

**KEANSBURG SCHOOL DISTRICT**

Keansburg, New Jersey  
County of Monmouth

**Auditor's Management Report on Administrative Findings -  
Financial, Compliance and Performance  
YEAR ENDED JUNE 30, 2020**



**MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

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

Honorable President and Members  
of the Board of Education  
Keansburg School District  
County of Monmouth  
Keansburg, New Jersey

We have audited, in accordance with generally accepted audit standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Keansburg Public School District in the County of Monmouth for the year ended June 30, 2020, and have issued our report thereon dated March 31, 2021.

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 for the information of the Keansburg Public 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,

HOLMAN FRENIA ALLISON, P.C.

Jerry Conaty  
Certified Public Accountant Public  
School Accountant, No. 2470

Red Bank, New Jersey  
March 31, 2021

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**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**

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the School 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>
Louise B. Davis	Interim Board Secretary/School Business Administrator	\$ 257,000.00

**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 cost in accordance with *N.J.A.C. 6A:23A-17.1(f)3*.

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

A sample examination of claims paid during the period under the review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

**Payroll Account**

The net salaries of sampled employees of the board were deposited in the Payroll Account. Employee's payroll deductions and 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 School Business Administrator/Board Secretary.

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

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

**Employee Position Control Roster**

A sample inquiry and subsequent review of the Position Control Roster found no inconsistencies between the payroll records, employee benefit records (e.g. pension reports and health benefit coverage reports), the general ledger accounts to where wages are posted (administrative versus instruction), and the Position Control Roster.

**Reserve for Encumbrances and Accounts Payable**

A sample 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:23 A-16.29(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of a sample of 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% percent 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 were found to be in unsatisfactory condition.

**Finding 2020-001:**

During our audit we noted that the School District is not maintaining a complete and accurate general ledger in accordance with accounting principles generally accepted in the United States of America. Numerous entries were required to bring the School District's general ledger into compliance at year-end including misclassification of grant receipts, misposting of State Aid receipts and related adjustments, accrual of year-end receivables, and interfund adjustments recorded in one fund but not the corresponding fund. The School District also increased appropriations within its general ledger without approval by the Board of Education.

**Finding 2020-002:**

During our testing it was noted the bank reconciliations were not accurately performed. Numerous adjustments were required to correct errors in the School District's bank reconciliations, including transfers recorded in one account but not the corresponding account, outstanding reconciling items that are more than a year old, receivable balances being recorded as reconciling items, and checks issued without sufficient cash in the account.

**Finding 2020-005:**

The School District over-expended certain line items in its budget. The School District over-expended 7 line items by a combined \$733,816.02.

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

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

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

Our audit procedures included a sample test of the biweekly reimbursements 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 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-1 et seq. (Public School Contracts Law), the associated rules and related information on the statute, and school contracts in general is available on the website: <http://www.state.nj.us/dca/divisions/dlgs/programs/lpcl.html>

Current statute is posted on the New Jersey Legislature website at: [http://lis.njleg.state.nj.us/cgi-bin/om\\_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headigswithhits=on&infobase=statutes.nfo&softpage=TOC\\_Frame\\_Pg42](http://lis.njleg.state.nj.us/cgi-bin/om_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headigswithhits=on&infobase=statutes.nfo&softpage=TOC_Frame_Pg42)

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 2019-20.

The district 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 tests on sample basis, 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**

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 SFA had 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 Net Position (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program costs of goods sold.

We also inquired of management about the emergency COVID-19 procedures/practices that the SFA instituted to provide meals to eligible students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations.

Cash receipts and bank records were reviewed on a sample basis for timely deposit.

### **Finding 2020-003\***

The Food Service Fund has a deficit net position at June 30, 2020. The deficit net position at June 30, 2020 was \$243,852.76.

### **Student Body Activities**

Our review of the financial and accounting records for student activities indicated they were in unsatisfactory condition.

### **Application for State School Aid (ASSA)**

Our audit procedures included a sample test of information reported in the October 15, 2018 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped and low-income, and bilingual. We also performed a review on a sample basis of the School District's procedures related to its completion. The information on the ASSA was compared to the School District workpapers without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments

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

The School District written procedures appear to be adequate for the recording of student enrollment data.

### **Pupil Transportation**

Our audit procedures included a sample 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 without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a sample of transportation contracts and purchases. Based on our sample, the School District complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our sampling of transportation related purchases of goods and services.

### **Facilities and Capital Assets**

#### **Finding 2020-004:**

During our testing of capital assets it was noted that the school district was unable to provide a detail listing of all Capital Assets and the associated depreciation schedules. The District has not updated capital assets records and has not has an appraisal done in over 5 years.

