

**SUMMIT PUBLIC SCHOOLS  
AUDITOR'S MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL COMPLIANCE AND PERFORMANCE  
JUNE 30, 2019**

**SUMMIT PUBLIC SCHOOLS  
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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# LERCH, VINCI & HIGGINS, LLP

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REGISTERED MUNICIPAL ACCOUNTANTS

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## INDEPENDENT AUDITOR'S MANAGEMENT REPORT

Honorable President and Members  
of the Board of Trustees  
City of Summit Public Schools  
Summit, New Jersey

We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Summit Public Schools as of and for the fiscal year ended June 30, 2019, and have issued our report thereon dated November 5, 2019.

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

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

LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants

Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
November 5, 2019

**SUMMIT PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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 Board of Education, 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 reported on Exhibit J-20 as contained in the district's Comprehensive Annual Financial Report (the "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>
Mr. Louis J. Pepe	Board Secretary/Assistant Superintendent for Business	\$150,000
Ms. Margaret Gerba	Treasurer of School Monies	\$375,000

There is Employees' Dishonesty with Faithful Performance coverage with Selective Insurance Company of America covering all other employees.

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

An examination of claims paid during the period under review did not reveal any material discrepancies with respect to signatures, certification or supporting documentation.

**Payroll Account**

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

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

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium withholding due to the General Fund.

The School Business Administrator completed and filed the required Certification of Compliance with Federal and State Law respecting the reporting of compensation for certain employees.

**SUMMIT PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Financial Planning, Accounting and Reporting (Continued)**

**Employee Position Control Roster**

The District maintained an employee position control roster.

**Reserve for Encumbrances and Accounts Payable**

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

**Travel**

The District had an approved board travel policy as required by N.J.A.C. 6A:23A-6.13 and N.J.S.A. 18A:11-12.

Payments made to employees for a travel event were in accordance with the approved travel policy.

**Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-A-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.

**Board Secretary's Records**

The financial records, books of account and minutes maintained by the Board Secretary were in good condition.

Acknowledgment of the Board's receipt of the Board Secretary's and Treasurer's monthly financial reports was included in the minutes.

The prescribed contractual order system was followed.

Bids received were summarized in the minutes.

**Treasurer's Records**

The Treasurer did perform cash reconciliations for all the accounts as required (N.J.S.A. 18A:17-36).

All cash receipts were promptly deposited.

The Treasurer's records were in agreement with the records of the Board Secretary.

**Unemployment Compensation Insurance Trust Fund**

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. The financial transactions of this fund are reported in the Fiduciary Fund.

**SUMMIT PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Financial Planning, Accounting and Reporting (Continued)**

**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 projects under Title I, II, III and IV of the Elementary and Secondary Education Act as amended and reauthorized.

Our examination 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.

**Other Special Federal and/or State Projects**

The district's Special Projects were approved as listed Exhibits K-3 and K-4 located in the CAFR.

Our examination 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 Fund section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

**T.P.A.F. Reimbursements**

Our audit procedures included a test of the semi-monthly 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.

**TPAF Reimbursement to the State for Federal Salary Expenditures**

The reimbursement to the State for the amount of the expenditure charged to the current year's Final Report 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 subsequent to the end of the 60 day grant liquidations period, but prior to the 90 days required by N.J.S.A. 18A:66-90. Accordingly, the expenditure was made in accordance with State law (90 days) and properly reported as obligated and not expended and as an unliquidated balance in the current year's Final Report for all federal awards.

**Non-Public State Aid**

Project completion reports were finalized and transmitted to the State by the due date.

**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 qualifying purchasing agent) and \$29,000 (without a qualifying purchasing agent), respectively. On May 16, 2011 the Board appointed the Business Administrator/Board Secretary as the District's qualified purchasing agent which increased the bid threshold to \$40,000. 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.

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 Board Attorney's opinion should be sought before a commitment is made.

**SUMMIT PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**School Purchasing Programs (Continued)**

Contracts and Agreements Requiring Advertisement for Bids (Continued)

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or goods or service, 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 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. 18:A18-4.

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. Our examination did reveal, however, that the district purchased items through the use of State contracts.

**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) has 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.

The financial transactions and statistical records of the school food services were maintained in good condition.

Cash receipts and bank records were reviewed for timely deposit.

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 contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the Food Service 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.

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.

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.

**SUMMIT PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**School Food Service (Continued)**

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.

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

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

**Summer Flash Program**

The records for the Summer Flash Program were in good condition.

