

*Auditor's Management Report*

*for the*

*City of Elizabeth  
School District*

*in the*

*County of Union  
New Jersey*

*for the*

*Fiscal Year Ended  
June 30, 2020*



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

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# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
City of Elizabeth  
500 North Broad Street  
County of Union  
Elizabeth, New Jersey 07201

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 City of Elizabeth School District in the County of Union for the year ended June 30, 2020, and have issued our report dated January 19, 2021.

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 City of Elizabeth School District, County of Union, 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 19, 2021

**AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS – FINANCIAL AND COMPLIANCE**

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator, the activities of the City of Elizabeth - 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 Bonds</u>
Louis C. Mai, CPA	Treasurer of School Moneys	\$1,300,000.00
Harold E. Kennedy, Jr., CPA	Business Administrator/Board Secretary	300,000.00
Rajeev Malhotra, CPA	Comptroller	300,000.00
Jean Marie Ball, CPA	Assistant Comptroller	300,000.00
Jessica Alves	Accountant	300,000.00
Stephanie Arcieri	Accountant	300,000.00
Zenab Pankaj Bhagalia	Accountant	300,000.00
Patricia J. Grant	Accountant	300,000.00
Guilherme Matheus	Supervisor of Accounts Payable	300,000.00
All Employees	All Employee Faithful Position Bond	500,000.00

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

**Tuition Charges**

Per N.J.A.C. 6A-23A-17.1(f)3, the District is allowed to make adjustments to tuitions billings for the difference between tentative charges and actual certified tuition charges. The District currently bills tuition for 5 students using the tuition rate generated by the State of New Jersey. Considering the small number of students involved the District has elected not to make any tuition adjustments.

**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, certifications or supporting documentation.

## **AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS – FINANCIAL AND COMPLIANCE**

### **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.

Salary withholdings were properly remitted to the proper agencies, including health benefits withholdings due to the general fund.

### **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 for proper classification of orders as reserve for encumbrances and accounts payable.

### **Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-16.2(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.

## **AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS – FINANCIAL AND COMPLIANCE**

### **Board Secretary's Records**

The records maintained by the Board Secretary were in agreement with the records maintained by the Treasurer of School Monies.

**Finding 2020-001:** Our examination of the budget transfers revealed that transfers were made in excess of 10% from Support Services – School Administration. In addition, we noted that transfers in excess of 10 percent were made to Central Services and Administration Information Technology. In neither case did the District receive the approval of the County Superintendent as required by N.J.A.C. 6A:23-13.3 (f).

**Recommendation 2020-001:** That County Superintendent approval be obtained for all applicable transfers as required by N.J.A.C 6A:23A-13.3(f).

### **Treasurer's Records**

The records maintained by the Treasurer of School Monies were in satisfactory condition and were in agreement with the records maintained by the Board Secretary/Business Administrator.

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

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 and Title VI of the Elementary and Secondary Education Act as amended and reauthorized.

### **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.

The study of compliance for the special projects indicated no areas of noncompliance.



## **AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS – FINANCIAL AND COMPLIANCE**

### **T.P.A.F. Reimbursement**

Our audit procedures included a test of the biweekly reimbursement 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 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

### **School Purchasing Programs**

#### **Contracts and Agreements Requiring Advertisement for Bids**

N.J.S.A. 18A:18A-3 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 \$29,000.00, 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.”

**AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS – FINANCIAL AND COMPLIANCE**

**School Purchasing Programs**

**Contracts and Agreements Requiring Advertisement for Bids (Continued)**

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.

N.J.S.A. 18A:18A-3 states: 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."

Effective July 1, 2015 and thereafter, 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), \$29,000.00 (without a Qualified Purchasing Agent), respectively. 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.

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.

**AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS – FINANCIAL AND COMPLIANCE**

**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. No exceptions were noted.

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

Expenditures should be 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.

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. No exceptions were noted.

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 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. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner. No exceptions were noted.

Applications for free and reduced price meals were reviewed for completeness and accuracy. 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. No exceptions were noted.

