

CITY OF ASBURY PARK SCHOOL DISTRICT

Asbury Park, New Jersey
County of Monmouth

**Auditor's Management Report on Administrative Findings -
Financial, Compliance and Performance
YEAR ENDED JUNE 30, 2019**

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

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**AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

Honorable President and Members
of the Board of Education
City of Asbury Park School District
County of Monmouth
Asbury Park, NJ

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 City of Asbury Park School District in the County of Monmouth for the year ended June 30, 2019, and have issued our report thereon dated December 19, 2019.

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 School District'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
December 19, 2019

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

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator, 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 School District's CAFR.

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

| <u>Name</u> | <u>Position</u> | <u>Amount</u> |
|---------------|---|---------------|
| Geof Hastings | Board Secretary/School 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 School District made a proper adjustment to the billings to sending districts for the decrease in per pupil cost in accordance with *N.J.A.C.6A:23A-17.1(f)3*.

Financial Planning, Accounting and Reporting

Examination of Claims

A sample examination of claims paid during the period under the review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account

The net salaries of sampled employees of the board were deposited in the Payroll Account. Employee's payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

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

Sampled 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 School Business Administrator/Board Secretary who then deposited with warrants in separate bank accounts for net payroll and withholdings.

Employee Position Control Roster

A sample inquiry and subsequent review of the Position Control Roster found no inconsistencies between the payroll records, employee benefit records (e.g. pension reports and health benefit coverage reports), the general ledger accounts to where wages are posted (administrative versus instruction), and the Position Control Roster.

Reserve for Encumbrances and Accounts Payable

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

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23 A-16.29(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of a sample of 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% percent overall 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.

Treasurer's Records

Our review of the financial and accounting records maintained by the Treasurer of School Monies 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, II and III of the Elementary and Secondary Education Act as amended and reauthorized.

T.P.A.F. Reimbursement

Our audit procedures included a sample test of the biweekly reimbursements forms filed 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 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

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 \$19,000 for 2018-2019.

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. 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 our tests on sample basis, we 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 service fund were reviewed. The financial accounts, meal count records, and eligibility applications were reviewed on a test-check basis.

Cash receipt and bank records were reviewed on a sample basis for timely deposit

The District utilized a food service management company (FSMC) and 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 FSMC contrat/addendum were reviewed and audited.

Expenditures should be separately recorded as food, labor, and other costs. Vendor invoices were reviewed on sample basis 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.

School Food Service (Continued)

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service

Time sheets were reviewed on a sample basis and labor costs verified. On a sample basis, payroll records were maintained on school food services employees authorized by the Board of Education/ Board of Trustee. No exceptions were noted.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

Applications for free and reduced price meals were not reviewed as the District is under Community Eligibility provisions (CEP). All students are eligible for free lunch prices.

USDA Food Distribution program (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis until switching to a fixed price contract with the FSMC. The contract was reviewed for completion and new changes from the prior years' contracts.

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

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 of the CAFR.

Student Body Activities

Our review of the financial and accounting records for student activities indicated they were in satisfactory condition.

School Food Service (Continued)

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service

Time sheets were reviewed on a sample basis and labor costs verified. On a sample basis, payroll records were maintained on school food services employees authorized by the Board of Education/ Board of Trustee. No exceptions were noted.

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Student Body Activities

Our review of the financial and accounting records for student activities indicated they were in satisfactory condition.

Application for State School Aid (ASSA)

Our audit procedures included a sample test of information reported in the October 15, 2018 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped and low-income, and bilingual. We also performed a review on a sample basis of the School District's procedures related to its completion. The information on the ASSA was compared to the School 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 School District maintained workpapers on the prescribed state forms of their equivalent.

The School District written procedures appear to be adequate for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a sample test of on roll status reported in the 2018-2019 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 sample of transportation contracts and purchases. Based on our sample, the School 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 sampling of transportation related purchases of goods and services.

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).

Follow-up on Prior Year Findings

In accordance with audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, our procedures included a review of all prior year findings reported in the prior year's Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance. There were no prior year findings.

Office of Fiscal Accountability and Compliance (OFAC) Findings

There was an Office of Fiscal Accountability and Compliance (OFAC) audit report issued during the fiscal year ended June 30, 2019.

