

**Borough of Edgewater School District
County of Bergen**

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

June 30, 2019

**AUDITOR’S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS–
FINANCIAL, COMPLIANCE AND PERFORMANCE**

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INDEPENDENT AUDITORS' REPORT

Honorable President and Members
of the Board of Education
Borough of Edgewater School District
County of Bergen, 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 Borough of Edgewater School District, County of Bergen as of and for the year ended June 30, 2019, and have issued our report thereon dated December 23, 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 Borough of Edgewater School District Board of Education's management and Board members and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

PKF O'Connor Davies, LLP

Cranford, New Jersey
December 23, 2019

A handwritten signature in black ink, appearing to read 'Michael Andriola'.

Michael Andriola, CPA
Licensed Public School Accountant
No. 2429

**BOROUGH OF EDGEWATER SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE**

JUNE 30, 2019

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

Insurance coverage was carried in the amounts as detailed on J-20, Insurance Schedule contained in the 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>
Gary Gremboweic	Board Secretary/School Business Administrator	\$230,000

There is a Public Employees' Faithful Performance Blanket Position Bond with the New Jersey School Boards Association Insurance Group covering all other employees with coverage of \$100,000.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were more than estimated costs. The Board made a proper adjustment ("billing") to sending Districts for the increase 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.

BOROUGH OF EDGEWATER SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE

JUNE 30, 2019

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 tested were approved by the Superintendent and were certified by the President of the Board, the Board Secretary/Business Administrator, and the Superintendent.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the general fund, where applicable.

Payrolls were delivered to the secretary of the board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

Our review of the payroll accounts did not reveal any exceptions.

Employee Position Control Roster

Our review of the employee position control roster did not reveal any exceptions.

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. Our testing identified the following:

Finding 2019-002

Finding:

During our review of accounts payable and open purchase orders, we noted several instances, identified throughout various testing, where the District did not issue a purchase order prior to goods being received or services being rendered (confirming order). District policy and State regulations require that a properly executed purchase order be issued prior to the purchase of goods or the rendering of services.

Recommendation:

We suggest the District strengthen internal controls and procedures to ensure that all purchase orders issued to vendors for goods or services be approved prior to the vendor providing those goods or services.

BOROUGH OF EDGEWATER SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE

JUNE 30, 2019

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A:23A-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 our selected test samples, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-8.3*. No exceptions were noted.

Board Secretary's Records

Our review of the financial and accounting records maintained by the Board Secretary disclosed the following exceptions:

Finding 2019–001:

Finding:

The District's business office personnel perform certain financial statement close process procedures on a monthly basis and at year end which include the posting of journal entries and the performance of various reconciliations. We noted that during the period under audit that this financial statement close process was incomplete.

Recommendation:

In order to improve the monthly and year end close process, we suggest the District improve its communication between departments to ensure that the finance department has the information necessary to perform an accurate reconciliation and closeout of the District's financial records.

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

The E.S.E.A./ESSA 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 and Title VI of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A./ESSA indicated no instances of noncompliance and/or questionable costs.

BOROUGH OF EDGEWATER SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE

JUNE 30, 2019

Other Special Federal and/or State Projects

The District's special projects were approved as listed on Schedules A (K-3) and B (K-4) 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 no instances of noncompliance.

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 Teacher's 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 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 currently \$19,000 for 2018-19.

BOROUGH OF EDGEWATER SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE

JUNE 30, 2019

The District 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.

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 school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority ("SFA") had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

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.

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

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the records of the Student 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.

BOROUGH OF EDGEWATER SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE

JUNE 30, 2019

Application for State School Aid

Our audit procedures included a 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, low-income and bilingual. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers without exception. The information that was included on the work papers was verified without exception:

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 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 and no exceptions were noted.

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. The bid specifications for the purchase of buses were in compliance with applicable statutes, however, no buses were purchased in the 2018-19 school year. 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 the New Jersey Schools Development Authority (“NJSDA”) grant agreements for consistency with recording NJSDA revenue, transfer of local funds from the general fund or from the capital reserve account, and awarding of contracts for eligible facilities construction. No exceptions were noted in our review of NJSDA expenditures.

Testing for Lead of All Drinking Water in Educational Facilities

The school 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.

**BOROUGH OF EDGEWATER SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE**

JUNE 30, 2019

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 *Government Auditing Standards*, our procedures included a review of all prior year recommendations. Corrective action had been taken on all prior year findings, except for finding 2018-001, which is now repeated as finding 2019-001.

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.

