

**CITY OF BRIDGETON SCHOOL DISTRICT
COUNTY OF CUMBERLAND**

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

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**



CITY OF BRIDGETON SCHOOL DISTRICT
Auditor's Management Report on Administrative
Findings - Financial, Compliance and Performance

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

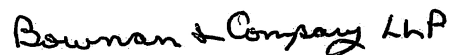
The Honorable President and
Members of the Board of Education
City of Bridgeton School District
County of Cumberland, New Jersey

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 City of Bridgeton School District, in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2020, which were separately issued in the Comprehensive Annual Financial Report dated February 1, 2021.

As part of our audit, we also 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 issued in conjunction with the Comprehensive Annual Financial Report of the City of Bridgeton School District for the fiscal year ended June 30, 2020, and is intended for the information of the School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Henry J. Ludwigen
Certified Public Accountant
Public School Accountant No. CS 001112

Woodbury, New Jersey
February 1, 2021

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

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 School District, and the records of the various funds under the auspices of the Board of Education.

ADMINISTRATIVE PRACTICES AND PROCEDURES

Insurance

Fire insurance coverage was carried in the amounts as detailed on exhibit J-20, insurance schedule, contained in the School District's Comprehensive Annual Financial Report (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>
Nicole M. Albanese	Board Secretary / School Business Administrator	\$ 2,000.00
Jerry Vargas	Assistant School Business Administrator	2,000.00
Mary Pierce	Treasurer of School Moneys	460,000.00

There is a Public Employees' Faithful Performance Blanket Position Bond with the New Jersey School Boards Association Insurance Group covering all other employees with multiple coverage of \$500,000.00.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The School District made a proper adjustment to the billings to sending districts for the decrease in per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f)3.

FINANCIAL PLANNING, ACCOUNTING, AND REPORTING

Examination of Claims

Sampled claims paid during the fiscal year under audit did not indicate any reportable noncompliance with respect to signatures, certification, or supporting documentation.

Payroll Account

The net salaries of sampled employees of the School District were deposited in the net payroll account. Employees' payroll deductions and the employer's share of fringe benefits were deposited in the payroll agency account.

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

Sampled salary withholdings were promptly remitted to the proper agencies, including health benefit premium withholdings due to the general fund.

Sampled payrolls were delivered to the Treasurer of School Moneys with a warrant made to his order for the full amount of the payroll.

FINANCIAL PLANNING, ACCOUNTING, AND REPORTING (CONT'D)

Employee Position Control Roster

A sample of the Employee Position Control Roster indicated that it was in satisfactory condition and was approved by the county office submission with the 2019-2020 budget review checklist.

Encumbrances and Accounts Payable

A sample of outstanding issued purchase orders was made as of June 30 for proper classification of orders as encumbrances and accounts payable. Our sample did not indicate any reportable noncompliance with respect to classification of orders.

Travel

A sample of travel expenditures during the fiscal year under audit did not indicate any reportable noncompliance.

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 randomly sampled expenditure transactions. We also tested the coding of all expenditures included in our compliance and single audit sampling procedures. In addition, a sample was selected that specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. Our samples did not indicate any reportable noncompliance with respect to classification of expenditures.

Board Secretary's Records

Our audit of the financial and accounting records maintained by the Board Secretary indicated that they were in satisfactory condition.

Treasurer of School Moneys' Records

Our audit of the financial and accounting records maintained by the Treasurer of School Moneys indicated that they were in satisfactory condition.

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

The E.S.S.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 Titles I, II, III, and IV of the Every Student Succeeds Act.

The audit of compliance for E.S.S.A. did not indicate any reportable noncompliance.

Other Special Federal and / or State Projects

The School District's other special projects were approved as listed on exhibits K-3 and K-4 located in the CAFR.

Our audit of the federal and state funds on a sample 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 other special projects.

The audit of compliance for other special projects did not indicate any reportable noncompliance.

FINANCIAL PLANNING, ACCOUNTING, AND REPORTING (CONT'D)

TPAF Reimbursement

Our audit procedures included a sample of the biweekly reimbursements filed with the Department of Education for School 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 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 and N.J.S.A. 18A:66-90. The expenditure was inspected subsequent to the reimbursement and no exceptions were noted.

