



**NEPTUNE TOWNSHIP SCHOOL DISTRICT
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE**

JUNE 30, 2019

**NEPTUNE TOWNSHIP SCHOOL DISTRICT
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS-
FINANCIAL, COMPLIANCE AND PERFORMANCE**

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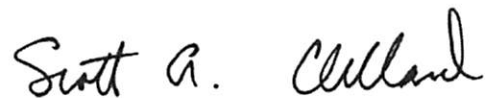
REPORT OF INDEPENDENT AUDITORS

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

We have audited, in accordance with generally accepted auditing 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 Neptune Township School District, County of Monmouth as of and for the year ended June 30, 2019, and have issued our report thereon dated November 14, 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 solely for the information of the Neptune Township Board of Education's management, Board of Education members, and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.



Scott A. Clelland
Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

Livingston, New Jersey
November 14, 2019

NEPTUNE TOWNSHIP SCHOOL DISTRICT
AUDITORS' MANAGEMENT REPORT ON 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

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>
Peter J. Leonard	School Business Administration/Board Secretary	\$ 300,000
Peter I. Bartlett	Asst. Business Administrator/Asst. Board Secretary	300,000
Sandra Lampinen	Accountant I	300,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The District has an agreement with the sending districts that includes a fixed price per pupil.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period did not indicate any discrepancies with respect to signatures, certification or supporting documentation. No discrepancies or exceptions were noted.

Payroll Account and Position Control Roster

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/Business Administrator.

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

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

An inquiry and subsequent review of the Position Control Roster did not identify any inconsistencies between the payroll records, employee benefit records, the general ledger accounts to where wages are posted, and the Position Control Roster.

No exceptions were noted.

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. No exceptions were noted.

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, a transaction error rate of 0% 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 disclosed no exceptions.

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

The ESEA 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 and VI of the Elementary and Secondary School Education Act as amended and reauthorized.

The study of compliance for E.S.E.A indicated no exceptions.

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.

NEPTUNE TOWNSHIP SCHOOL DISTRICT
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS-
FINANCIAL, COMPLIANCE AND PERFORMANCE

The study of compliance for the special projects indicated no instances of noncompliance that are required to be reported in accordance with 2 CFR 200.516(a) or State Circular 15-08.

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 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 reports for all applicable 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.

Non-Public State Aid

Our review of non-public state aid did not disclose any exceptions.

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 2018-19.

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.

Procedures were performed on a test basis, to indicate if 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.

**NEPTUNE TOWNSHIP SCHOOL DISTRICT
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS-
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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 receipts and bank records were reviewed for timely deposit on a test basis.

The District utilizes 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 Cost Reimbursable contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$230,000. The operating results provision has been met. All vendor discounts, rebates, and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

Expenditures are separately recorded as food, labor and other costs. Vendor invoices were reviewed, and costs verified on a test basis. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used on a test basis.

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.

Net cash resources did not exceed three months average expenditures.

Time sheets were reviewed and labor costs verified on a test basis. Payroll records were maintained on all School Food Services employees authorized by the board of education/board of trustees. No exceptions were noted.

The number of meals claimed for reimbursement was compared to sales and meal count records on a test basis. 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 reviewed for completeness and accuracy on a test basis. The number of free and reduced price meals claimed as served was compared to the number of valid applications /or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review.

USDA Food Donation Program commodities were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

**NEPTUNE TOWNSHIP SCHOOL DISTRICT
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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 the section entitled Enterprise Funds, Section B of the CAFR.

Student Body Activities

During our audit of the student activity funds maintained at the high school, we noted the following opportunity for improvement:

Finding 2019-001

Finding

In accordance with N.J.A.C. 6A:23A-6.12, adoption of a formal board policy that includes all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices, which includes timely deposit of funds in the bank. During our testing of student activity fund receipts, we noted one deposit that was not considered to meet the definition of deposited timely.

Recommendation

We suggest the schools be reminded to deposit all cash receipts within a timely manner.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2018 Application for State School Aid (ASSA) 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 ASSA was compared to the District workpapers 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 with minor exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments with minor exceptions as identified 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. The District did not purchase any buses during the 2018-2019 school year. No exceptions were noted in our review of transportation related purchases of goods and services.

