

**CITY OF ASBURY PARK SCHOOL DISTRICT**

Asbury Park, New Jersey  
County of Monmouth

**Auditor's Management Report on Administrative Findings -  
Financial, Compliance and Performance  
YEAR ENDED JUNE 30, 2022**



**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  
City of Asbury Park School District  
County of Monmouth  
Asbury Park, NJ

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 City of Asbury Park School District in the County of Monmouth for the year ended June 30, 2022, and have issued our report thereon dated March 17, 2023.

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

Lakewood, New Jersey  
March 17, 2023

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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 ACFR.

**Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32, 18A:13-13)**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Geof Hastings	Board Secretary/School Business Administrator	\$ 375,000

**P.L. 2020,c.44**

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A.18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by the school district.

The school district data certification was completed by the chief school administrator. The school district Chapter 44 data was submitted timely.

**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. Employees' 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.

### **Payroll Account (Continued)**

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 satisfactory condition.

### **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 ACFR. This section of the ACFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized. Note to auditor: Refer to Section II-SA of this Audit Program for E.S.E.A. flexibility waiver information that may affect requirements that school districts would otherwise implement during the school year under audit and the previous school year.

### **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**

The bid thresholds in accordance with *N.J.S.A. 18A:18A-2* and *18A:18A-3(a)* are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (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 \$20,200 for 2021-2022.

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**

#### *Public Health Emergency*

In accordance with the Governor's Declaration of Emergency pertaining to the public health emergency 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 eligible students during the period of school closures. Governor Murphy's emergency declaration ended June 4, 2021; however, the United States Department of Agriculture's federal waiver continued through June 30, 2022. Food Service Agencies operated under this federal waiver.

As a result, School Food Authorities (SFAs) were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO). SFAs could also choose to participate in the National School Lunch Program utilizing standard counting and claiming practices.

SFAs were authorized to solicit and award emergency noncompetitive procurements 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 all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

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 students during the emergency.

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records were reviewed on a test-check basis. Cash receipts and bank records were reviewed for timely deposit.

The School District utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with *N.J.S.A. 18A:17-34*, and 19-1 through 19-4.1. Provisions of the FSMC Cost Reimbursable Fixed Price contract were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will break even. The operating results provision has been met. All vendor discounts, rebates, and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

### **School Food Service (Continued)**

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.

The cash disbursements record 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.

#### **Finding 2022-001:**

Net cash resources did exceed three months average expenditures.

#### **Recommendation:**

That the District does not maintain cash which exceeds three months worth of average expenditures in their bank account.

Time sheets were reviewed, and labor costs verified. Payroll records were maintained on all School Food.

Services employees authorized by the board of education. 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.

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.

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 Assets (ACFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

### **Student Body Activities**

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

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

Our audit procedures included a sample test of information reported in the October 15, 2021 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. Exceptions were noted. See Finding 2022-002 below. The results of our procedures are presented in the Schedule of Audited Enrollments.

#### **Finding 2022-002 (State Financial Assistance Finding 2022-001):**

Student counts claimed on the ASSA as On-Roll and Low Income and Language English Proficient (ELL/LEP) students were not always able to be supported by the respective required documentation.

#### **Recommendation:**

It is recommended that greater care be taken to ensure that a sufficient audit trail is provided for all entries on the application for state school aid.

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 2020-2021 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.

### **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).

### **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. There were no prior year findings.

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

There was an Office of Fiscal Accountability and Compliance (OFAC) audit report issued during the fiscal year ended June 30, 2022.

### **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 W. Conaty  
Certified Public Accountant  
Public School Accountant, No. 2470

Lakewood, New Jersey  
March 17, 2023

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**ADDITIONAL INFORMATION**

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CITY OF ASBURY PARK SCHOOL DISTRICT  
 SCHEDULE OF AUDITED ENROLLMENTS  
 APPLICATION FOR STATE SCHOOL AID SUMMARY  
 ENROLLMENT AS OF OCTOBER 15, 2021