### **Miscellaneous**

#### **Finding 2020-006\***

The School District was not able to provide documentation that monthly and year-to-date transfer reports were submitted to the Executive County Superintendent. Four transfers from General Fund appropriation accounts exceeded 10 percent of the amount included in the budget certified for taxes without having been requested or approved by the Executive County Superintendent.

#### **Finding 2020-007**

The School District did not recognize the required percentage of SEMI revenues. The School District recognized \$72,279.85 in SEMI revenues, or 44.5% of budgeted revenues.

The School District complied with its most recent continuing disclosure agreements in relation to prior year bond issuances.

### **Follow-up on Prior Year Findings**

In accordance with audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, our procedures included a review of all prior year findings reported in the prior year's Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance.

**Office of Fiscal Accountability and Compliance (OFAC) Findings**

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

**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.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry Conaty  
Certified Public Accountant  
Public School Accountant, No. 2470

Red Bank, New Jersey  
March 31, 2021

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**ADDITIONAL INFORMATION**

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

	2020-2021 Application for State School Aid						Sample for Verification						Private Schools for Disabled							
	Reported on A.S.A. On Roll		Reported on Workpapers On Roll		Errors		Reported on Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.A. as Private Schools		Sample Verification		Sample Errors			
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared		
Half Day Preschool - 3 Yrs	87	-	87	-	-	-	14	-	14	-	-	-	-	-	-	-	-	-	-	
Half Day Preschool - 4 Yrs	88	-	88	-	-	-	14	-	14	-	-	-	-	-	-	-	-	-	-	
Full Day Kindergarten	110	-	110	-	-	-	19	-	19	-	-	-	-	-	-	-	-	-	-	
One	107	-	107	-	-	-	17	-	17	-	-	-	-	-	-	-	-	-	-	
Two	115	-	115	-	-	-	19	-	19	-	-	-	-	-	-	-	-	-	-	
Three	83	-	83	-	-	-	13	-	13	-	-	-	-	-	-	-	-	-	-	
Four	114	-	114	-	-	-	18	-	18	-	-	-	-	-	-	-	-	-	-	
Five	66	-	66	-	-	-	11	-	11	-	-	-	-	-	-	-	-	-	-	
Six	92	-	92	-	-	-	15	-	15	-	-	-	-	-	-	-	-	-	-	
Seven	83	-	83	-	-	-	13	-	13	-	-	-	-	-	-	-	-	-	-	
Eight	94	-	94	-	-	-	15	-	15	-	-	-	-	-	-	-	-	-	-	
Nine	65	-	65	-	-	-	11	-	11	-	-	-	-	-	-	-	-	-	-	
Ten	64	-	64	-	-	-	10	-	10	-	-	-	-	-	-	-	-	-	-	
Eleven	62	-	62	-	-	-	10	-	10	-	-	-	-	-	-	-	-	-	-	
Twelve	68	4	68	4	-	-	11	1	11	1	-	-	-	-	-	-	-	-	-	
Subtotal	1,298	4	1,298	4	-	-	210	1	210	1	-	-	-	-	-	-	-	-	-	
Special Ed - Elementary	179	-	179	-	-	-	29	-	29	-	-	-	9	8	-	-	-	-	-	
Special Ed - Middle School	67	-	67	-	-	-	11	-	11	-	-	-	6	5	-	-	-	-	-	
Special Ed - Middle School	109	21	109	21	-	-	18	3	18	3	-	-	15	13	-	-	-	-	-	
Subtotal	355	21	355	21	-	-	58	3	58	3	-	-	30	26	-	-	-	-	-	
Totals	1,653	25	1,653	25	-	-	268	4	268	4	-	-	30	26	-	-	-	-	-	
Percentage Error					0%		0%		0%		0%		0%		0%		0%		0%	