**NEPTUNE TOWNSHIP SCHOOL DISTRICT
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Testing for Lead of 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 for 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)*.

Miscellaneous

During our audit of the Neptune Aquatic Center and Food Service catering revenues, we noted the following opportunity for improvement:

Finding 2019-002

Finding

During our testing of receipts, we noted the District did not record certain items of revenue that related to the 2019 fiscal year as accounts receivable in the enterprise funds. The cash was received during the 2020 fiscal year, however, the special function or contract related to the 2019 fiscal year.

Recommendation

We suggest the District strengthen procedures over the recording of accounts receivable and the related revenue related to food service special functions and other applicable items in the proper year.

Follow-up on Prior Year's Findings

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations. Corrective action has been taken on all prior year findings.

There were no audit reports issued by the Office of Fiscal Accountability and Compliance (OFAC) during the 2019 fiscal year.

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

**Neptune Township School District
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018**

	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 On Roll		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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool	207	-	207	-	-	-	97	-	97	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	245	-	245	-	-	-	43	-	43	-	-	-	-	-	-	-	-
One	235	-	235	-	-	-	60	-	60	-	-	-	-	-	-	-	-
Two	190	-	190	-	-	-	38	-	38	-	-	-	-	-	-	-	-
Three	189	-	189	-	-	-	61	-	61	-	-	-	-	-	-	-	-
Four	213	-	213	-	-	-	40	-	40	-	-	-	-	-	-	-	-
Five	210	-	210	-	-	-	25	-	25	-	-	-	-	-	-	-	-
Six	178	-	178	-	-	-	178	-	178	-	-	-	-	-	-	-	-
Seven	181	-	181	-	-	-	181	-	181	-	-	-	-	-	-	-	-
Eight	215	-	215	-	-	-	215	-	215	-	-	-	-	-	-	-	-
Nine	241	-	241	-	-	-	241	-	241	-	-	-	-	-	-	-	-
Ten	258	-	258	-	-	-	258	-	258	-	-	-	-	-	-	-	-
Eleven	234	10	234	10	-	-	234	10	234	10	-	-	-	-	-	-	-
Twelve	273	9	273	9	-	-	273	9	273	9	-	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>3,069</u>	<u>19</u>	<u>3,069</u>	<u>19</u>	-	-	<u>1,944</u>	<u>19</u>	<u>1,944</u>	<u>19</u>	-	-	-	-	-	-	-
Special Ed - Elementary	245	-	245	-	-	-	44	-	44	-	-	-	60	23	23	-	-
Special Ed - Middle School	145	-	145	-	-	-	145	-	145	-	-	-	24	9	9	-	-
Special Ed - High School	235	58	235	58	-	-	235	58	235	58	-	-	105	40	40	-	-
Subtotal	<u>625</u>	<u>58</u>	<u>625</u>	<u>58</u>	-	-	<u>424</u>	<u>58</u>	<u>424</u>	<u>58</u>	-	-	<u>189</u>	<u>72</u>	<u>72</u>	-	-
Co. Voc. - Regular																	
Co. Voc. Ft. Post Sec.																	
Totals	<u>3,694</u>	<u>77</u>	<u>3,694</u>	<u>77</u>	-	-	<u>2,368</u>	<u>77</u>	<u>2,368</u>	<u>77</u>	-	-	<u>189</u>	<u>72</u>	<u>72</u>	-	-
Percentage Error					<u>0.00%</u>	<u>0.00%</u>					<u>0.00%</u>	<u>0.00%</u>				<u>0.00%</u>	