**Student Activity Funds**

**Finding-** Our audit of the student activity accounts revealed the following items:

- Bank reconciliations for certain schools were not provided for audit.
- Detailed cash receipt and cash disbursement ledgers for certain schools were not provided for audit; monthly summary totals were provided for audit.
- Deposits were not being made timely for the High School and Middle School- two to four weeks after point of collection.
- In certain instances cash disbursements didn't contain supporting invoices.
- There were several purchases made that didn't appear to be student related and online purchases that were not shipped to the school's address.
- Numerous checks that contained only one authorized check signature.

**Recommendation-** It is recommended that the District review and enhance their internal control procedures for the student activity accounts.

**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 school for the handicapped, low-income, related services and bilingual education. 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 with isolated exceptions. The information that was included on the workpapers was verified with isolated exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

The district maintained workpapers on the prescribed state forms of their equivalent.

The district has adequate written procedures for the recording of student enrollment data.



**SUMMIT PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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 an isolated exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

**Facilities and Capital Assets**

Our procedures included a review of SDA grant agreement for consistency with recording SDA revenue, transfer of Local Funds from the General Fund or from the Capital Reserve Account, and awarding contracts for eligible facilities construction.

**Finding-** Our audit of the Capital Assets revealed that the District's capital asset records were not updated for all the capital asset additions acquired throughout the year. Furthermore, there were certain expenses that were classified as capital outlay equipment that were not equipment and should have been classified as supplies. The financial statements have been adjusted to reflect all the capital asset additions and the items that were incorrectly classified as equipment have been re-classified to supplies.

**Recommendation-** It is recommended that the District review their process to capture all capital additions to ensure that at year end the capital asset records are properly updated to reflect all capital assets acquired throughout the year and items that are not capital assets are properly classified as supplies.

**Miscellaneous**

The District has submitted the annual Statement of Assurance to the Department of Education for testing of lead on all drinking water in educational facilities.

**Follow-Up on Prior Year Findings**

A review was performed on all prior year findings and corrective action was taken on all.

**SUMMIT PUBLIC SCHOOLS  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOT APPLICABLE**

**SUMMIT PUBLIC SCHOOLS  
NET CASH RESOURCE SCHEDULE**

**Proprietary Funds - Food Service  
Fiscal Year Ended June 30, 2019**

<u>Net Cash Resources:</u>		<b>Food Service B - 4/5</b>	
<b>CAFR</b>	*	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	\$ 121,724
B-4		Due from Other Gov'ts	18,327
<b>CAFR</b>		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	(6,240)
B-4		Less Accruals	
B-4		Less Due to Other Funds	
B-4		Less Deferred Revenue	<u>(60,721)</u>
		<b>Net Cash Resources</b>	<u><u>\$ 73,090</u></u> (A)
 <b><u>Net Adj. Total Operating Expense:</u></b>			
B-5		Tot. Operating Exp.	1,757,794
B-5		Less Depreciation	<u>(39,043)</u>
		<b>Adj. Tot. Oper. Exp.</b>	<u><u>\$ 1,718,751</u></u>
 <b><u>Average Monthly Operating Expense:</u></b>			
		B / 10	<u><u>\$ 171,875</u></u> (C)
 <b><u>Three times monthly Average:</u></b>			
		3 X C	<u><u>\$ 515,625</u></u> (D)