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
December 19, 2019

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ADDITIONAL INFORMATION

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**CITY OF ASBURY PARK SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018**

| | 2018-2019 Application for State School Aid | | | | | | Sample for Verification | | | | | | Private Schools for Disabled | | | | | | | | | | | | | | | | | |
|----------------------------|--|--------|---------|------------|--------|---------|-------------------------|--------|---------|--------------------------------------|--------|---------|------------------------------|--------|---------|------------------------|--------|---------|---|--------|---------|---------------------|--------|---------|---------------|--------|---------|------|--------|---------|
| | Reported on A.S.S.A. On Roll | | | Workpapers | | | Errors | | | Reported on Selected from Workpapers | | | Registers | | | Verified per Registers | | | Reported on A.S.S.A. as Private Schools | | | Sample Verification | | | Sample Errors | | | | | |
| | Full | Shared | On Roll | Full | Shared | On Roll | Full | Shared | On Roll | Full | Shared | On Roll | Full | Shared | On Roll | Full | Shared | On Roll | Full | Shared | On Roll | Full | Shared | On Roll | Full | Shared | On Roll | Full | Shared | On Roll |
| Full Day Preschool - 3 Yrs | 168 | - | 168 | - | - | - | - | - | 25 | - | 25 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Full Day Preschool - 4 Yrs | 187 | - | 187 | - | - | - | - | - | 27 | - | 27 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Full Day Kindergarten | 108 | - | 108 | - | - | - | - | - | 16 | - | 16 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| One | 109 | - | 109 | - | - | - | - | - | 16 | - | 16 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Two | 110 | - | 110 | - | - | - | - | - | 16 | - | 16 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Three | 77 | - | 77 | - | - | - | - | - | 11 | - | 11 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Four | 136 | - | 136 | - | - | - | - | - | 20 | - | 20 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Five | 109 | - | 109 | - | - | - | - | - | 16 | - | 16 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Six | 81 | - | 81 | - | - | - | - | - | 12 | - | 12 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Seven | 99 | - | 99 | - | - | - | - | - | 15 | - | 15 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Eight | 92 | - | 92 | - | - | - | - | - | 13 | - | 13 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Nine | 98 | - | 98 | - | - | - | - | - | 14 | - | 14 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Ten | 109 | - | 109 | - | - | - | - | - | 16 | - | 16 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Eleven | 69 | 4 | 69 | 4 | - | 4 | - | - | 10 | 1 | 10 | 1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Twelve | 48 | 5 | 48 | 5 | - | 5 | - | - | 7 | 1 | 7 | 1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Subtotal | 1,600 | 9 | 1,600 | 9 | - | 9 | - | - | 234 | 2 | 234 | 2 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Ed - Elementary | 139 | - | 139 | - | - | - | - | - | 20 | - | 20 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Ed - Middle School | 67 | - | 67 | - | - | - | - | - | 10 | - | 10 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Ed - High School | 80 | 9 | 80 | 9 | - | 9 | - | - | 12 | 1 | 12 | 1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Subtotal | 286 | 9 | 286 | 9 | - | 9 | - | - | 42 | 1 | 42 | 1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Totals | 1,886 | 18 | 1,886 | 18 | - | 18 | - | - | 276 | 3 | 276 | 3 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Percentage Error | | | | | 0% | | 0% | | 0% | | 0% | | 0% | | 0% | | 0% | | 0% | | 0% | | 0% | | 0% | | 0% | | 0% | 0% |