SCHEDULE OF AUDITED ENROLLMENTS

**Neptune Township School District
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018**

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as Low Income</u>	<u>Reported on Workpapers as Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>	<u>Reported on A.S.S.A. as LEP low Income</u>	<u>Reported on Workpapers as LEP low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Test Score and Register</u>	<u>Sample Errors</u>
Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool	106	106	-	16	16	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	141	141	-	16	16	-	19	19	-	14	14	-
One	123	123	-	17	17	-	22	22	-	9	9	-
Two	91	91	-	15	15	-	14	14	-	8	8	-
Three	102	102	-	14	14	-	14	14	-	6	6	-
Four	113	113	-	12	12	-	7	7	-	5	5	-
Five	111	111	-	18	18	-	5	5	-	5	5	-
Six	87	87	-	10	10	-	-	-	-	-	-	-
Seven	103	103	-	6	6	-	2	2	-	2	2	-
Eight	97	97	-	13	13	-	7	7	-	5	5	-
Nine	109	109	-	14	14	-	6	6	-	5	5	-
Ten	119	119	-	9	9	-	16	16	-	13	13	-
Eleven	97	97	-	11	11	-	13	13	-	10	10	-
Twelve	99	99	-	10	10	-	15	15	-	12	12	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>1,498</u>	<u>1,498</u>	<u>-</u>	<u>181</u>	<u>181</u>	<u>-</u>	<u>140</u>	<u>140</u>	<u>-</u>	<u>94</u>	<u>94</u>	<u>-</u>
Special Ed - Elementary	163	163	-	24	24	-	7	7	-	8	8	-
Special Ed - Middle	96	96	-	9	9	-	8	8	-	7	7	-
Special Ed - High	138	138	-	18	18	-	3	3	-	3	3	-
Subtotal	<u>397</u>	<u>397</u>	<u>-</u>	<u>51</u>	<u>51</u>	<u>-</u>	<u>18</u>	<u>18</u>	<u>-</u>	<u>18</u>	<u>18</u>	<u>-</u>
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	<u>1,895</u>	<u>1,895</u>	<u>-</u>	<u>232</u>	<u>232</u>	<u>-</u>	<u>158</u>	<u>158</u>	<u>-</u>	<u>112</u>	<u>112</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

	<u>Transportation</u>					
	<u>Reported on DRTRS by DOE/county</u>	<u>Reported on DRTRS by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>
Reg. - Public Schools, col. 1	891	891	-	162	161	1
Reg -SpEd, col. 4	159	159	-	28	28	-
Transported - Non-Public, col. 2, 3	262	262	-	49	48	1
Special Ed Spec, col. 6	230	230	-	33	33	-
Totals	<u>1,542</u>	<u>1,542</u>	<u>-</u>	<u>272</u>	<u>270</u>	<u>2</u>

Percentage Error 0.00% 0.74%

	<u>Reported</u>	<u>Recalculated</u>
Reg Avg.(Mileage) = Regular Including Grade PK students (Part A)	4.1	4.1
Reg Avg.(Mileage) = Regular Excluding Grade PK students (Part B)	4.3	4.3
Spec Avg. = Special Ed with Special Needs	5.3	5.3

Neptune Township 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.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	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	1	1	-	1	1	-
One	-	-	-	-	-	-
Two	-	-	-	-	-	-
Three	-	-	-	-	-	-
Four	1	1	-	-	-	-
Five	2	2	-	2	2	-
Six	1	1	-	-	-	-
Seven	-	-	-	-	-	-
Eight	1	1	-	-	-	-
Nine	2	2	-	2	2	-
Ten	5	5	-	4	4	-
Eleven	3	3	-	2	2	-
Twelve	3	3	-	3	3	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-
Subtotal	<u>19</u>	<u>19</u>	<u>-</u>	<u>14</u>	<u>14</u>	<u>-</u>
Special Ed - Elementary	1	1	-	2	2	-
Special Ed - Middle	3	3	-	3	3	-
Special Ed - High	-	-	-	-	-	-
Subtotal	<u>4</u>	<u>4</u>	<u>-</u>	<u>5</u>	<u>5</u>	<u>-</u>
Co. Voc. - Regular	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-
Totals	<u>23</u>	<u>23</u>	<u>-</u>	<u>19</u>	<u>19</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

