

Auditor's Management Report

for the

***Matawan Aberdeen Regional
School District***

in the

*County of Monmouth
New Jersey*

for the

*Fiscal Year Ended
June 30, 2019*

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

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Matawan-Aberdeen Regional School District
County of Monmouth
Aberdeen, New Jersey 07747

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 Matawan Aberdeen Regional School District in the County of Monmouth for the year ended June 30, 2019, and have issued our report dated January 7, 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 Matawan Aberdeen Regional School District, County of Monmouth, 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

January 7, 2019

Independent Auditor's Management Report of Administrative Findings Financial and Compliance

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, the activities of the Matawan-Aberdeen Regional School District 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 BOND</u>
Kenneth Jannarone	Treasurer of School Monies	\$350,000.00
Alex Ferreira	Board Secretary/ School Business Administrator	\$150,000.00
All Employees	Blanket Position Bond	\$1,000,000.00

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

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, certification or supporting documentation.

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.

Payrolls were delivered to the secretary of the board with a warrant made to her order for the full amount of each payroll.

**Independent Auditor's Management Report of Administrative
Findings Financial and Compliance**

Payroll Accounts (Continued)

Finding 2019-003 The District did not properly maintain and monitor the analysis of the balance in the Payroll Agency bank account. In addition, our examination of the account revealed that disbursements for several agencies were not made on a timely basis

Recommendation 2019-003 That the District review the balances in the Analysis of the Payroll Agency bank account for proper disposition, maintain a detailed analysis of the account on a monthly basis and disburse deductions to the respective agencies on a timely basis.

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, 2019 for proper classification of orders as reserve for encumbrances and accounts payable.

Finding 2019-004: During our examination of the District's open orders at year end we noted that a large encumbrance for a prior year retroactive payroll remained open when it had in fact been paid. The order has been cancelled for audit presentation.

Recommendation 2019-004: That open orders be carefully reviewed at year end for validity and proper classification.

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 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, no errors were noted and no additional procedures were deemed necessary to the test the propriety of expenditure classification.

Board Secretary's Records

The records maintained by the Board Secretary were not in satisfactory condition.

Finding 2019-001: 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.

Recommendation 2019-001 That the District implement controls to insure accurate and timely posting of the financial records.

**Independent Auditor's Management Report of Administrative
Findings Financial and Compliance**

Treasurer's Records

The records maintained by the Treasurer of School Monies were not maintained in satisfactory condition.

Finding 2019-002: The District's Payroll Agency Bank Reconciliations were not accurately maintained during FY2019. We noted several reconciling items between the Treasurer's and Board Secretaries report that were not resolved in a reasonable timeframe.

Recommendation 2019-002: That the Payroll Agency Bank Accounts be accurately reconciled on a monthly basis and that any discrepancies between the Treasurer's and Board Secretaries report be resolved within a reasonable timeframe.

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

The E.S.E.A. 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.

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.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements 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 60 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement.

**Independent Auditor's Management Report of Administrative
Findings Financial and Compliance**

SCHOOL PURCHASING PROGRAMS

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-1, et seq. 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 \$26,000, 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.”

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.”

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.”

**Independent Auditor's Management Report of Administrative
Findings Financial and Compliance**

SCHOOL PURCHASING PROGRAMS (CONTINUED)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

Effective July 1, 2016, the bid threshold in accordance with N.J.S.A. 18A:18A-3(a) and (c) is \$29,000.00. In accordance with N.J.S.A. 40A:11-9 (b) the bid threshold for all purchases made by the District's qualified purchasing agent is \$40,000.00. 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.

The results of our examination indicated that no individual payments, contracts or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provisions 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.

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 reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

The District utilizes a food service management company 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 contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will break even. The operating results provision has been met. All vendor discounts, rebates and credits from vendors and/or FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

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. No exceptions were noted.

**Independent Auditor's Management Report of Administrative
Findings Financial and Compliance**

School Food Service (Continued)

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.

Net cash resources did not exceed three months average expenditures.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Service employees authorized by the Board of Education. No exceptions were noted.

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 properly computed and timely filed.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served did not exceed the number of valid applications on file, times the number of operating days, on a school by school basis. The free and reduced 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.

USDA Food Distribution Program Commodities were received and an inventory was maintained on a first-in, first-out basis. No exceptions were noted

The Statement of Revenues, Expenses, and Changes in Fund Net Position (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 Section G of the CAFR.

Student Body Activities

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

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 with no 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.

**Independent Auditor's Management Report of Administrative
Findings Financial and Compliance**

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 onroll, private schools for the disabled, 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 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.

FACILITIES AND CAPITAL ASSETS

Our procedures included a review of the SDA grant agreements for consistency with recording of SDA revenue, transfer of local funds from the general or capital reserve account, and awarding of contracts for eligible facilities construction.

MISCELLANEOUS

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 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 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:

2018-001: That all District Bank Accounts be accurately reconciled on a monthly basis and that any discrepancies between the Treasurer's and Board Secretaries report be resolved within a reasonable timeframe.