SCHEDULE OF AUDITED ENROLLMENTS

**BOROUGH OF EDGEWATER SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018**

	2019-2020 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers		Reported on A.S.S.A. as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool	17	-	17	-	-	-	17	17	-	-	-	-	-	-	-	-
Full Day Preschool	41	-	41	-	-	-	41	41	-	-	-	-	-	-	-	-
Full Day Kindergarten	160	-	160	-	-	-	160	160	-	-	-	-	-	-	-	-
One	179	-	179	-	-	-	179	179	-	-	-	-	-	-	-	-
Two	108	-	108	-	-	-	108	108	-	-	-	-	-	-	-	-
Three	110	-	110	-	-	-	110	110	-	-	-	-	-	-	-	-
Four	100	-	100	-	-	-	100	100	-	-	-	-	-	-	-	-
Five	103	-	103	-	-	-	103	103	-	-	-	-	-	-	-	-
Six	86	-	86	-	-	-	86	86	-	-	-	-	-	-	-	-
Seven	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eight	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eleven	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Twelve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	904	-	904	-	-	-	904	-	904	-	-	-	-	-	-	-
Special Ed - Elementary	90		90		-		21		21		-	-	2	2	2	-
Special Ed - Middle School	10		10		-		4		4		-	-	2	2	2	-
Special Ed - High School	-		-		-		-		-		-	-	7	6	6	-
Subtotal	100	-	100	-	-	-	25	-	25	-	-	-	11	10	10	-
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	1,004	-	1,004	-	-	-	929	-	929	-	-	-	11	10	10	-
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%

**BOROUGH OF EDGEWATER SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY (continued)
ENROLLMENT AS OF OCTOBER 15, 2018**

SCHEDULE OF AUDITED ENROLLMENTS

	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 Application and Register	Sample Errors
	Full	Shared	Full	Shared	Full	Shared				Full	Shared	Full	Shared	Full	Shared			
Full Day Preschool	3		3		-		2	2	-	-								
Full Day Kindergarten	6		6		-		6	6	-	1		1						
One	15		15		-		13	13	-	2		2			2	2		
Two	6		6		-		6	6	-	-		-						
Three	12		12		-		11	11	-	-		-						
Four	9		9		-		8	8	-	1		1						
Five	6		6		-		6	6	-	-		-						
Six	16		16		-		14	14	-	1		1			1	1		
Seven					-				-	-		-						
Eight					-				-	-		-						
Nine					-				-	-		-						
Ten					-				-	-		-						
Eleven					-				-	-		-						
Twelve					-				-	-		-						
Subtotal	73	-	73	-	-	-	66	66	-	5	-	5	-	-	3	3		
Sp Ed - Elementary	19		19		-		9	9	-	3		3			2	2		
Sp Ed - Middle School	6		6		-				-	-		-						
Sp Ed - High School					-				-	-		-						
Subtotal	25	-	25	-	-	-	9	9	-	3	-	3	-	-	2	2		
Total	98	-	98	-	-	-	75	75	-	8	-	8	-	-	5	5		
Percentage Error					0.00%	0.00%			0.00%					0.00%	0.00%			0.00%

	Reported on DRTRS by District	Reported on DRTRS by County	Errors	Tested	Verified	Errors
Regular - Public School	1,084	1,084	-	212	212	-
Non-Public Transportation	36	36	-	7	7	-
ALL Non-public	116	116	-	23	23	-
Regular Special Education	79	79	-	15	15	-
Special Needs	34	34	-	7	7	-
Totals	1,349	1,349	-	264	264	-
Percentage Error		0.00%			0.00%	

	Reported	Recalculated
Average mileage - regular including Grade PK students	4.0	4.0
Average mileage - regular excluding Grade PK students	4.0	4.0
Average mileage - special education with special needs	7.8	7.8

**BOROUGH OF EDGEWATER SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY (continued)
ENROLLMENT AS OF OCTOBER 15, 2018**

SCHEDULE OF AUDITED ENROLLMENTS

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on ASSA as Not Low Income</u>	<u>Reported on Workpapers as Not Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application & Register</u>	<u>Sample Errors</u>
Full Day Preschool	-	-	-	-	-	-
Full Day Kindergarten	22.0	22.0	-	22.0	22.0	-
One	33.0	33.0	-	33.0	33.0	-
Two	10.0	10.0	-	10.0	10.0	-
Three	5.0	5.0	-	5.0	5.0	-
Four	7.0	7.0	-	7.0	7.0	-
Five	4.0	4.0	-	4.0	4.0	-
Six	4.0	4.0	-	4.0	4.0	-
Seven	-	-	-	-	-	-
Eight	-	-	-	-	-	-
Nine	-	-	-	-	-	-
Ten	-	-	-	-	-	-
Eleven	-	-	-	-	-	-
Twelve	-	-	-	-	-	-
Subtotal	<u>85.0</u>	<u>85.0</u>	<u>-</u>	<u>85.0</u>	<u>85.0</u>	<u>-</u>
Sp Ed - Elementary	4.0	4.0	-	4.0	4.0	-
Sp Ed - Middle School	-	-	-	-	-	-
Sp Ed - High School	-	-	-	-	-	-
Subtotal	<u>4.0</u>	<u>4.0</u>	<u>-</u>	<u>4.0</u>	<u>4.0</u>	<u>-</u>
Total	<u>89.0</u>	<u>89.0</u>	<u>-</u>	<u>89.0</u>	<u>89.0</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