SCHEDULE OF MEAL COUNT ACTIVITY

NEPTUNE TOWNSHIP SCHOOL DISTRICT

FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -FEDERAL

ENTERPRISE FUND

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>
National School Lunch (High Rate)	Paid	117,766	117,766	117,766	-	\$ 0.33	-
National School Lunch (High Rate)	Reduced	43,389	43,389	43,389	-	2.93	-
National School Lunch (High Rate)	Free	263,348	263,348	263,348	-	3.33	-
	TOTAL	424,503	424,503	424,503	-		-
National School Lunch	HHFKA - PB Lunch Only	424,503	424,503	424,503	-	\$ 0.06	-
School Breakfast (Severe Need Rate)	Paid	29,238	29,238	29,238	-	\$ 0.31	-
	Reduced	17,469	17,469	17,469	-	1.84	-
	Free	118,203	118,203	118,203	-	2.14	-
	TOTAL	164,910	164,910	164,910	-		-
Total Net (Over) Underclaim							-

SCHEDULE OF MEAL COUNT ACTIVITY

NEPTUNE TOWNSHIP SCHOOL DISTRICT

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 (High Rate)	Paid	117,766	117,766	117,766	-	\$ 0.050	-
State Reimbursement - National School Lunch (High Rate)	Reduced	43,389	43,389	43,389	-	0.055	-
State Reimbursement - National School Lunch (High Rate)	Free	263,348	263,348	263,348	-	0.055	-
	TOTAL	<u>424,503</u>	<u>424,503</u>	<u>424,503</u>	<u>-</u>		<u>-</u>
Total Net (Over) Underclaim							<u>-</u>

Neptune Township School District

SCHEDULE OF NET CASH RESOURCES

Net cash resources
Proprietary Funds - Food Service
Year ended June 30, 2019

<u>Net Cash Resources:</u>		<u>Food Service B - 4/5</u>	
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 237,278
B-4		Accounts Receivable - State	1,833
B-4		Accounts Receivable - Federal	114,088
B-4		Accounts Receivable - Other	40,513
CAFR		Current Liabilities	
B-4		Less Accounts Payable	(159,632)
B-4		Less Due to Other Funds	(50,118)
B-4		Less Unearned Revenue	<u>(13,855)</u>
		Net Cash Resources	<u><u>\$ 170,107</u></u> (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	2,305,894	
B-5	Less Depreciation	<u>(80,385)</u>	
	Adj. Tot. Oper. Exp.	<u><u>\$ 2,225,509</u></u>	(B)

Average Monthly Operating Expense:

B / 10	<u><u>\$ 222,551</u></u>	(C)
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Three times monthly Average:

3 X C	<u><u>\$ 667,653</u></u>	(D)
-------	--------------------------	-----

TOTAL IN BOX A	<u>\$ 170,107</u>
LESS TOTAL IN BOX D	<u>\$ 667,653</u>
NET	<u><u>\$ (497,546)</u></u>

From above:

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.

SOURCE - USDA resource management comprehensive review form.

NEPTUNE TOWNSHIP SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2019

SECTION 1 - Regular District

B. 2% Calculation of Excess Surplus

2018-19 Total General Fund Expenditures Reported on Exhibit C-1	<u>\$91,518,423</u> (A)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	\$ _____ (A1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ _____ (A1a)
Transfer from General Fund to SRF for PreK-Regular	<u>\$ 25,000</u> (A1a)
Transfer from General Fund to SRF for PreK-Inclusion	\$ _____ (A1a)
Less: Expenditures Allocated to Restricted Federal Sources as Reported on Exhibit D-2	<u>\$ 1,895,649</u> (A1b)
2018-19 Adjusted General Fund & Other State Expenditures [(A)+(A1a)-(A1b)]	<u>\$89,647,774</u> (A2)
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>\$10,440,410</u> (A3)
Assets Acquired Under Capital Leases:	\$ _____
General Fund 10 Assets Acquired Under Capital Leases Reported on Exhibit C-1a	\$ _____ (A4)
Add:	
General Fund and 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 and State Resources Percent of Fund 15 Resources Reported on Exhibit D-2	<u>95.89%</u> (A6)
General Fund and State Resources Portion of Fund 15 Assets Acquired Under Capital Leases [(A5) * (A6)]	\$ _____ (A7)
Total Assets Acquired Under Capital Leases [(A4) + (A7)]	\$ _____ (A8)
2018-19 General Fund Expenditures [(A2)-(A3)-(A8)]	<u>\$79,207,364</u> (A9)
2 percent of Adjusted 2018-19 General Fund Expenditures [(A9) times .02]	<u>\$ 1,584,147</u> (A10)
Enter Greater of (A10) or \$250,000	<u>\$ 1,584,147</u> (A11)
Increased by: Allowable Adjustment*	<u>\$ 362,761</u> (K)
Maximum Unassigned Fund Balance [(A11) + (K)]	<u>\$ 1,946,908</u> (M)