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

	2020-2021 Application for State School Aid				Sample for Verification				Resident LEP Low Income				Sample for Verification							
	Reported on A.S.S.A as Low Income		Workpapers as Low Income		Sample Selected from Workpapers		Verified to Application and Register		Sample Errors		Reported on A.S.S.A as LEP Low Income		Workpapers LEP Low Income		Sample Selected from Workpapers		Verified to Application and Register		Sample Errors	
	Income	Errors	Income	Errors	Workpapers	Errors	Application and Register	Errors	Income	Errors	Workpapers	Errors	Income	Errors	Workpapers	Errors	Application and Register	Errors	Income	Errors
Full Day Kindergarten	70	-	70	-	20	-	20	-	7	-	7	-	6	-	6	-	6	-	6	-
One	67	-	67	-	19	-	19	-	3	-	3	-	3	-	3	-	3	-	3	-
Two	64	-	64	-	18	-	18	-	6	-	6	-	5	-	5	-	5	-	5	-
Three	49	-	49	-	14	-	14	-	1	-	1	-	1	-	1	-	1	-	1	-
Four	76	-	76	-	21	-	21	-	1	-	1	-	1	-	1	-	1	-	1	-
Five	38	-	38	-	11	-	11	-	1	-	1	-	1	-	1	-	1	-	1	-
Six	53	-	53	-	15	-	15	-	-	-	-	-	-	-	-	-	-	-	-	-
Seven	45	-	45	-	13	-	13	-	-	-	-	-	-	-	-	-	-	-	-	-
Eight	53	-	53	-	15	-	15	-	-	-	-	-	-	-	-	-	-	-	-	-
Nine	32	-	32	-	9	-	9	-	-	-	-	-	-	-	-	-	-	-	-	-
Ten	22	-	22	-	6	-	6	-	1	-	1	-	1	-	1	-	1	-	1	-
Eleven	24	-	24	-	7	-	7	-	1	-	1	-	1	-	1	-	1	-	1	-
Twelve	23	-	23	-	6	-	6	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	616	-	616	-	174	-	174	-	21	-	21	-	19	-	19	-	19	-	19	-
Special Ed - Elementary	107	-	107	-	30	-	30	-	4	-	4	-	3	-	3	-	3	-	3	-
Special Ed - Middle School	51	-	51	-	14	-	14	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Ed - High School	53	-	53	-	15	-	15	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	211	-	211	-	59	-	59	-	4	-	4	-	3	-	3	-	3	-	3	-
Totals	827	-	827	-	233	-	233	-	25	-	25	-	22	-	22	-	22	-	22	-
Percentage Error					0%				0%				0%							

**Transportation**

Reported on DRTS by DOE/County	Reported on DRTS by District		Tested		Verified		Errors	
	Income	Errors	Income	Errors	Income	Errors	Income	Errors
Reg. - Public Schools, col. 1	30	-	30	-	17	-	17	-
Reg. - Sp Ed, col. 4	73	-	73	-	42	-	42	-
Special Ed Spec, col. 6	61	-	61	-	35	-	35	-
Totals	164	-	164	-	94	-	94	-
Percentage Error					0%			



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

	2020-2021 Application for State School Aid				Sample for Verification		
	Reported on A.S.S.A as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors	
Full Day Kindergarten							
One	5	5	-	4	4	-	
Two	2	2	-	2	2	-	
Three	4	4	-	3	3	-	
Four	2	2	-	2	2	-	
Five	2	2	-	2	2	-	
Six	1	1	-	1	1	-	
Seven	-	-	-	-	-	-	
Eight	1	1	-	1	1	-	
Nine	1	1	-	1	1	-	
Ten	3	3	-	3	3	-	
Eleven	1	1	-	1	1	-	
Twelve	1	1	-	1	1	-	
Subtotal	23	23	-	21	21	-	
Special Ed - Elementary	2	2	-	2	2	-	
Special Ed - Middle School	-	-	-	-	-	-	
Special Ed - High School	1	1	-	1	1	-	
Subtotal	3	3	-	3	3	-	
Totals	26	26	-	24	24	-	
Percentage Error			0%			0%	

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## EXCESS SURPLUS CALCULATION

### SECTION 1

#### A. 2% Calculation of Excess Surplus

2019-2020 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>39,707,675.35</u> (A)
Increased by:	
Transfer from Capital Outlay to Capital Projects	\$ <u>-</u> (A1a)
Transfer from Capital Reserve to Capital Projects	\$ <u>-</u> (A1a)
Transfer from General Fund to SRF for Preschool	\$ <u>-</u> (A1a)
Less: Expenditures Allocated to Restricted Federal Resources as Reported on Exhibit D-2	\$ <u>650,000.00</u> (A1b)
 2019-2020 Adjusted General Fund & Other State Expenditures {(A)-(A1)}	 \$ <u>39,057,675.35</u> (A2)
Decreased by:	
On-Behalf TPAF Pension & Social Security	\$ <u>6,170,993.33</u> (A3)
Assets Acquired Under Capital Leases:	
General Fund 2020 Assets Acquired Under Capital Leases reported on Exhibit C-1a	\$ <u>84,546</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 Percent of Fund 15 Resources Reported on Exhibit D-2	
	<u>96.42%</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>84,546</u> (A8)
 2019-2020 General Fund Expenditures [(A-2)-(A-3)-(A-8)]	 \$ <u>32,802,136.20</u> (A9)
 2% of Adjusted 2019-2020 General Fund Expenditures [(A9) times .02]	 \$ <u>656,042.72</u> (A10)
 Enter Greater of (A10) or \$250,000	 \$ <u>656,042.72</u> (A11)
 Increased by: Allowable Adjustment *	 \$ <u>-</u> (K)
 Maximum Unassigned Fund Balance [(A11)+(K)]	 \$ <u>656,042.72</u> (M)