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 charges in fund net position (CAFR exhibit B-5) does separate program and non-program revenue and program and non-program costs of goods sold.

## **AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS – FINANCIAL AND COMPLIANCE**

### **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 2019-2020 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.

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 the SDA grant agreements for consistency with recording SDA revenue, transfer of local funds from the general or capital reserve account, and awarding of contracts for eligible facilities construction. No exceptions were noted.

### **Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2019 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, 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 with minor exceptions. 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 had written procedures for the recording of student enrollment.

### **Testing for Lead of All Drinking Water in Educational Facilities**

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 school district submitted the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

**AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS – FINANCIAL AND COMPLIANCE**

**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, as follows:

**Facilities and Capital Assets**

**Finding 2019-001:**

**Condition:** We noted that the District's Capital Asset Inventory was not reconciled to detailed supporting documentation. In addition, the accumulated costs of SDA funded projects in Construction in Progress that have been completed have not been transferred to the proper inventory classification.

**Current Status:** The condition has been corrected.

**AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS – FINANCIAL AND COMPLIANCE**

**RECOMMENDATIONS**

**Administrative Practices and Procedures**

None

**Financial Planning, Accounting and Reporting**

**Recommendation 2020-001:** That County Superintendent approval be obtained for all applicable transfers as required by N.J.A.C 6A:23A-13.3(f).

**School Purchasing Program**

None

**School Food Service**

None

**Student Body Activities**

None

**Application for State School Aid**

None

**Pupil Transportation**

None

**Facilities and Capital Assets**

None

CITY OF ELIZABETH SCHOOL DISTRICT  
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 (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
National School Lunch (Regular Rate)	Paid	322,643	148,661	148,661	-	0.34	\$ -
	Reduced	202,328	90,291	90,291	-	3.03	\$ -
	Free	1,777,206	774,183	774,183	-	3.43	\$ -
	<b>TOTAL</b>	<b>2,302,177</b>	<b>1,013,135</b>	<b>1,013,135</b>			<b>\$ -</b>
School Breakfast (Severe Rate)	Paid	325,127	148,450	148,450	-	0.31	\$ -
	Reduced	142,216	62,858	62,858	-	1.90	\$ -
	Free	1,186,013	507,187	507,187	-	2.20	\$ -
	<b>TOTAL</b>	<b>1,653,356</b>	<b>718,495</b>	<b>718,495</b>			<b>\$ -</b>
Special Milk	Paid				-	0.2150	\$ -
	Paid				-	0.08	\$ -
	Reduced				-	0.47	\$ -
After School Snacks	Free (Area Eligible)	59,047	11,538	11,538	-	0.94	\$ -
	<b>TOTAL</b>	<b>59,047</b>	<b>11,538</b>	<b>11,538</b>			<b>\$ -</b>
<b>Total Net Overclaim ( Underclaim)</b>							<b>\$ -</b>

CITY OF ELIZABETH SCHOOL DISTRICT  
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -STATE  
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 (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
State Reimbursement - National School Lunch (Regular Rate)	Paid	322,643	148,661	148,661	-	0.050	\$ -
State Reimbursement - National School Lunch (Regular Rate)	Reduced	202,328	90,291	90,291	-	0.055	\$ -
State Reimbursement - National School Lunch (Regular Rate)	Free	1,777,206	774,183	774,183	-	0.055	\$ -
	TOTAL	<u>2,302,177</u>	<u>1,013,135</u>	<u>1,013,135</u>			
<b>Total Net Overclaim ( Underclaim)</b>							<u>\$ -</u>



