Preschool	-	-	-	-	-	-
Half-Day Kindergarten	-	-	-	-	-	-
Full-Day Kindergarten	236	-	236	-	-	-
One	235	-	235	-	-	-
Two	194	-	194	-	-	-
Three	220	-	220	-	-	-
Four	212	-	212	-	-	-
Five	215	-	215	-	-	-
Six	211	-	211	-	-	-
Seven	222	-	222	-	-	-
Eight	207	-	207	-	-	-
Nine	204	-	204	-	-	-
Ten	204	-	204	-	-	-
Eleven	260	10	260	10	-	-
Twelve	231	6	231	6	-	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15+ CR.)	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-
Subtotal	<u>2,878</u>	<u>16</u>	<u>2,878</u>	<u>16</u>	<u>-</u>	<u>-</u>
Special Ed-Elementary	259	-	259	-	-	-
Special Ed-Middle School	157	-	157	-	-	-
Special Ed-High School	181	26	181	26	-	-
Subtotal	<u>597</u>	<u>26</u>	<u>597</u>	<u>26</u>	<u>-</u>	<u>-</u>
Co. Voc. - Regular	-	-	-	-	-	-
Co. Voc. - Ft. Post Sec.	-	-	-	-	-	-
Totals	<u><u>3,475</u></u>	<u><u>42</u></u>	<u><u>3,475</u></u>	<u><u>42</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Percentage Error					<u><u>0.00%</u></u>	<u><u>0.00%</u></u>

Sample for Verification						Private Schools for Disabled			
Sample Selected from Workpapers		Verified Per Registers On Roll		Errors Per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Veri- cation	Sample Verified	Sample Errors
Full	Shared	Full	Shared	Full	Shared				
3	-	3	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
26	-	26	-	-	-	-	-	-	-
17	-	17	-	-	-	-	-	-	-
12	-	12	-	-	-	-	-	-	-
16	-	16	-	-	-	-	-	-	-
16	-	16	-	-	-	-	-	-	-
19	-	19	-	-	-	-	-	-	-
21	-	21	-	-	-	-	-	-	-
22	-	22	-	-	-	-	-	-	-
19	-	19	-	-	-	-	-	-	-
20	-	20	-	-	-	-	-	-	-
18	-	18	-	-	-	-	-	-	-
25	9	25	9	-	-	-	-	-	-
21	5	21	5	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>255</u>	<u>14</u>	<u>255</u>	<u>14</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
21	-	21	-	-	-	16.0	13	13	-
12	-	12	-	-	-	2.0	2	2	-
14	22	14	22	-	-	19.5	18	18	-
<u>47</u>	<u>22</u>	<u>47</u>	<u>22</u>	<u>-</u>	<u>-</u>	<u>37.5</u>	<u>33</u>	<u>33</u>	<u>-</u>
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>302</u>	<u>36</u>	<u>302</u>	<u>36</u>	<u>-</u>	<u>-</u>	<u>37.5</u>	<u>33</u>	<u>33</u>	<u>-</u>
				<u>0.00%</u>	<u>0.00%</u>				<u>0.00%</u>

OCEAN TOWNSHIP SCHOOL DISTRICT
Application for State School Aid Summary
Enrollment as of October 13, 2017