TOTAL IN BOX A	73,090		
LESS TOTAL IN BOX D	<u>515,625</u>		
NET	<u><u>\$ (442,535)</u></u>		

**D is greater than A, cash does not exceed 3 X average monthly operating expenses.**

**SUMMIT BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 15, 2018**

	2019-20 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on		Reported on		Errors		Sample		Verified per		Errors per		Reported on	Sample	Sample	Sample
	Original		Workpapers				Selected from		Register		Registers		A.S.S.A. as	for		
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Private	Verifi-	Verified	Errors
Half Day Pre K (3yrs)	13		12		1	-	10		10			-	-	-	-	-
Full Day Pre K (3yrs)					-	-						-	-	-	-	-
Half Day Pre K (4yrs)	18		18		-	-	7		7			-	-	-	-	-
Full Day Pre K (4yrs)					-	-						-	-	-	-	-
Half Day Kindergarten	185		184		1	-	82		82			-	-	-	-	-
Full Day Kindergarten		157		157	-	-						-	-	-	-	-
Grade 1	269		270		(1)	-	55		55			-	-	-	-	-
Grade 2	277		277		-	-	31		31			-	-	-	-	-
Grade 3	314		314		-	-	76		76			-	-	-	-	-
Grade 4	283		283		-	-	67		67			-	-	-	-	-
Grade 5	295		293		2	-	52		51		1	-	-	-	-	-
Grade 6	296		296		-	-	296		298		(2)	-	-	-	-	-
Grade 7	282		281		1	-	281		281		-	-	-	-	-	-
Grade 8	268		268		-	-	268		269		(1)	-	-	-	-	-
Grade 9	261		261		-	-	261		261		-	-	-	-	-	-
Grade 10	260	1	260	1	-	-	260		260		-	-	-	-	-	-
Grade 11	253	1	253	1	-	-	253		253		-	-	-	-	-	-
Grade 12	270	1	269	1	1	-	269		269		-	-	-	-	-	-
Subtotal	3,544	160	3,539	160	5	-	2,268	-	2,270	-	(2)	-				
Sp Ed- Elementary	176		175		1	-	10		10		-		1	1	1	
Sp Ed - Middle School	95		95		-	-	10		10		-		6	5	5	
Sp Ed - High School	109	15	110	14	(1)	1	10		10		-		8	6	6	
Subtotal	380	15	380	14	-	1	30	-	30	-	-	-	14.5	12	12	-
Totals	3,924	175	3,919	174	5	1	2,298	-	2,300	-	(2)	-	14.5	12	12	-
Percentage Error	<u>0.13%</u> <u>0.00%</u>						<u>-0.09%</u> <u>0.00%</u>						<u>0.00%</u>			

**SUMMIT BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 15, 2018  
SCHEDULE OF AUDITED ENROLLMENTS**

	Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A	Reported on Workpapers	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A	Reported on Workpapers	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Pre K (3yrs)	5	5	-	5	5	-	-	-	-	-	-	-
Full Day Pre K (3yrs)	8	8	-	8	8	-	-	-	-	-	-	-
Half Day Pre K (4yrs)												
Full Day Pre K (4yrs)												
Half Day Kindergarten	27	27	-	10	10	-	8	8	-			
Full Day Kindergarten												
Grade 1	32	33	(1)	9	9	-	16	16	-	10	10	-
Grade 2	27	27	-	8	8	-	10	10	-	6	6	-
Grade 3	30	30	-	9	9	-	11	11	-	6	6	-
Grade 4	32	32	-	15	15	-	4	4	-	3	3	-
Grade 5	33	34	(1)	8	8	-	4	4	-	3	3	-
Grade 6	27	27	-	15	15	-	5	6	(1)	6	6	-
Grade 7	34	34	-	15	15	-	5	7	(2)	7	7	-
Grade 8	27	27	-	15	15	-	5	5	-	5	5	-
Grade 9	26	26	-	15	15	-	4	4	-	4	4	-
Grade 10	33	34	(1)	15	15	-	9	9	-	9	9	-
Grade 11	34	34	-	15	15	-	9	8	1	8	8	-
Grade 12	33	34	(1)	15	15	-	5	4	1	4	4	-
Subtotal	408	412	(4)	177	177	-	95	96	(1)	71	71	-
Sp Ed - Elementary	45	42	3	6	6	-	6	1	5			-
Sp Ed - Middle School	32	32	-	7	7	-						-
Sp Ed - High School	38	34	4	7	7	-	1.5	1.5	-	1.5	1.5	-
Subtotal	115	108	7	20	20	-	7.5	2.5	5	1.5	1.5	-
Totals	523	520	3	197	197	-	102.5	98.5	4	72.5	72.5	-
Percentage Error			<u>0.57%</u>			<u>0.00%</u>			<u>-3.90%</u>			<u>0.00%</u>

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	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	38	38		29	29	-
Reg Special Ed. - Public	18.50	18.5		13	12	(1)
Transported - Non - Public	-			-		-
Special Ed w. Special Needs	39.50	39.5		32	32	-
	<u>96</u>	<u>96.0</u>	<u>-</u>	<u>74</u>	<u>73</u>	<u>(1)</u>
Percentage Error			<u>0.00%</u>			<u>-1.35%</u>