SCHOOL PURCHASING PROGRAMS

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-1 et seq. (Public School Contracts Law), the associated rules and related information on the statute, and the school contracts in general, are available on the following website:

<https://www.state.nj.us/dca/divisions/dlgs/programs/lpcl.html>

Current statute is posted on the New Jersey Legislature website at:

<http://www.njleg.state.nj.us/>

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$40,000.00 (with a Qualified Purchasing Agent) and \$29,000.00 (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 \$19,000.00 for 2019-20.

The School District's Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

Based on the results of our audit, we did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

SCHOOL FOOD SERVICE

COVID-19 Emergency

In accordance with the Governor's Declaration of Emergency pertaining to the COVID 19 Virus all public, charter, non-public schools were ordered to close effective as of March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, school food authorities (SFA) were required to institute alternate procedures to provide meals to free and reduced price eligible students during the period of school closures.

SCHOOL FOOD SERVICE (CONT'D)

COVID-19 Emergency (CONT'D)

Therefore, SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with food service management companies in accordance with 2 CFR 200.320 and N.J.S.A.18A:18A-7. The SFAs were also authorized to submit contract modifications to their existing cost reimbursable or fixed price contracts as necessary to ensure the feeding of free and reduced price meal eligible students.

SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all free and reduced price meal eligible students during the emergency.

The financial transactions and statistical records of the school food service fund were audited. The financial accounts, meal count records, and eligibility applications were tested on a sample basis. No exceptions were noted.

Cash receipts and bank records were sampled for timely deposit. No exceptions were noted.

Expenditures should be separately recorded as food, labor, and other costs. Vendor invoices were sampled 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.

Sampled time sheets were tested and labor costs verified. Payroll records were maintained on all sampled school food service employees authorized by the School District. No exceptions were noted.

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

Sampled applications for free and reduced price meals were tested for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications and / 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 inspected for uniform administration throughout the school system. The required verification procedures for free and reduced price applications were completed and available for audit.

USDA Food Distribution Program (food and / or commodities) were received and a single 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 exhibit 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 G of the CAFR.

STUDENT BODY ACTIVITIES

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

APPLICATION FOR STATE SCHOOL AID

Our audit procedures included a sample of information reported in the October 15, 2019 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low-income, and bilingual. We also performed an inspection of the School District procedures related to its completion. The information on the A.S.S.A. was compared to the School District workpapers and exceptions were noted which were not of a significant enough nature to warrant a finding. The information that was included on the workpapers was verified with exceptions, which were not of a significant nature to warrant a finding. The results of our procedures are presented in the schedule of audited enrollments.

The School District maintained workpapers on the prescribed State forms or their equivalent.

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

PUPIL TRANSPORTATION

Our audit procedures included a sample of on-roll status reported in the 2019-2020 District Report of Transported Resident Students (DRTRS). The information that was reported on the DRTRS was verified to the DRTRS Eligibility Summary Report with exceptions which were not of a significant nature to warrant a finding. The results of our procedures are presented in the schedule of audited enrollments.

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

FACILITIES AND CAPITAL ASSETS

Our audit of the financial and accounting records for facilities and capital assets indicated that they were in satisfactory condition.

MISCELLANEOUS

Continuing Disclosure Agreements

Not applicable - no outstanding bonds

Testing for Lead of All Drinking Water in Education Facilities

The School District complied with all the requirements of N.J.A.C. 6A:26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

The School District submitted 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'S FINDINGS

There were no audit findings for the fiscal year ended June 30, 2019.

There were no Office of Fiscal Accountability and Compliance audit reports issued during the fiscal year ended June 30, 2020.