**CITY OF ASBURY PARK SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018**

| | 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 LEP Low Income | Errors | Sample Selected from Workpapers | Verified to Application and Register | Sample Errors |
| Full Day Kindergarten | 95 | 95 | - | 19 | 19 | - | 5 | 5 | - | 3 | 3 | - |
| One | 106 | 106 | - | 21 | 21 | - | 18 | 18 | - | 13 | 13 | - |
| Two | 82 | 82 | - | 16 | 16 | - | 8 | 8 | - | 5 | 5 | - |
| Three | 69 | 69 | - | 14 | 14 | - | 7 | 7 | - | 5 | 5 | - |
| Four | 107 | 107 | - | 21 | 21 | - | 15 | 15 | - | 10 | 10 | - |
| Five | 93 | 93 | - | 19 | 19 | - | 13 | 13 | - | 9 | 9 | - |
| Six | 81 | 81 | - | 16 | 16 | - | 13 | 13 | - | 9 | 9 | - |
| Seven | 68 | 68 | - | 14 | 14 | - | 2 | 2 | - | 1 | 1 | - |
| Eight | 74 | 74 | - | 15 | 15 | - | 14 | 14 | - | 3 | 3 | - |
| Nine | 66 | 66 | - | 13 | 13 | - | 7 | 7 | - | 5 | 5 | - |
| Ten | 79 | 79 | - | 16 | 16 | - | 2 | 2 | - | 1 | 1 | - |
| Eleven | 52 | 51.5 | - | 10 | 10 | - | 3 | 3 | - | 2 | 2 | - |
| Twelve | 52 | 51.5 | - | 10 | 10 | - | 2.0 | 2.0 | - | 1 | 1 | - |
| Subtotal | 1,023 | 1,023 | - | 204 | 204 | - | 109.0 | 109.0 | - | 67 | 67 | - |
| Special Ed - Elementary | 128 | 128 | - | 25 | 25 | - | 13 | 13 | - | 9 | 9 | - |
| Special Ed - Middle School | 69 | 69 | - | 14 | 14 | - | 6 | 6 | - | 4 | 4 | - |
| Special Ed - High School | 106.0 | 106.0 | - | 22 | 22 | - | 2 | 2 | - | 1 | 1 | - |
| Subtotal | 303.0 | 303.0 | - | 61 | 61 | - | 21 | 21 | - | 14 | 14 | - |
| Totals | 1,326.0 | 1,326.0 | - | 265 | 265 | - | 130.0 | 130.0 | - | 81 | 81 | - |
| Percentage Error | | | 0.00% | | | 0.00% | | | 0.00% | | | 0.00% |
| Transportation | | | | | | | | | | | | |
| | Reported on DRTRS by DOE/County | Reported on DRTRS by District | Errors | Tested | Verified | Errors | | | | | | |
| Reg. - Public Schools, col. 1 | 15.5 | 15.5 | - | 11 | 11 | - | | | | | | |
| Reg. - Sp Ed, col. 4 | 38.5 | 38.5 | - | 26 | 26 | - | | | | | | |
| Transported - Non-Public, col. 3 | - | - | - | - | - | - | | | | | | |
| AIL - Non Public | - | - | - | - | - | - | | | | | | |
| Special Ed Spec, col. 6 | 64.5 | 64.5 | - | 44 | 44 | - | | | | | | |
| Totals | 118.5 | 118.5 | - | 81 | 81 | - | | | | | | |
| Percentage Error | | | 0.00% | | | 0.00% | | | 0.00% | | | 0.00% |

CITY OF ASBURY PARK SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018

| | Resident LEP NOT Low Income | | | | Sample for Verification | | |
|----------------------------|---|---|--------|---------------------------------|-------------------------------------|---------------|--|
| | Reported on A.S.A as LEP Not Low Income | Reported on Workpapers LEP Not Low Income | Errors | Sample Selected from Workpapers | Verified to Test Score and Register | Sample Errors | |
| Full Day Kindergarten | 8 | 8 | - | 5 | - | 5 | |
| One | 6 | 6 | - | 4 | - | 4 | |
| Two | 8 | 8 | - | 5 | - | 5 | |
| Three | 11 | 11 | - | 7 | - | 7 | |
| Four | 12 | 12 | - | 9 | - | 9 | |
| Five | 8 | 8 | - | 5 | - | 5 | |
| Six | 14 | 14 | - | 10 | - | 10 | |
| Seven | 7 | 7 | - | 5 | - | 5 | |
| Eight | 7 | 7 | - | 5 | - | 5 | |
| Nine | 9 | 9 | - | 6 | - | 6 | |
| Ten | 10 | 10 | - | 7 | - | 7 | |
| Eleven | 14 | 14 | - | 10 | - | 10 | |
| Twelve | 9.0 | 9.0 | - | 6 | - | 6 | |
| Subtotal | 123.0 | 123.0 | - | 84 | - | 84 | |
| Special Ed - Elementary | 6 | 6 | - | 4 | - | 4 | |
| Special Ed - Middle School | 2 | 2 | - | 1 | - | 1 | |
| Special Ed - High School | 1 | - | - | 1 | - | 1 | |
| Subtotal | 9 | 8 | - | 6 | - | 6 | |
| Totals | 132.0 | 131.0 | - | 90 | - | 90 | |
| Percentage Error | | | 0.00% | | | 0.00% | |

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.

| | | | | |
|---|--|----|-------------------------|------------------------|
| 2018-2019 Total General Fund Expenditures Reported on Exhibit (C-1) | | \$ | <u>72,167,580</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>390,000</u> | (A1a) |
| Less: Expenditures Allocated to Restricted Federal Resources as Reported on Exhibit D-2 | | | | |
| | | \$ | <u>1,894,698</u> | (A1b) |
| 2018-2019 Adjusted General Fund & Other State Expenditures {(A)-(A1)} | | | | |
| | | | \$ | <u>70,662,882</u> (A2) |
| Decreased by: | | | | |
| On-Behalf TPAF Pension & Social Security Assets Acquired Under Capital Leases: | | | \$ | <u>8,524,414</u> (A3) |
| 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>94.02%</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 2018-2019 General Fund Expenditures {(A2)-(A3)-(A8)} | | | | |
| | | \$ | <u>62,138,468</u> | (A9) |
| 2% of Adjusted 2018-2019 General Fund Expenditures {(A9) times .02} | | | | |
| | | \$ | <u>124,279</u> | (A10) |
| Enter Greater of (A10) or \$250,000 | | | | |
| | | \$ | <u>1,242,769</u> | (A11) |
| Increased by: Allowable Adjustment * | | | | |
| | | \$ | <u>-</u> | (K) |
| Maximum Unassigned Fund Balance [(A11)+(K)] | | | | |
| | | \$ | <u><u>1,242,769</u></u> | (M) |