BOROUGH OF EDGEWATER SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

June 30, 2019

SECTION 1 - Regular District

B. 2% Calculation of Excess Surplus

2018-19 Total General Fund Expenditures per the CAFR, Ex. C-1	<u>\$ 23,242,929</u>	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -</u>	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ -</u>	(B1b)
Transfer from General Fund to SRF for PreK-Regular	<u>\$ -</u>	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	<u>\$ -</u>	(B1d)
Decreased by:		
On-Behalf TPAF Pension & Social Security	<u>\$ 1,831,755</u>	(B2a)
Assets Acquired Under Capital Leases	<u>\$ -</u>	(B2b)
Adjusted 2018-19 General Fund Expenditures [(B) + (B1s) - (B2s)]	<u>\$ 21,411,174</u>	(B3)
2% of Adjusted 2018-19 General Fund Expenditures [(B3) times .02]	<u>\$ 428,223</u>	(B4)
Enter Greater of (B4) or \$250,000	<u>\$ 428,223</u>	(B5)
Increased by: Allowable Adjustment*	<u>\$ 38,983</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5) + (K)]	<u>\$ 467,206</u>	(M)

SECTION 2

Total General Fund - Fund Balances at 6-30-2019 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 1,323,637</u>	(C)
Decreased by:		
Year-end Encumbrances	<u>\$ 6,479</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -</u>	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	<u>\$ -</u>	(C3)
Other Restricted Fund Balances****	<u>\$ 1,087,523</u>	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	<u>\$ -</u>	(C5)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures - ARRA SEMI	<u>\$ -</u>	(C6)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	<u>\$ 229,635</u>	(U1)

BOROUGH OF EDGEWATER SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

June 30, 2019

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER -0-	\$ _____ - (E)
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Recapitulation of Excess Surplus as of June 30, 2018

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ _____ - (C3)
Reserved Excess Surplus *** [(E)]	\$ _____ - (E)
Total Excess Surplus [(C3)+(E)]	\$ _____ - (D)

Footnotes:

Allowable adjustment to expenditures on line K must be detailed as follows.
* This adjustment line (as detailed below) is to be utilized when applicable for:

(H) Federal Impact Aid. The passage of P.L.2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, effective for the year ending June 30, 2015 the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve – General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);

(I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);
(J1) Extraordinary Aid;
(J2) Additional Nonpublic School Transportation Aid;
(J3) Recognized current year School Bus Advertising Revenue; and
(J4) Family Crisis Transportation Aid.

Detail of Allowable Adjustments

Impact Aid	\$ _____ - (H)
Sales & Lease-back	\$ _____ - (I)
Extraordinary Aid	\$ _____ - (J1)
Additional Nonpublic School Transportation Aid	\$ 38,983 (J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____ - (J3)
Family Crisis Transportation Aid	\$ _____ - (J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	\$ 38,983 (K)

BOROUGH OF EDGEWATER SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

June 30, 2019

- ** This amount represents the June 30, 2019 Excess Surplus (C3 above) and must be included in the Audit Summary Line 90031.
- *** Amount must agree to the June 30, 2019 CAFR and the sum of the two lines must agree to Audit Summary Line 90030.
- **** Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by any other type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Office of School Finance prior to September 30.
- ***** Increase in Assigned Fund Balance - Unreserved - Designated for Subsequent Year's expenditures July 1, 2019 to August 1, 2019 resulting from decrease in state aid after adoption of the 2019-20 district budget. Refer to Commissioner's Broadcast and to page I-4.2 of the Audit program.

Detail of Other Restricted Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	\$ -
Sale/lease-back reserve	\$ -
Capital reserve	\$ 1,022,513
Maintenance reserve	\$ 65,010
Emergency reserve	\$ -
Waiver offset reserve - Designated for subsequent year	\$ -
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	\$ -
[Other Restricted Fund Balance not noted above]****	\$ -
 Total Other Restricted Fund Balance	 \$ 1,087,523 (C4)

**BOROUGH OF EDGEWATER SCHOOL DISTRICT
AUDIT RECOMMENDATIONS SUMMARY**

JUNE 30, 2019

- I. **Administrative Practices and Procedures**
There are none.

- II. **Financial Planning, Accounting and Reporting**
2019-001 – In order to improve the monthly and year end close process, we suggest the District improve its communication between departments to ensure that the finance department has the information necessary to perform an accurate reconciliation and closeout of the District’s financial records.

2019-002 - We suggest the District strengthen internal controls and procedures to ensure that all purchase orders issued to vendors for goods or services be approved prior to the vendor providing those goods or services.

- III. **School Purchasing Program**
There are none.

- IV. **School Food Service**
There are none.

- V. **Student Body Activities**
There are none.

- VI. **Application for State School Aid**
There are none.

- VII. **Pupil Transportation**
There are none.

- VIII. **Facilities and Capital Assets**
There are none.

- IX. **Miscellaneous**
There are none.

- X. **Status of Prior Year' s Findings/Recommendations**
All prior year findings were corrected, except for finding 2018-001, which is repeated as 2019-001.