**SCHEDULE OF AUDITED ENROLLMENTS  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2019**

	2020-2021 Application for State School Aid (10/15/19 data)				Sample for Verification				Private School for Disabled			
	Reported as on Roll		Reported on Workpapers on Roll		Selected from Workpapers		Verified per Registers on Roll		Reported on A.S.S.A. as Private Schools		Sample for Disabled	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Veri- cation	Sample Errors
Full D Pre K- 3 yr	803		803		9		9					
Full D Pre K- 4 yr	1,513		1,513		18		18					
Full Day Kindergarten												
One	1,726		1,726		20		20					
Two	1,767		1,767		21		21					
Three	1,818		1,818		21		21					
Four	1,766		1,766		21		21					
Five	1,751		1,751		20		20					
Six	1,830		1,830		21		21					
Seven	1,790		1,790		21		21					
Eight	1,883		1,883		22		22					
Nine	1,745		1,745		20		20					
Ten	1,944		1,944		23		23					
Eleven	1,646		1,646		19		19					
Twelve	1,450		1,450		17		17					
Post-Graduate	1,299		1,299		15		15					
Adult H.S. (15+ CR <sub>1</sub> )												
Adult H.S. (1-14 CR)												
Subtotal	24,731		24,731		288		288			189	117	117
Sp. Ed. - Elementary	1,599		1,599		19		19			55	34	34
Sp. Ed. - Middle School	715		715		8		8			36	22	22
Sp. Ed. - High School	735		735		9		9			98	61	61
Subtotal	3,049		3,049		35		35			189	117	117

Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	27,780		27,780		323		323			189	117	117
Percentage Error												0%

	Transportation			
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Tested	Errors
Regular - Public School , col 1	2,175	2,175	150	149
All, col 2	46	46	5	5
Transportation - Non-Public col 3	167	167	30	30
Reg. Spe Ed, col 4	1,235	1,235	84	84
Spec. Ed., col 6	451	451	34	31
Totals	4,074	4,074	303	299
Percentage Error				
				1.32%

Reported Recalculated  
3.90 3.90  
Avg. Mileage - Regular Including Grade PK students  
Avg. Mileage - Regular Excluding Grade PK students  
Avg. Mileage - Special Ed with Special Needs 8.20 8.20

**CITY OF ELIZABETH SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENTS  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2019**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.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.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
Full D Pre K- 3 yr	1,401	1,401		22	22		533	533		34	34	
Full D Pre K- 4 yr	1,461	1,461		23	23		509	509		32	32	
One	1,505	1,505		24	24		550	550		35	35	
Two	1,454	1,454		23	23		469	469		30	30	
Three	1,392	1,392		22	22		425	425		27	27	
Four	1,467	1,467		23	23		315	315		20	20	
Five	1,452	1,452		23	23		218	218		14	14	
Six	1,480	1,480		23	23		230	230		15	15	
Seven	1,313	1,313		21	21		226	226		14	14	
Eight	1,559	1,559		24	24		353	353		22	22	
Nine	1,336	1,336		21	21		281	281		18	18	
Ten	1,137	1,137		18	18		230	230		15	15	
Eleven	1,015	1,015		16	16		183	183		12	12	
Twelve												
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	17,972	17,972		281	281		4,522	4,522		287	287	
Special Ed - Elementary	1,386	1,386		22	22		203	203		12	12	
Special Ed - Middle	648	648		10	10		28	28		6	6	
Special Ed - High	667	667		10	10		15	15		4	4	
Subtotal	2,701	2,701		42	42		246	246		22	22	
Co. Voc. - Regular	1	1										
Co. Voc. Ft. Post Sec.	20,674	20,674		323	323		4,768	4,768		309	309	
Totals	20,674	20,674		323	323		4,768	4,768		309	309	
Percentage Error			0%									0%

**CITY OF ELIZABETH SCHOOL DISTRICT  
 SCHEDULE OF AUDITED ENROLLMENTS  
 APPLICATION FOR STATE SCHOOL AID SUMMARY  
 ENROLLMENT AS OF OCTOBER 15, 2019**