NEPTUNE TOWNSHIP SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2019

SECTION 2

Total General Fund – Fund Balances at June 30, 2019 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 14,934,614</u> (C)
Decreased by:	
Year-end Encumbrances	<u>\$ 790,715</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ _____</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	<u>\$ 2,000,000</u> (C3)
Other Restricted Fund Balances****	<u>\$ 8,095,704</u> (C4)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	<u>\$ 106,287</u> (C5)
Additional Assigned Fund Balance – Unreserved Designated for Subsequent Year's Expenditures July 1, 2019 - August 1, 2019	<u>\$ _____</u> (C6)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	<u>\$ 3,941,908</u> (U)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U)-(M)] IF NEGATIVE ENTER -0-	<u>\$ 1,995,000</u> (E)
---	-------------------------

Recapitulation of Excess Surplus as of June 30, 2018

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures **	<u>\$ 2,000,000</u> (C3)
Restricted Excess Surplus *** [(E)]	<u>\$ 1,995,000</u> (E)
Total [(C3)+(E)]	<u>\$ 3,995,000</u> (D)

Detail of Allowable Adjustments

Impact Aid	<u>\$ _____</u> (H)
Sales & Lease-back	<u>\$ _____</u> (I)
Extraordinary Aid	<u>\$ 338,477</u> (J1)
Additional Nonpublic School Transportation Aid	<u>\$ 24,284</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>\$ 362,761</u> (K)

** This amount represents the June 30, 2018 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** The amount entered must agree with the June 30, 2019 CAFR and Audit Summary Worksheet Line 90030.

**** Amount for Other Restricted/Reserved Fund Balance must be detailed for each source and request for approval to use amounts other than state imposed legal restrictions in the excess surplus calculation must be submitted to the Assistant Commissioner - Field Services prior to September 30.

NEPTUNE TOWNSHIP SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2019

Detail of Other Restricted Fund Balance

Statutory Restrictions:	
Approved Unspent Separate Proposal	\$ -
Sale/Lease-Back Reserve	\$ -
Capital Reserve (N-1)	\$ 6,745,704
Maintenance Reserve (N-2)	\$ 1,350,000
Tuition Reserve (N-3)	\$ -
Emergency Reserve (N-4)	\$ -
School Bus Advertising 50% Fuel Offset Reserve - Current Year (N-5)	\$ -
School Bus Advertising 50% Fuel Offset Reserve - Prior Year (N-6)	\$ -
Impact Aid General Fund Reserve (Sections 8002 and 8003) (N-7)	\$ -
Impact Aid Capital Fund Reserve (Sections 8007 and 8008) (N-8)	\$ -
Other Restricted Fund Balance Not Noted Above****	\$ -
Total Other Restricted Fund Balance	\$ 8,095,704 (C4)

**NEPTUNE TOWNSHIP SCHOOL DISTRICT
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS-
FINANCIAL, COMPLIANCE AND PERFORMANCE**

Audit Recommendations Summary

June 30, 2019

We suggest the following:

Administrative Practices and Procedures

None

Financial Planning, Accounting and Reporting

None.

School Purchasing Programs

None.

School Food Service

None

Student Body Activities

2019-001 – The schools be reminded to deposit all cash receipts in a timely manner.

Application for State School Aid

None

Pupil Transportation

None

Facilities and Capital Assets

None

Miscellaneous

2019-002 - The District strengthen procedures over the recording of accounts receivable and the related revenue related to food service special functions and other applicable items in the proper year.

Status of Prior Year Findings

All prior year findings were corrected.