	2022-2023 Application for State School Aid						Sample for Verification						Private Schools for Disabled						
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Reported on Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.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	
Full Day Preschool - 3 Yrs	94	-	94	-	-	-	15	-	15	-	-	-	-	-	-	-	-	-	-
Full Day Preschool - 4 Yrs	116	-	116	-	-	-	11	-	11	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	92	-	92	-	-	-	15	-	15	-	-	-	-	-	-	-	-	-	-
One	87	-	87	-	-	-	15	-	15	-	-	-	-	-	-	-	-	-	-
Two	64	-	64	-	-	-	15	-	15	-	-	-	-	-	-	-	-	-	-
Three	86	-	86	-	-	-	13	-	13	-	-	-	-	-	-	-	-	-	-
Four	84	-	84	-	-	-	18	-	18	-	-	-	-	-	-	-	-	-	-
Five	86	-	86	-	-	-	14	-	14	-	-	-	-	-	-	-	-	-	-
Six	72	-	72	-	-	-	13	-	13	-	-	-	-	-	-	-	-	-	-
Seven	100	-	100	-	-	-	18	-	18	-	-	-	-	-	-	-	-	-	-
Eight	79	-	79	-	-	-	18	-	18	-	-	-	-	-	-	-	-	-	-
Nine	76	-	76	-	-	-	15	-	15	-	-	-	-	-	-	-	-	-	-
Ten	99	-	99	-	-	-	17	-	17	-	-	-	-	-	-	-	-	-	-
Eleven	101	-	101	-	-	-	20	-	20	-	-	-	-	-	-	-	-	-	-
Twelve	83	-	83	-	-	-	16	-	16	-	-	-	-	-	-	-	-	-	-
Subtotal	1,319	-	1,319	-	-	-	233	-	233	-	-	-	-	-	-	-	-	-	-
Special Ed - Elementary	130	-	130	-	-	-	23	-	23	-	-	-	-	9	8	-	-	-	-
Special Ed - Middle School	31	-	65	-	(34)	-	5	-	5	-	-	-	5	4	4	-	-	-	-
Special Ed - High School	61	-	61	-	-	-	11	-	11	-	-	-	13	11	11	-	-	-	-
Subtotal	222	-	256	-	(34)	-	39	-	39	-	-	-	27	23	23	-	-	-	-
Totals	1,541	-	1,575	-	(34)	-	272	-	272	-	-	-	27	23	23	-	-	-	-
Percentage Error					-2.21%								0.00%	#DIV/0!					0.00%

**CITY OF ASBURY PARK SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENTS  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2021**

	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 LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten	102	102	-	102	102	-	10	10	-	5	5	-
One	116	116	-	116	116	-	4	5	(1)	3	3	-
Two	100	100	-	100	100	-	10	9	1	6	6	-
Three	134	134	-	134	134	-	13	13	-	7	7	-
Four	110	110	-	110	110	-	13	13	-	7	7	-
Five	110	110	-	110	110	-	12	12	-	6	6	-
Six	95	95	-	95	95	-	9	7	2	5	5	-
Seven	121	121	-	121	121	-	19	10	9	10	10	-
Eight	127	127	-	127	127	-	17	7	10	9	9	-
Nine	117	117	-	117	117	-	22	10	12	11	11	-
Ten	115	115	-	115	115	-	9	3	6	5	5	-
Eleven	121	121	-	121	121	-	24	2	22	12	12	-
Twelve	101	101	-	101	101	-	9	2.0	7	5	5	-
Subtotal	1,469	1,469	-	1,469	1,469	-	171	103	68	91	91	-
Special Ed - Elementary	162	162	-	162	162	-	9	9	-	5	5	-
Special Ed - Middle School	41	41	-	41	41	-	3	6	(3)	2	2	-
Special Ed - High School	99	99	-	99	99	-	8	9	(1)	4	4	-
Subtotal	302.0	302.0	-	302	302	-	20	24	(4)	11	11	-
Totals	1,771	1,771	-	1,771	1,771	-	191	127	64	102	102	-
Percentage Error			0.00%			0.00%			33.51%			0.00%