	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	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full D Pre K- 3 yr	71	71	20	20	
Full D Pre K- 4 yr	73	73	20	20	
Full Day Kindergarten	69	69	19	19	
One	66	66	18	18	
Two	58	58	16	16	
Three	57	57	16	16	
Four	42	42	12	12	
Five	55	55	15	15	
Six	57	57	16	16	
Seven	98	98	25	25	
Eight	77	77	21	21	
Nine	63	63	18	18	
Ten	28	28	8	8	
Eleven					
Twelve					
Post-Graduate					
Adult H.S. (15+CR.)					
Adult H.S. (1-14 CR.)					
Subtotal	814.0	814.0	224	224	
Special Ed - Elementary	16	16	4	4	
Special Ed - Middle	1	1	1	1	
Special Ed - High	2	2	2	2	
Subtotal	19	19	7	7	
Co. Voc. - Regular					
Co. Voc. Ft. Post Sec.					
Totals	833.0	833.0	232	232	
Percentage Error					0%

**ELIZABETH SCHOOL DISTRICT  
NET CASH RESOURCE SCHEDULE - FOOD SERVICE  
FY 2020**

<u>Net Cash Resources:</u>		<b>Food Service B - 4/5</b>
<b>CAFR</b>	*	
	<b>Current Assets</b>	
B-4	Cash & Cash Equiv.	1,002,002.00
B-4	Due from Other Gov'ts	875,886.00
B-4	Due from Other Funds	46,553.00
B-4	Accounts Receivable	4,958.00
<b>CAFR</b>	<b>Current Liabilities</b>	
B-4	Less Accounts Payable	(928,767.00)
B-4	Less Accruals	(685,277.00)
B-4	Less Due to Other Funds	
B-4	Less Unearned Revenue	<u>(277,781.00)</u>
	<b>Net Cash Resources</b>	<b><u>37,574.00 (A)</u></b>

**Net Adj. Total Operating Expense:**

B-5	Tot. Operating Exp.	16,984,555.00
B-5	Less Depreciation	<u>(24,082.00)</u>
	 Adj. Tot. Oper. Exp.	 <b><u>16,960,473.00 (B)</u></b>

**Average Monthly Operating Expense:**

	B / 10	<b><u>1,696,047.30 (C)</u></b>
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**Three times monthly Average:**

	3 X C	<b><u>5,088,141.90 (D)</u></b>
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TOTAL IN BOX A	<u>37,574.00</u>	
LESS TOTAL IN BOX D	<u>(5,088,141.90)</u>	
NET	<b><u>(5,050,567.90)</u></b>	D IS GREATER THAN A
<b>D is greater than A, cash does not exceed 3 X average monthly operating expenses.</b>		

\* Inventories are not to be included in total current assets.

## EXCESS SURPLUS CALCULATION

### **SECTION 1**

General Fund Expenditures:		
Fiscal Year Ended June 30, 2020		\$562,253,682
Increased by:		
Transfer from General Fund to SFR- Inclusion		3,822,140
Less: Expenditures Allocated to Restricted Federal Resources as reported on Schedule D-2		
		<u>6,863,620</u>
		559,212,202
Less On-Behalf TPAF Pension and Social Security	\$73,421,473	
Assets Acquired Under Capital Leases	<u>8,388,286</u>	
		<u>81,809,759</u>
Adjusted General Fund Expenditures		477,402,443
Excess Surplus Percentage		<u>2.00%</u>
Subtotal		9,548,048
Increased by:		
Extraordinary Aid (Unbudgeted)	<u>321,568</u>	
		<u>321,568</u>
Maximum Unassigned Fund Balance		<u><u>9,869,616</u></u>

### **SECTION 2**

Total General Fund Balance		33,990,994
Decreased by:		
Year End Encumbrances	861,170	
Legally Restricted:		
Excess Surplus - Designated for Subsequent Year's Expenditures	3,451,403	
Capital Reserve	9,881,868	
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	<u>6,547,046</u>	
		<u>20,741,487</u>
Total Unassigned Fund Balance		<u>13,249,507</u>
Reserved Fund Balance-Excess Surplus		<u><u>\$3,379,891</u></u>

### **SECTION 3**

Recapitulation of Excess Surplus as of June 30, 2020		
Restricted Excess Surplus-Designated for Subsequent Years Expenditures		\$3,451,403
Restricted Excess Surplus		<u>3,379,891</u>
Total		<u><u>\$6,831,294</u></u>