	Resident 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
Half-Day Preschool	-	-	-	-	-	-
Full-Day Preschool	-	-	-	-	-	-
Half-Day Kindergarten	-	-	-	-	-	-
Full-Day Kindergarten	55.0	55.0	-	16	16	-
One	65.0	65.0	-	17	17	-
Two	61.0	61.0	-	17	17	-
Three	64.0	64.0	-	18	18	-
Four	61.0	61.0	-	16	16	-
Five	61.0	61.0	-	17	17	-
Six	52.0	52.0	-	14	14	-
Seven	55.0	55.0	-	15	15	-
Eight	34.0	34.0	-	9	9	-
Nine	41.0	41.0	-	11	11	-
Ten	51.0	51.0	-	14	14	-
Eleven	81.5	81.5	-	22	22	-
Twelve	52.5	52.5	-	14	14	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15+ CR.)	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-
Subtotal	<u>734.0</u>	<u>734.0</u>	<u>-</u>	<u>200</u>	<u>200</u>	<u>-</u>
Special Ed-Elementary	62.0	62.0	-	16	16	-
Special Ed-Middle School	69.0	69.0	-	18	18	-
Special Ed-High School	75.5	75.5	-	20	20	-
Subtotal	<u>206.5</u>	<u>206.5</u>	<u>-</u>	<u>54</u>	<u>54</u>	<u>-</u>
Co. Voc. - Regular	-	-	-	-	-	-
Co. Voc. - Ft. Post Sec.	-	-	-	-	-	-
Totals	<u>940.5</u>	<u>940.5</u>	<u>-</u>	<u>254</u>	<u>254</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

Transportation

	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. Public Schools	1,158.0	1,158.0	-	185	185	-
Reg. Special Education	425.0	425.0	-	68	68	-
Transported - Non-Public	329.0	329.0	-	158	158	-
Special Needs-Public/Private	236.0	236.0	-	38	38	-
Totals	<u>2,148.0</u>	<u>2,148.0</u>	<u>-</u>	<u>449</u>	<u>449</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

Resident LEP Low Income			Sample for Verification		
Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
19.0	19.0	-	14	14	-
17.0	17.0	-	11	11	-
12.0	12.0	-	8	8	-
13.0	13.0	-	9	9	-
6.0	6.0	-	4	4	-
7.0	7.0	-	5	5	-
6.0	6.0	-	4	4	-
7.0	7.0	-	4	4	-
1.0	1.0	-	1	1	-
6.0	6.0	-	4	4	-
11.0	11.0	-	8	8	-
9.0	9.0	-	6	6	-
5.5	5.5	-	3	3	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>119.5</u>	<u>119.5</u>	<u>-</u>	<u>81</u>	<u>81</u>	<u>-</u>
4.0	4.0	-	3	3	-
-	-	-	-	-	-
<u>1.0</u>	<u>1.0</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
<u>5.0</u>	<u>5.0</u>	<u>-</u>	<u>4</u>	<u>4</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>124.5</u>	<u>124.5</u>	<u>-</u>	<u>85</u>	<u>85</u>	<u>-</u>
		<u>0.00%</u>			<u>0.00%</u>

	Average Mileage	
	Reported	Recalculated
Regular Including Grade PK Students	3.6	3.6
Regular Excluding Grade PK Students	3.6	3.6
Special Ed with Special Needs	3.2	3.2

OCEAN TOWNSHIP SCHOOL DISTRICT
Application for State School Aid Summary
Enrollment as of October 13, 2017

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as LEP NOT Low Income	Reported on Workpapers as LEP 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	16.0	16.0	-	11	11	-
One	4.0	4.0	-	3	3	-
Two	6.0	6.0	-	4	4	-
Three	2.0	2.0	-	1	1	-
Four	1.0	1.0	-	1	1	-
Five	2.0	2.0	-	1	1	-
Six	1.0	1.0	-	1	1	-
Seven	1.0	1.0	-	1	1	-
Eight	2.0	2.0	-	1	1	-
Nine	3.0	3.0	-	2	2	-
Ten	6.0	6.0	-	4	4	-
Eleven	2.0	2.0	-	1	1	-
Twelve	2.5	2.5	-	2	2	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15+ CR.)	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-
Subtotal	<u>48.5</u>	<u>48.5</u>	<u>-</u>	<u>33</u>	<u>33</u>	<u>-</u>
Special Ed-Elementary	2.0	2.0	-	1	1	-
Special Ed-Middle School	-	-	-	-	-	-
Special Ed-High School	-	-	-	-	-	-
Subtotal	<u>2.0</u>	<u>2.0</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Co. Voc. - Regular	-	-	-	-	-	-
Co. Voc. - Ft. Post Sec.	-	-	-	-	-	-
Totals	<u>50.5</u>	<u>50.5</u>	<u>-</u>	<u>34</u>	<u>34</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