**SUMMIT BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 15, 2018  
SCHEDULE OF AUDITED ENROLLMENTS**

12

	Resident LEP Not Low Income			Sample for Verification		
	Reported on A.S.S.A	Reported on Workpapers	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Pre K (3yrs)	-	-	-	-	-	-
Full Day Pre K (3yrs)	-	-	-	-	-	-
Half Day Pre K (4yrs)	-	-	-	-	-	-
Full Day Pre K (4yrs)	-	-	-	-	-	-
Half Day Kindergarten	8	8	-	8	8	-
Full Day Kindergarten	-	-	-	-	-	-
Grade 1	6	5	1	6	6	-
Grade 2	10	8	2	8	8	-
Grade 3	5	4	1	4	4	-
Grade 4	2	2	-	1	1	-
Grade 5	3	2	1	2	2	-
Grade 6	4	4	-	2	2	-
Grade 7	4	4	-	4	4	-
Grade 8	5	5	-	5	5	-
Grade 9	3	3	-	-	-	-
Grade 10	-	-	-	-	-	-
Grade 11	1	1	-	-	-	-
Grade 12	1	1	-	-	-	-
Subtotal	52	47	5	40	40	-
Sp Ed - Elementary	-	-	-	-	-	-
Sp Ed - Middle School	-	-	-	-	-	-
Sp Ed - High School	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Totals	52	47	5	40	40	-
			<u>-9.62%</u>			<u>0.00%</u>

**SUMMIT PUBLIC SCHOOLS  
CALCULATION OF EXCESS SURPLUS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**SECTION 1A - Two Percent (2%) - Calculation of Excess surplus (2018-2019 expenditures of \$100 million or less)**

2018-2019 Total General Fund Expenditures per the CAFR	\$ 79,042,369
Increased by:	
Capital Reserve Transfer to Capital Projects Fund	1,279,679
Decreased by:	
On-Behalf TPAF Pension & Social Security	11,687,775
Capital Assets Acquired under Capital Lease	<u>659,093</u>
Adjusted 2018-2019 General Fund Expenditures	<u>\$ 67,975,180</u>
2% of Adjusted 2018-2019 General Fund Expenditures	1,359,504
Increased by: Allowable Adjustment- Extraordinary Aid	<u>187,142</u>
Maximum Unassigned Fund Balance	<u>\$ 1,546,646</u>

**SECTION 2**

Total General Fund - Fund Balance at June 30, 2019	\$ 7,145,276
Decreased by:	
Year End Encumbrances	244,039
Legally Restricted- Excess Surplus- Designated for Subsequent Year's Expenditures	1,339,434
Other Restricted Fund Balances	885,189
Assigned Fund Balance-Unreserved-Designated for Subsequent Year's Expenditures	<u>383,177</u>
Total Unassigned Fund Balance	<u>\$ 4,293,437</u>

**SECTION 3**

<b>Reserved Fund Balance - Excess Surplus</b>	<u>\$ 2,746,791</u>
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***Recapitulation of Excess Surplus as of June 30, 2019***

Reserve Excess Surplus- Designated for Subsequent Year's Expenditures	\$ 1,339,434
Reserve Excess Surplus	<u>2,746,791</u>
Total Excess Surplus	<u>\$ 4,086,225</u>

**Detail of Restricted Fund Balances**

Capital Reserve	\$ 465,038
Emergency Reserve	20,151
Maintenance Reserve	<u>400,000</u>
	<u>\$ 885,189</u>

## SUMMIT PUBLIC SCHOOLS

### RECOMMENDATIONS

I. **Administration Practices and Procedures**

There are none.

II. **Financial Planning, Accounting and Reporting**

There are none.

III. **School Purchasing Program**

There are none.

IV. **Food Service Fund**

There are none.

V. **Flash Program**

There are none.

VI. **Student Body Activities**

It is recommended that the District review and enhance their internal control procedures for the student activity accounts.

VII. **Application for State School Aid**

There are none.

VIII. **Pupil Transportation**

There are none.

IX. **Facilities and Capital Assets**

It is recommended that the District review their process to capture all capital additions to ensure that at year end the capital asset records are properly updated to reflect all capital assets acquired throughout the year and items that are not capital assets are properly classified as supplies.

**Miscellaneous**

There are none.

XI. **Status of Prior Year Audit Findings/Recommendations**

In accordance with government auditing standards, our procedures included a review of the prior year recommendations; corrective action has not been taken on the prior year recommendations related to the Student Activity Fund.

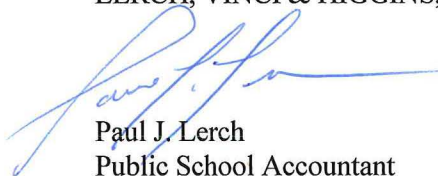


**ACKNOWLEDGEMENT**

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to us.

Respectfully submitted,

LERCH, VINCI & HIGGINS, LLP



Paul J. Lerch  
Public School Accountant  
Certified Public Accountant