EXCESS SURPLUS CALCULATION (continued)

SECTION 2:

| | |
|--|-----------------------------|
| Total General Fund - Fund Balances at June 30, 2019 | \$ <u>11,479,405</u> (C) |
| Decreased by: | |
| Year-End Encumbrances | \$ <u>19,463</u> (C1) |
| Legally Restricted - Designated for Subsequent Year's Expenditures | \$ <u>-</u> (C-2) |
| Excess Surplus - Designated for Subsequent Year's Expenditures** | \$ <u>4,220,446</u> (C3) |
| Other Restricted/Reserved Fund Balances **** | \$ <u>1,581,813</u> (C4) |
| Assigned - Designated for Subsequent Year's Expenditures | \$ <u>1,418,223</u> (C5) |
| Total Unassigned Fund Balance {(C)-(C1)-(C2)-(C3)-(C4)-(C5)} | \$ <u>4,239,460</u> (U) |

SECTION 3

| | |
|--|-------------------------|
| Restricted Fund Balance - Excess Surplus *** {(U)-(M)} IF NEGATIVE ENTER -0- | \$ <u>2,996,691</u> (E) |
|--|-------------------------|

Recapitulation of excess surplus as of June 30, 2019

| | |
|--|------------------------------------|
| Restricted Excess Surplus - Designated for Subsequent Year's Expenditures ** | \$ <u>4,220,446</u> (C3) |
| Restricted Excess Surplus *** | \$ <u>2,996,691</u> (E) |
| Total {(C3) + (E)} | \$ <u><u>7,217,137</u></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 2018-2019 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>-</u> (J1) |
| Additional Nonpublic School Transportation Aid | \$ <u>-</u> (J2) |
| Current Year School Bus Advertising Revenue Recognized | \$ <u>-</u> (J3) |
| Family Crisis Transportation Aid | \$ <u>-</u> (J4) |
| Total Adjustments {(H)+(I)+(J1)+(J2)+(J3)+(J4)} | \$ <u>-</u> (K) |

** This amount represents the June 30, 2018 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 10025.

*** Amounts must agree to the June 30, 2019 CAFR and must agree Audit Summary Worksheet Line 10024.

EXCESS SURPLUS CALCULATION (continued)

SECTION 3 (continued):

- (N-1) Capital Reserve at June 30, 2019
- (N-2) Maintenance Reserve Minimum Required Under EFCFA.
- (N-3) Tuition Reserve at June 30, 2019
- (N-4) Emergency Reserve at June 30, 2019
- (N-5) School Bus Fuel Offset Reserve – Current Year – June 30, 2019
- (N-6) School Bus Fuel Offset Reserve – Prior Year – June 30, 2019
- (N-7) Impact Aid General Fund Reserve at June 30, 2019
- (N-8) Impact Aid Capital Fund Reserve at June 30, 2019

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> 714,835</u> |
| Maintenance Reserve (N-2) | \$ <u> 361,833</u> |
| Tuition Reserve (N-3) | \$ <u> -</u> |
| Emergency Reserve (N-4) | \$ <u> 505,145</u> |
| School Bus 50% Fuel Offset Reserve – Current Year (N-5) | \$ <u> -</u> |
| School Bus 50% Fuel Offset Reserve – Prior Year (N-6) | \$ <u> -</u> |
| Impact Aid General Fund Reserve (Sections 8002 and 8003) (N-7) | \$ <u> -</u> |
| Impact Aid Capital Fund Reserve (Sections 8007 and 8008) (N-8) | \$ <u> -</u> |
| Other Restricted/Reserved Fund Balance Not Noted Above **** | \$ <u> -</u> |
| Total Other Restricted/Reserved Fund Balance | \$ <u> 1,581,813</u> (C4) |

**CITY OF ASBURY PARK SCHOOL DISTRICT
AUDIT RECOMMENDATIONS SUMMARY
YEAR ENDED JUNE 30, 2019**

SCHOOL DISTRICT

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Programs

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

No Prior Year Audit Findings/Recommendations