ACKNOWLEDGMENT

We received the complete cooperation of all of the officials of the School District and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Henry J. Ludwigsen

Henry J. Ludwigsen
Public School Accountant No. 001112

CITY OF BRIDGETON 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, 2020

<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>Estimated (Over) / Under Claim</u>
National School Lunch (Regular Rate)	Paid	-	-	-	-	\$ 0.32	\$ -
	Reduced	-	-	-	-	3.01	-
	Free	<u>1,583,640</u>	<u>1,583,640</u>	<u>1,583,640</u>	<u>-</u>	3.41	<u>-</u>
	Total	<u>1,583,640</u>	<u>1,583,640</u>	<u>1,583,640</u>	<u>-</u>		<u>-</u>
National School Lunch	HHFKA - PB Lunch Only	<u>1,583,640</u>	<u>1,583,640</u>	<u>1,583,640</u>	-	0.07	<u>-</u>
School Breakfast (Regular Rate)	Paid	-	-	-	-	0.31	-
	Reduced	-	-	-	-	1.54	-
	Free	<u>1,372,967</u>	<u>1,372,967</u>	<u>1,372,967</u>	<u>-</u>	1.84	<u>-</u>
	Total	<u>1,372,967</u>	<u>1,372,967</u>	<u>1,372,967</u>	<u>-</u>		<u>-</u>
Special Milk	Paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	0.2150	<u>-</u>
After School Snacks	Paid	-	-	-	-	0.08	-
	Reduced	-	-	-	-	0.47	-
	Free (Area Eligible)	<u>94,524</u>	<u>94,524</u>	<u>94,524</u>	<u>-</u>	0.94	<u>-</u>
	Total	<u>94,524</u>	<u>94,524</u>	<u>94,524</u>	<u>-</u>		<u>-</u>
CACFP (d) - Food	Free				-	3.66	-
CACFP (d) - Cash-in-lieu of USDA Foods	Free				-	0.2375	-
Total Net Underclaim / (Overclaim)							<u>\$ -</u>

City of Bridgeton School District
 Schedule of Net Cash Resources
 Net Cash Resources Did Not Exceed Three Months of Expenditures
 Proprietary Funds - Food Service Fund
 For the Fiscal Year Ended June 30, 2020

<u>Net Cash Resources:</u>	<u>Food Service</u> <u>B - 4/5</u>	
CAFR	Current Assets	
B-4	Cash & Cash Equivalents	\$ 5,543.57
B-4	Due from Other Governments	608,517.83
B-4	Due from Other Funds	1,211,727.44
B-4	Accounts Receivable	12,305.61
CAFR	Current Liabilities	
B-4	Less Accounts Payable	(360,414.97)
B-4	Less Accruals	
B-4	Less Due to Other Funds	
B-4	Less Unearned Revenue	<u>(7,781.82)</u>
	Net Cash Resources	<u>\$ 1,469,897.66</u> (A)

Net Adjusted Total Operating Expense:

B-5	Total Operating Expenditures	\$ 6,141,628.21	
B-5	Less Depreciation	<u>(76,745.00)</u>	
	Adjusted Total Operating Expense	<u>\$ 6,064,883.21</u>	(B)

Average Monthly Operating Expense:

B / 10	<u>\$ 606,488.32</u>	(C)
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Three Times Monthly Average:

3 X C	<u>\$ 1,819,464.96</u>	(D)
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TOTAL IN BOX A	<u>\$ 1,469,897.66</u>
LESS TOTAL IN BOX D	<u>\$ 1,819,464.96</u>
NET	<u>\$ (349,567.30)</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.

City of Bridgeton School District
 Application for State School Aid Summary
 Schedule of Audited Enrollments
 Enrollment as of October 15, 2019

	2020-2021 Application for State School Aid						Sample for Verification						Private Schools for the 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	329		329					329		329						
Half Day Kindergarten																
Full Day Kindergarten	402		402					402		402						
One	418		418					418		418						
Two	432		432					432		432						
Three	409		409					409		409						
Four	437		437					437		437						
Five	449		449					449		449						
Six	440		440					440		440						
Seven	439		439					439		439						
Eight	439		439					439		439						
Nine	396		396					396		396						
Ten	341		341					341		341						
Eleven	285		285					285		285						
Twelve	259		259					259		259						
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14CR.)																
Subtotal	5,475	-	5,475	-	-	-	-	5,475	-	5,475	-	-	-	-	-	-
Special Education-Elementary	231		231					10		10			2	2	2	
Special Education-Middle School	141		141					7		7			6	6	6	
Special Education-High School	143		143					10		10			9	9	9	
Subtotal	515	-	515	-	-	-	-	27	-	27	-	-	17	17	17	-
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Subtotal																
Totals	5,990	-	5,990	-	-	-	-	5,502	-	5,502	-	-	17	17	17	-
Percentage Error																