**EXCESS SURPLUS CALCULATION (continued):**

**SECTION 2:**

Total General Fund - Fund Balances @ 06/30/2020 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>1,199,236.80</u> (C)
Decreased by:	
Year-End Encumbrances	\$ <u>-</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ <u>-</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>112,757.00</u> (C3)
Other Restricted Fund Balances ****	\$ <u>500,000.00</u> (C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ <u>367,145.00</u> (C5)
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	 \$ <u>219,334.80</u> (U)

**SECTION 3**

Restricted Fund Balance - Excess Surplus *** {(U)-(M)} IF NEGATIVE ENTER -0-	\$ <u>-</u> (E)
Restricted Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>112,757.00</u> (C3)
Restricted Excess Surplus *** {(E)}	\$ <u>-</u> (E)
 Total [(C3) + (E)]	 \$ <u>112,757.00</u> (D)

**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, effective for the year ending June 30, 2016 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 Transportation Aid;

(J3) Recognized current year School Bus Advertising Revenue; and

(J4) Family Crisis Transportation Aid.

Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid and Additional Nonpublic School Transportation Aid.

***Detail of Allowable Adjustments***

Impact Aid	\$ <u>-</u> (H)
Sale & Lease-back	\$ <u>-</u> (I)
Extraordinary Aid	\$ <u>-</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>-</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)}	 \$ <u>-</u> (K)

**EXCESS SURPLUS CALCULATION (continued):**

**SECTION 3 (continued):**

- \*\* This amount represents the June 30, 2020 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.
- \*\*\* Amount entered must agree with the June 30, 2020 CAFR and Audit Summary Worksheet Line 90030
- \*\*\*\* Amount for Other Restricted Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not legally imposed by another type of government such as the judicial branch of government must have departmental approval. District requests should be submitted to the Division of Administration and Finance prior to September 30.

***Detail of Other Reserved Fund Balance***

Statutory Restrictions:

Approved Unspent Separate Proposal	\$ <u>          -</u>
Sale/Lease-Back Reserve	\$ <u>          -</u>
Capital Reserve	\$ <u>          -</u>
Maintenance Reserve	\$ <u>  500,000.00</u>
Emergency Reserve	\$ <u>          -</u>
Tuition Reserve	\$ <u>          -</u>
School Bus Advertising 50% Fuel Offset Reserve - current year	\$ <u>          -</u>
School Bus Advertising 50% Fuel Offset Reserve - prior year	\$ <u>          -</u>
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ <u>          -</u>
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$ <u>          -</u>
Other State/Government Mandated Reserve	\$ <u>          -</u>
Other Restricted/Reserved Fund Balance Not Noted Above ****	\$ <u>          -</u>
Total Other Restricted/Reserved Fund Balance	\$ <u>  500,000.00</u> (C4)

**KEANSBURG SCHOOL DISTRICT  
AUDIT RECOMMENDATIONS SUMMARY  
YEAR ENDED JUNE 30, 2020**

**SCHOOL DISTRICT**

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

2020-001: That the School District implement internal controls to ensure that a complete and accurate general ledger is maintained and financial reports are reviewed regularly for accuracy.

2020-002\*: That bank reconciliations be completed accurately and timely.

2020-005: That the District maintain and complete and accurate general ledger and review line items for potential over-expenditures and have budget transfers approved by the Board of Education prior to committing funds.

3. School Purchasing Programs

None

4. School Food Service

2020-003\*: That the School District develop a plan to fund the deficit in the Food Service Fund and monitor the activity to ensure that deficits are avoided in the future.

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

2020-004: That the District have a complete appraisal performed which is then maintained and updated annually.

9. Miscellaneous

2020-006\*: That monthly and year to date transfer reports be prepared and reviewed regularly and remitted to the Executive County Superintendent to request approval for transfers exceeding the maximum allowed.

2020-007: That the School district review procedures and implement controls to ensure maximum participation in the SEMI program.

10. Status of Prior Year Audit Findings/Recommendations

A review was performed on the prior year recommendations and corrective action was taken on all prior year findings except those marked with an asterisk above.