**Transportation**

	Reported on DRTRS by DOE/County			Reported on DRTRS by District			Transportation		
	Reported on	Errors	Tested	Reported on	Errors	Tested	Verified	Errors	Percentage Error
Reg. - Public Schools, col. 1	23.5	-	16	23.5	-	16	16	-	
Reg. - Sp Ed, col. 4	50.5	-	34	50.5	-	34	34	-	
Transported - Non-Public, col. 3	-	-	-	-	-	-	-	-	
AIL - Non Public	-	-	-	-	-	-	-	-	
Special Ed Spec, col. 6	60.5	-	41	60.5	-	41	41	-	
Totals	134.5	-	91	134.5	-	91	91	-	0.00%



**CITY OF ASBURY PARK SCHOOL DISTRICT**  
**SCHEDULE OF AUDITED ENROLLMENTS**  
**APPLICATION FOR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 15, 2021**

	Resident LEP NOT Low Income				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	17	17	-	9	9	-	
One	3	2	1	2	2	-	
Two	3	4	(1)	2	2	-	
Three	3	4	(1)	2	2	-	
Four	12	12	-	6	6	-	
Five	11	11	-	6	6	-	
Six	8	10	(2)	4	4	-	
Seven	3	12	(9)	2	2	-	
Eight	1	11	(10)	1	1	-	
Nine	-	12	(12)	-	-	-	
Ten	1	7	(6)	1	1	-	
Eleven	2	24	(22)	1	1	-	
Twelve	-	7.0	(7)	-	-	-	
Subtotal	64.0	133.0	(69)	36	36	-	
Special Ed - Elementary	4	4	-	2	2	-	
Special Ed - Middle School	3	4	(1)	2	2	-	
Special Ed - High School	2	4	(2)	1	1	-	
Subtotal	9	12	(3)	5	5	-	
Totals	73	145	(72)	41	41	-	
Percentage Error			-98.63%			0.00%	

**SCHEDULE OF MEAL COUNT ACTIVITY**

**CITY OF ASBURY PARK SCHOOL DISTRICT**

**FOOD SERVICE FUND**

**NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -Federal**

**ENTERPRISE FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE	(OVER) UNDER CLAIM
National School Lunch (Regula/Rate)	Paid	-	-	-	-	0.33	-
National School Lunch (Regular Rate)	Reduced	-	-	-	-	3.11	-
National School Lunch (Regular/SSO Rate)	Free	198,892	198,892	198,892	-	3.51	-
	<b>TOTAL</b>	<b>198,892</b>	<b>198,892</b>	<b>198,892</b>			<b>-</b>
<hr/>							
National School Lunch	HHFKA - PB Lunch Only	-	-	-	-	0.07	-
<hr/>							
School Breakfast (Regular Rate)	Paid	-	-	-	-	0.32	-
	Reduced	-	-	-	-	1.59	-
	Free	171,426	171,426	171,426	-	1.89	-
	<b>TOTAL</b>	<b>171,426</b>	<b>171,426</b>	<b>171,426</b>			<b>-</b>
<hr/>							
Special Milk	Paid				-	0.2025	-
<hr/>							
After School Snacks	Paid	-	-	-	-	0.08	-
	Reduced	-	-	-	-	0.48	-
	Free (Area Eligible)	-	-	-	-	0.96	-
	<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>-</b>
<hr/>							
Seamless Summer Option (SSO )	Free	-	-	-	-	1.89	-
Breakfast	Free	-	-	-	-	3.51	-
Lunch							
	<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>-</b>
<hr/>							
National School Lunch	HHFKA - PB Lunch Only	-	-	-	-	0.07	-
<hr/>							
Child & Adult Care Food							
CACFP - Food	Free	-	-	-	-	3.51	-
CACFP - Cash-in-lieu of USDA Foods	Free	-	-	-	-	0.245	-
	<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>-</b>
<hr/>							
Summer Food Service (SFSP)	<u>SELF-PREP RATES</u>						
	Breakfast	-	-	-	-	2.375	-
	Lunch or Supper	-	-	-	-	4.1525	-
	Supplement	-	-	-	-	0.9775	-
	<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>-</b>
<hr/>							
	<u>VENDED RATE</u>						
	Breakfast	-	-	-	-	2.33	-
	Lunch or Supper	-	-	-	-	4.0875	-
	Supplement	-	-	-	-	0.955	-
	<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>-</b>

Auditor Notation:

(a) Reimbursement rates are subject to annual change. Rates indicated in this sample schedule are for illustrative purposes only. Refer to the detailed schedule of reimbursement rates presented on page II-60.29 of this Audit Program. (b) Overclaims or underclaims must be reflected by program on the Schedule of Findings and Questioned Costs (where applicable) and in the AMR. (c) If underclaims are identified and total \$100.00 or more by program, please contact the DOA for requirements to request reimbursement from USDA. Underclaim requests may or may not be approved by USDA for reimbursement. (d) Child and Adult Care Food Program-(CACFP)-At-Risk Dinners

# NET CASH RESOURCE SCHEDULE

## Net cash resources did exceed three months of expenditures Proprietary Funds - Food Service FYE 2022

<u>Net Cash Resources:</u>		Food Service B - 4/5	
<b>ACFR</b>	<b>Current Assets</b>		
B-4	Cash & Cash Equiv.	\$ 354,714	
B-4	Due from Other Gov'ts	115,680	
B-4	Accounts Receivable	-	
B-4	Investments	-	
<b>ACFR</b>	<b>Current Liabilities</b>		
B-4	Less Accounts Payable	(47,901)	
B-4	Less Accruals	-	
B-4	Less Due to Other Funds	-	
B-4	Less Deferred Revenue	(611)	
	<b>Net Cash Resources</b>	<b><u>\$ 421,882</u></b>	<b>(A)</b>

**Net Adj. Total Operating Expense:**

B-5	Tot. Operating Exp.	1,334,084	
B-5	Less Depreciation	(67,818)	
	Adj. Tot. Oper. Exp.	<b><u>\$ 1,266,266</u></b>	<b>(B)</b>

**Average Monthly Operating Expense:**

B / 10	<b><u>\$ 126,627</u></b>	<b>(C)</b>
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**Three times monthly Average:**

3 X C	<b><u>\$ 379,880</u></b>	<b>(D)</b>
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TOTAL IN BOX A	<u>\$ 421,882</u>
LESS TOTAL IN BOX D	<u>\$ 379,880</u>
NET	<b><u>\$ 42,002</u></b>
From above:	
<b>A is greater than D, cash exceeds 3 X average monthly operating expenses.</b>	
<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.

SOURCE - USDA resource management comprehensive review form

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## EXCESS SURPLUS CALCULATION

### SECTION 1

#### Calculation A: 4% Excess Surplus

**All districts required to use school-based budgeting are required to complete this calculation using 4% on line A10.**

2021-2022 Total General Fund Expenditures Reported on Exhibit (C-1)	\$ <u>70,501,282</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 SRF for PreK-Regular	\$ <u>406,048</u> (A1a)
Transfer from General Fund to SRF for PreK-Inclusion	\$ <u>-</u> (A1a)
Less: Expenditures Allocated to Restricted Federal Resources as Reported on Exhibit D-2	\$ <u>2,084,431</u> (A1b)
2021-2022 Adjusted General Fund & Other State Expenditures {(A)+(A1a)-(A1b)}	\$ <u>68,822,899</u> (A2)
Decreased by:	
On-Behalf TPAF Pension & Social Security	\$ <u>12,084,262</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 Percent of Fund 15 Resources Reported on Exhibit D-2	<u>92.18%</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)
Adjusted 2021-2022 General Fund Expenditures {(A2)-(A3)-(A8)}	\$ <u>56,738,637</u> (A9)
4% of Adjusted 2021-2022 General Fund Expenditures {(A9) times .04}	\$ <u>2,269,545</u> (A10)
Enter Greater of (A10) or \$250,000	\$ <u>2,269,545</u> (A11)
Increased by: Allowable Adjustment *	\$ <u>7,192,007</u> (K)
Maximum Unassigned Fund Balance [(B5)+(K)]	\$ <u><u>9,461,552</u></u> (M)