City of Bridgeton School District
 Application for State School Aid Summary
 Schedule of Audited Enrollments
 Enrollment as of October 15, 2019

	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, Test Score and Register	Sample Errors
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten	361	361		10	10		199	199		2	2	
One	363	363		42	42		208	208		41	41	
Two	337	337		34	34		203	203		33	33	
Three	327	327		28	28		168	168		28	28	
Four	334	334		12	12		160	160		11	11	
Five	359	359		42	42		136	136		40	40	
Six	312	312		30	30		113	113		18	18	
Seven	333	333		18	18		64	64		10	10	
Eight	326	326		11	11		45	45		7	7	
Nine	342	342		22	22		57	57		21	21	
Ten	301	301		13	13		44	44		12	12	
Eleven	255	255		19	19		24	24		16	16	
Twelve	234	234		31	31		14	14		13	13	
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14CR.)												
Subtotal	4,184	4,184		312	312		1,435	1,435		252	252	-
Special Education-Elementary	147	147					49	49				
Special Education-Middle School	109	109					29	29				
Special Education-High School	157	157					2	2				
Subtotal	413	413	-			-	80	80	-			-
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Subtotal			-			-	-	-	-	-	-	-
Totals	4,597	4,597		312	312		1,515	1,515		252	252	-
Percentage Error												-

	Transportation						Reg. Avg. (Mileage) = Regular Including Grade PK students (Part A) Reg. Avg. (Mileage) = Regular Excluding Grade PK students (Part B) Spec. Avg. (Mileage) = Special Ed. with Special Needs	Reported	Re-Calculated
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors			
Reg. - Public Schools, Col. 1	549	549		155	155		7.2	7.2	
Reg. - SpEd, Col. 4	94	94		26	26		If Applicable		
Transported - Non-Public, Col. 3									
Special Needs, Col. 6	162	162		32	32		8.3	8.3	
Totals	805	805	-	213	213				
Percentage Error			-						

City of Bridgeton School District
 Application for State School Aid Summary
 Schedule of Audited Enrollments
 Enrollment as of October 15, 2019

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low <u>Income</u>	Reported on Workpapers as NOT Low <u>Income</u>	<u>Errors</u>	Sample Selected from <u>Workpapers</u>	Verified to Test Score and Register	Sample <u>Errors</u>
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten	7	7				
One	9	9				
Two	5	5				
Three	7	7				
Four	11	11				
Five	13	13		3	3	
Six	11	11		3	3	
Seven	8	8		2	2	
Eight	5	5				
Nine	10	10		3	3	
Ten	6	6				
Eleven	3	3		1	1	
Twelve	2	2				
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14CR.)						
Subtotal	97	97	-	12	12	
Special Education-Elementary	4	4				
Special Education-Middle School	2	2				
Special Education-High School						
Subtotal	6	6	-	-	-	-
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Subtotal	-	-	-	-	-	-
Totals	103	103	-	12	12	
Percentage Error			-			