OCEAN TOWNSHIP SCHOOL DISTRICT
Excess Surplus Calculation
For the Fiscal Year Ended June 30, 2018

Section 1

A. 2% Calculation of Excess Surplus

2017-2018 Total General Fund Expenditures per the CAFR, Ex. C-1	\$	82,073,369
Increased by:		
Transfer to Food Service Fund		-
Transfer from Capital Outlay to Capital Projects Fund		-
Transfer from Capital Reserve to Capital Projects Fund		-
Decreased by:		
On-behalf TPAF Pension and Social Security		9,810,827
Assets Acquired Under Capital Leases		-
		-
 Adjusted 2017-2018 General Fund Expenditures	 \$	 <u>72,262,542</u>
 2% of Adjusted 2017-2018 General Fund Expenditures	 \$	 <u>1,445,251</u>
 Enter Greater of 2% of Adjusted 2017-2018 General Fund Expenditures or \$250,000	 \$	 1,445,251
 Increased by allowable adjustments **		 <u>259,539</u>
 Maximum unreserved/undesignated fund balance	 \$	 <u>1,704,790</u>

Section 2

Total General Fund - Fund Balances at June 30, 2018 (Per CAFR Budgetary Comparison Schedule C-1)	\$	6,914,864
Decreased by:		
Year-end encumbrances		239,679
Legally restricted - designated for subsequent year's expenditures		-
Legally restricted - excess Surplus - designated for subsequent year's expenditures		2,100,362
Other Restricted Fund Balances ***		530,246
Assigned Fund Balance - unreserved - designated for subsequent year's expenditures		399,724
Assigned Fund Balance - unreserved - designated for subsequent year's expenditures		150,000
Additional Assigned Fund Balance-Unreserved- designated for subsequent years expenditures		
Total unassigned fund balance	\$	<u>3,494,853</u>

**OCEAN TOWNSHIP SCHOOL DISTRICT
Excess Surplus Calculation
For the Fiscal Year Ended June 30, 2018**

Section 3

Restricted Fund Balance - Excess Surplus	\$ <u>1,790,063</u>
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Recapitulation of Excess Surplus as of June 30, 2018

Reserved excess surplus - designated for subsequent year's expenditures	\$ 2,100,362
Reserved excess surplus	<u>1,790,063</u>
 Total	 \$ <u>3,890,425</u>

**** Detail of Allowable Adjustments**

Impact Aid	\$ -
Sale and Lease-Back	-
Extraordinary Aid	193,736
Additional Nonpublic School Transportation Aid	65,803
Current Year School Bus Advertising Revenue Recognized	-
Family Crisis Transportation Aid	<u>-</u>
 Total Allowable Adjustments	 \$ <u>259,539</u>

***** Detail of Other Restricted Fund Balance**

Statutory Restrictions:	
Approved unspent separate proposal	\$ -
Sale/lease-back reserve	-
Capital reserve	530,246
Maintenance reserve	-
Emergency reserve	-
Tuition reserve	-
School Bus Advertising 50% Fuel Offset Reserve- current year	-
School Bus Advertising 50% Fuel Offset Reserve- prior year	-
Impact Aid General Fund reserve	-
Impact Aid Capital Fund reserve	-
Other state/government mandated reserve	<u>-</u>
 Total Other Restricted Fund Balance	 \$ <u>530,246</u>

Laura Donnaso

Signature of Public School Accountant

**OCEAN TOWNSHIP SCHOOL DISTRICT
AUDIT RECOMMENDATIONS SUMMARY
For the Fiscal Year Ended June 30, 2018**

Administrative Practices and Procedures

None

Financial Planning, Accounting and Reporting

None

School Purchasing Programs

None

School Food Service

None

Athletics and Student Body Activities

None

Application for State School Aid

None

Pupil Transportation

None

Facilities and Capital Assets

None

Follow-up on Prior Year Findings

None

Miscellaneous

None