**EXCESS SURPLUS CALCULATION (continued)**

**SECTION 2:**

Total General Fund - Fund Balances at June 30, 2022	\$ <u>14,376,999</u> (C)
Decreased by:	
Year-End Encumbrances	\$ <u>302,447</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ <u>-</u> (C-2)
Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>1,378,127</u> (C3)
Other Restricted/Reserved Fund Balances ****	\$ <u>2,509,945</u> (C4)
Assigned - Designated for Subsequent Year's Expenditures	\$ <u>1,878,032</u> (C5)
 Total Unassigned Fund Balance {(C)-(C1)-(C2)-(C3)-(C4)-(C5)}	 \$ <u>8,308,448</u> (U)

**SECTION 3**

Restricted Fund Balance - Excess Surplus *** {(U)-(M)} IF NEGATIVE ENTER -0-	\$ <u>-</u> (E)
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***Recapitulation of excess surplus as of June 30, 2022***

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>1,378,127</u> (C3)
Restricted Excess Surplus ***	\$ <u>0</u> (E)
 Total {(C3) + (E)}	 \$ <u>1,378,127</u> (D)

**Footnotes:**

\* This adjustment line (line (K) as detailed below) is to be utilized for Impact Aid, Sale, Lease-back, Extraordinary Aid, Additional Nonpublic School Transportation Aid and recognized current year School Bus Advertising Revenue, if applicable. Extraordinary Aid and Additional Nonpublic School Transportation Aid and Maintenance of Equity Aid and State Military Impact Aid received July 2022 for 2021-2022 received after June 30 is limited to the amount of revenue recognized in the audit year that was not appropriated.

***Detail of Allowable Adjustments***

Impact Aid	\$ <u>-</u> (H)
Sale & Lease-back	\$ <u>-</u> (I)
Extraordinary Aid	\$ <u>514,872</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)
Maintenance of Equity Aid and State Military Impact Aid Received July 2022	\$ <u>6,677,135</u> (J5)
 Total Adjustments {(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)}	 \$ <u>7,192,007</u> (K)

\*\* This amount represents the June 30, 2022 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

\*\*\* This amount represents excess surplus generated at June 30, 2022 and must agree with the June 30, 2022 ACFR and be reported in the 2021-2022 Audit Summary Worksheet Line 90030.

**EXCESS SURPLUS CALCULATION (continued)**

**SECTION 3 (continued):**

\*\*\*\* Amount for Other Restricted/Reserved Fund Balances 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.

- (N-1) Capital Reserve at June 30, 2022
- (N-2) Maintenance Reserve Minimum Required Under EFCFA.
- (N-3) Tuition Reserve at June 30, 2022
- (N-4) Emergency Reserve at June 30, 2022
- (N-5) School Bus Fuel Offset Reserve – Current Year – June 30, 2022
- (N-6) School Bus Fuel Offset Reserve – Prior Year – June 30, 2022
- (N-7) Impact Aid General Fund Reserve at June 30, 2022
- (N-8) Impact Aid Capital Fund Reserve at June 30, 2022
- (N-9) Unemployment Fund Reserve at June 30, 2022

***Detail of Other Restricted Fund Balance***

Statutory Restrictions:

Approved Unspent Separate Proposal	\$ -
Sale/Lease-Back Reserve	\$ -
Capital Reserve (N-1)	\$ 1,048,989
Maintenance Reserve (N-2)	\$ 867,807
Tuition Reserve (N-3)	\$ -
Emergency Reserve (N-4)	\$ 513,253
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)	\$ -
Reserve for Unemployment Fund	\$ 79,896
Other Restricted/Reserved Fund Balance Not Noted Above ****	\$ -
Total Other Restricted/Reserved Fund Balance	\$ 2,509,945 (C4)

**CITY OF ASBURY PARK SCHOOL DISTRICT  
AUDIT RECOMMENDATIONS SUMMARY  
YEAR ENDED JUNE 30, 2022**

**SCHOOL DISTRICT**

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Programs

None

4. School Food Service

**Finding 2022-001**

The School District should not have cash which exceeds three months' of average expenditures in their bank account

5. Student Body Activities

None

6. Application for State School Aid

**Finding 2022-002 (State Financial Assistance Finding 2022-001)**

It is recommended that a sufficient audit trail is provided for all entries on the application for state school aid.

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

No Prior Year Audit Findings/Recommendations

10. Status of Prior Year Audit Findings/Recommendations

There were no prior year findings/recommendations.