EXCESS SURPLUS CALCULATION

SCHOOL BASED BUDGET DISTRICT

SECTION 1

2% Calculation of Excess Surplus

2019-20 Total General Fund Expenditures Reported on CAFR Exhibit C-1	<u>\$ 111,337,433.20</u> (A)
Increased by Applicable Operating Transfers:	
Transfer from Capital Outlay to Capital Projects Fund	<u>-</u> (A1a)
Transfer from Capital Reserve to Capital Projects Fund	<u>-</u> (A1a)
Transfer from General Fund to Special Revenue Fund for Preschool - Regular	<u>309,275.00</u> (A1a)
Transfer from General Fund to Special Revenue Fund for Preschool - Inclusion	<u>-</u> (A1a)
Less: Expenditures Allocated to Restricted Federal Resources as reported on Exhibit D-2	<u>1,827,496.20</u> (A1b)
2019-20 Adjusted General Fund & Other State Expenditures [(A)+(A1a)-(A1b)]	<u>\$ 109,819,212.00</u> (A2)
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>14,592,103.61</u> (A3)
Assets Acquired Under Capital Leases:	
General Fund 10 Assets Acquired Under Capital Leases Reported on Exhibit C-1a	<u>-</u> (A4)
Add: General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases:	
Assets Acquired Under Capital Leases in Fund 15 Reported on Exhibit C-1a	<u>-</u> (A5)
Combined General Fund Contribution & State Resources % of Fund 15 Resources Reported on Exhibit D-2	<u>0%</u> (A6)
General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases [(A5)*(A6)]	<u>-</u> (A7)
Total Assets Acquired Under Capital Leases [(A4)+(A7)]	<u>-</u> (A8)
2019-20 General Fund Expenditures [(A2)-(A3)-(A8)]	<u>\$ 95,227,108.39</u> (A9)
2% of Adjusted 2019-20 General Fund Expenditures [(A9) times .02]	<u>\$ 1,904,542.17</u> (A10)
Enter Greater of (A10) or \$250,000	<u>1,904,542.17</u> (A11)
Increased by: Allowable Adjustment *	<u>229,185.00</u> (K)
Maximum Unassigned Fund Balance [(A11)+(K)]	<u>\$ 2,133,727.17</u> (M)

EXCESS SURPLUS CALCULATION (CONT'D)

SCHOOL BASED BUDGET DISTRICT

SECTION 2

Total General Fund - Fund Balances at June 30, 2020	\$ 21,341,259.64 (C)
Decreased by:	
Year-end Encumbrances	282,088.86 (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	- (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	3,992,527.26 (C3)
Other Restricted Fund Balances ****	7,234,895.88 (C4)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	2,891,327.74 (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	<u>\$ 6,940,419.90 (U)</u>

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U)-(M)] IF NEGATIVE ENTER -0-	<u>\$ 4,806,692.73 (E)</u>
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Recapitulation of Excess Surplus as of June 30, 2020

Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 3,992,527.26 (C3)
Restricted - Excess Surplus ***	<u>- (E)</u>
Total Excess Surplus [(C3)+(E)]	<u>\$ 3,992,527.26 (D)</u>

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, 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

Federal Impact Aid	\$ - (H)
Sale & Lease-Back	- (I)
Extraordinary Aid	229,185.00 (J1)
Additional Nonpublic School Transportation Aid	- (J2)
Current Year School Bus Advertising Revenue Recognized	- (J3)
Family Crisis Transportation Aid	- (J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	<u>\$ 229,185.00 (K)</u>

EXCESS SURPLUS CALCULATION (CONT'D)

SCHOOL BASED BUDGET DISTRICT

Footnotes: (Cont'd)

- ** This amount represents the June 30, 2019 Excess Surplus (C3 above) and must be included in the Audit Summary Line 90031. This amount was to be appropriated in the 2019-2020 general fund budget.
- *** Amounts must agree to the June 30, 2020 CAFR and must agree to Audit Summary Line 90030.
- **** Amount for Other Restricted 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.

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$ -
Sale/lease-back reserve	-
Capital reserve (N-1)	<u>2,691,544.63</u>
Maintenance reserve (N-2)	<u>4,543,351.25</u>
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 state/government mandated reserves	-
[Other Restricted Fund Balance not noted above]****	-
Total Other Restricted Fund Balance	<u>\$ 7,234,895.88 (C4)</u>

CITY OF BRIDGETON SCHOOL DISTRICT
Audit Recommendations Summary
For the Fiscal Year Ended June 30, 2020

Recommendations:

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
None
3. School Purchasing Programs
None
4. School Food Service
None
5. Student Body Activities
None
6. Application for State School Aid
None
7. Pupil Transportation
None
8. Facilities and Capital Assets
None
9. Miscellaneous
None
10. Follow-Up of Prior Year Findings
Not applicable. There were no prior year findings.