Current Status: The District accurately reconciled all bank accounts except for the Payroll Agency Bank Account as reflected in Finding 2019-002

2018-002: That all transactions be accurately and completely recorded on the financial accounting records.

Current Status: The Finding is repeated as Finding 2019-001

2018-003: That the District review the balances in the Analysis of the Payroll Agency bank account for proper disposition and that employee withholdings for health benefits contributions be remitted to the General Fund on a timely basis.

Current Status: The District properly remitted withholdings for employee health benefits to the General Fund, however the balances in the Payroll Agency account were not properly analyzed as reflected in Finding 2019-003

Independent Auditor's Management Report of Administrative Findings Financial and Compliance

RECOMMENDATIONS

Administrative Practices and Procedures

None

Financial Planning, Accounting and Reporting

Recommendation 2019-001: That the District implement controls to insure accurate and timely posting of the financial records.

Recommendation 2019-002: That the Payroll Agency Bank Accounts be accurately reconciled on a monthly basis and that any discrepancies between the Treasurer's and Board Secretaries report be resolved within a reasonable timeframe.

Recommendation 2019-003 That the District review the balances in the Analysis of the Payroll Agency bank account for proper disposition, maintain a detailed analysis of the account on a monthly basis and disburse deductions to the respective agencies on a timely basis.

Recommendation 2019-004: That open orders be carefully reviewed at year end for validity and proper classification.

School Purchasing Program

None

School Food Service

None

Student Body Activities

None

Application for State School Aid

None

Pupil Transportation

None

Capital Assets and Facilities

None

MATAWAN - ABERDEEN REGIONAL 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 as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool 3 years old	62.0	62.0	-	17	17	-	15	15	-	11	11	-
Half Day Preschool 4 years old	65.0	65.0	-	18	18	-	18	18	-	14	14	-
Half Day Kindergarten	58.0	58.0	-	17	17	-	13	13	-	12	12	-
Full Day Kindergarten	69.0	69.0	-	18	18	-	12	12	-	7	7	-
One	73.0	73.0	-	20	20	-	6	6	-	4	4	-
Two	72.0	72.0	-	18	18	-	2	2	-	2	2	-
Three	76.0	76.0	-	22	22	-	3	3	-	3	3	-
Four	72.0	72.0	-	19	19	-	4	4	-	3	3	-
Five	67.0	67.0	-	18	18	-	2	2	-	2	2	-
Six	55.0	55.0	-	16	16	-	3	3	-	2	2	-
Seven	55.0	55.0	-	16	16	-	2	2	-	2	2	-
Eight	53.5	53.5	-	16	16	-	2	2	-	2	2	-
Nine	56.5	56.5	-	17	17	-	1	1	-	1	1	-
Ten	834.0	834.0	-	232	232	-	81.0	81.0	-	63.0	63.0	-
Eleven												
Twelve												
Subtotal												
Special Ed - Elementary	100.0	100.0	-	10	10	-	10	10	-	6	6	-
Special Ed - Middle	51.0	51.0	-	5	5	-	-	-	-	-	-	-
Special Ed - High School	68.0	68.0	-	7	7	-	2	2	-	1	1	-
Subtotal	219.0	219.0	-	22	22	-	12	12	-	7	7	-
Totals	1053.0	1053.0		254	254		93	93		70	70	
Percentage Error			0%			0%			0%			0%

Transportation

	Reported on DRTS by DOE/county			Reported on DRTS by District			Transportation		
	Reported on DRTS by DOE/county	Reported on DRTS by District	Errors	Tested	Verified	Errors	Tested	Verified	Errors
Reg. - Public Schools, col. 2, 3, 4, 5	829	829	-	161	161	-			
Reg -Sp Ed, col. 8, 9, 10	134	134	-	26	26	-			
Nonpublic Transported, col. 6	2	2	-	2	2	-			
Special Ed Spec, col. 7	37	37	-	7	7	-			
Totals	1,002	1,002		196	196				
Percentage Error			0%			0%			0%

Avg. Mileage - Regular Including Grade PK students
Avg. Mileage - Regular Excluding Grade PK students
Avg. Mileage - Special Ed with Special Needs

Reported 3.2
Re-Calculated 3.2
6.0

MATAWAN - ABERDEEN REGIONAL 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 NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool 3 years old						
Half Day Preschool 4 years old						
Half Day Kindergarten						
Full Day Kindergarten						
One	6	6	-	5	5	-
Two	8	8	-	6	6	-
Three	5	5	-	4	4	-
Four	4	4	-	4	4	-
Five	2	2	-	1	1	-
Six	3	3	-	1	1	-
Seven	1	1	-	1	1	-
Eight	2	2	-	2	2	-
Nine	1	1	-	1	1	-
Ten	1	1	-	1	1	-
Eleven						
Twelve	1	1	-	1	1	-
Subtotal	34	34	-	27	27	-
Special Ed - Elementary						
Special Ed - Middle	1	1	-	1	1	-
Special Ed - High						
Subtotal	1	1	-	1	1	-
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	35	35	-	28	28	-
Percentage Error			0%			0%

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT
SCHEDULE OF MEAL COUNT ACTIVITY
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -FEDERAL
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE</u>	<u>(OVER) UNDER CLAIM</u>
National School Lunch (Regular Rate)							
	Paid	186,482	186,482	186,482	0	0.310	0.00
	Reduced	24,881	24,881	24,881	0	2.910	0.00
	Free	110,389	110,389	110,389	0	3.310	0.00
	TOTAL	321,752	321,752	321,752			0.00
National School Lunch HHFKA - PB Lunch Only		321,752	321,752	321,752	0	0.060	0.00
School Breakfast (Regular Rate)							
	Paid	3,921	3,921	3,921	0	0.310	0.00
	Reduced	2,028	2,028	2,028	0	1.490	0.00
	Free	10,468	10,468	10,468	0	1.790	0.00
	TOTAL	16,417	16,417	16,417			0.00
School Breakfast (Severe Need Rate)							
	Paid	10,006	10,006	10,006	0	0.310	0.00
	Reduced	2,638	2,638	2,638	0	1.840	0.00
	Free	17,728	17,728	17,728	0	2.140	0.00
	TOTAL	30,372	30,372	30,372			0.00
Total Net Overclaim							0.00

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT
SCHEDULE OF MEAL COUNT ACTIVITY
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -STATE
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

<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>
State Reimbursement -National School Lunch (Regular Rate)							
	Paid	186,482	186,482	186,482	0	0.050	0.00
	Reduced	24,881	24,881	24,881	0	0.055	0.00
	Free	110,389	110,389	110,389	0	0.055	0.00
	TOTAL	<u>321,752</u>	<u>321,752</u>	<u>321,752</u>			
Total Net Overclaim							<u><u>0.00</u></u>

**MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT
NET CASH RESOURCE SCHEDULE - FOOD SERVICE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

A School Food Authority is required to maintain a nonprofit School Food Service. The nonprofit status of the School Food Service is determined by evaluating net cash resources. Net cash resources may not exceed three months average expenditures.

As illustrated in the schedule below, the Districts Net Cash Resources (\$342,113.32) do not exceed three months average expenditures (\$492,213.77).

<u>Net Cash Resources:</u>		Food Service B - 4/5
CAFR	Current Assets*	
B-4	Cash & Cash Equivalents	\$336,629.15
B-4	Accounts Receivable	80,506.90
CAFR	Current Liabilities	
B-4	Less Accounts Payable	(3,891.98)
B-4	Less Due to Other Funds	(33,170.16)
B-4	Less Unearned Revenue	(37,960.59)
		<hr/>
	Net Cash Resources	<u>\$342,113.32</u> (A)
<u>Net Adj. Total Operating Expense:</u>		
B-5	Tot. Operating Exp.	\$1,645,631.39
B-5	Less Depreciation	(4,918.82)
		<hr/>
	Adj. Tot. Oper. Exp.	<u>\$1,640,712.57</u> (B)
<u>Average Monthly Operating Expense:</u>		
	B / 10	<u>\$164,071.26</u> (C)
<u>Three times monthly Average:</u>		
	3 X C	<u>\$492,213.77</u> (D)

TOTAL IN BOX A	\$342,113.32	
LESS TOTAL IN BOX D	(\$492,213.77)	
NET	<u>(\$150,100.45)</u>	<<--- Excess (deficit)
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, 2019		\$76,699,141.38
Less: On-Behalf TPAF Pension & Social Security		10,324,340.07
Adjusted General Fund Expenditures		<u>66,374,801.31</u>
Excess Surplus Percentage		<u>2.00%</u>
Subtotal		<u>1,327,496.03</u>
Increased by:		
Extraordinary Aid (Unbudgeted)	\$363,674.00	
Non-Public Transportation Aid (Unbudgeted)	<u>580.00</u>	
		<u>364,254.00</u>
Maximum Unreserved/ Undesignated Fund Balance		<u><u>\$1,691,750.03</u></u>

SECTION 2

Total General Fund Balance		\$10,928,341.14
Decreased by:		
Assigned:		
Year End Encumbrances	\$986,728.53	
Designated for Subsequent Year's Expenditures	127,646.79	
Restricted:		
Excess Surplus -Designated for Subsequent Year's Expenditures	198,336.21	
Emergency Reserve	245,808.25	
Maintenance Reserve	3,212,628.17	
Capital Reserve	<u>4,201,868.73</u>	
		<u>8,973,016.68</u>
Total Unassigned fund Balance		<u>1,955,324.46</u>
Reserved Fund Balance-Excess Surplus		<u><u>\$263,574.43</u></u>

SECTION 3

Recapitulation of Excess Surplus as of June 30, 2019:		
Reserved Excess Surplus-Designated for Subsequent Years Expenditures		\$198,336.21
Reserved Excess Surplus		<u>263,574.43</u>
Total		<u><u>\$461,910.64</u></u>

