



**BOARD OF EDUCATION
OF THE
TOWNSHIP OF LAKEWOOD**

SYNOPSIS OF AUDIT REPORT

2018-2019

The following is a summary of the audit report for the fiscal year July 1, 2018 to June 30, 2019, as required by N.J.S.A.18A:23-4.

Recommendations:

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
Finding 2019-001 – It is recommended that while cash balances were accurately recorded and reconciled with the Treasurer’s report without exception, that the district properly maintain its general ledger and reconcile monthly with other subsidiary accounting records for all funds for accrual balances.
3. School Purchasing Programs
None
4. School Food Service
None
5. Student Body Activities
None
6. Application for State School Aid
*Finding 2019-002 – 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.
7. Pupil Transportation
None
8. Facilities and Capital Assets
None
9. Miscellaneous
None
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, with the exception of those findings denoted by an asterisk (*).

A **Corrective Action Plan**, which outlines the actions the Board of Education of the Township of Lakewood will take to correct the findings listed above, has been prepared in accordance with federal and state requirements. A copy of the plan is on file and available for public inspection in the office of the Board of Education of the Township of Lakewood, 200 Ramsey Avenue, Lakewood, NJ 08701.

The above summary was prepared from the Comprehensive Annual Financial Report of the Board of Education of the Township of Lakewood for the fiscal year July 1, 2018 to June 30, 2019. The Comprehensive Annual Financial Report, submitted by Matthew Holman, CPA, PSA of Holman, Frenia & Allison, is on file in the office of the Board of Education of the Township of Lakewood, 200 Ramsey Avenue, Lakewood, NJ 08701 and may be inspected by any interested person. The information included herein is not intended to represent the complete financial information as presented in the Comprehensive Annual Financial Report.

Attachments:

Audit Exhibit B-1 – Balance Sheet

Audit Exhibit B-2 – Statement of Revenues, Expenditures and Changes in Fund Balances

Corrective Action Plan

Kevin Campbell

Kevin Campbell

Interim Business Administrator/Interim Board Secretary

**LAKEWOOD TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
ASSETS:					
Cash & Cash Equivalents	\$ 396,016	\$ 11,527,537	\$ 121,697	\$ 280,530	\$ 12,325,780
Receivables, Net:					
Interfund Receivable	800,795	3,185,605	122	300	3,986,822
Due from Other Governments:					
State	14,103,559	2,535	-	-	14,106,094
Federal	-	11,217,499	-	-	11,217,499
Other Receivables	869,583	-	-	-	869,583
Other Assets	40,300	-	-	-	40,300
Restricted Cash & Cash Equivalents	1,121,185	-	-	-	1,121,185
Total Assets	\$ 17,331,438	\$ 25,933,176	\$ 121,819	\$ 280,830	\$ 43,667,263
LIABILITIES & FUND BALANCES:					
Liabilities					
Accounts Payable	\$ 5,285,481	\$ 16,979,291	\$ 10,200	\$ -	\$ 22,274,972
Unearned Revenue	-	2,189,735	-	-	2,189,735
Interfunds Payable	4,022,987	517,897	300	272,899	4,814,083
Intergovernmental Payable:					
Federal	-	3,939,095	-	-	3,939,095
State	309,036	2,505,357	-	-	2,814,393
Total Liabilities	9,617,504	26,131,375	10,500	272,899	36,032,278
Fund Balances					
Restricted for:					
Capital Reserve	1,121,185	-	-	-	1,121,185
Repayment of Advanced State Aid, Restricted Per N.J.A.S. 18A 7A-56	1,275,884	-	-	-	1,275,884
Capital Projects	-	-	95,619	-	95,619
Debt Service	-	-	-	7,931	7,931
Assigned to:					
Other Purposes	101,080	-	15,700	-	116,780
Unassigned (Deficit)	5,215,785	(198,199)	-	-	5,017,586
Total Fund Balances	7,713,934	(198,199)	111,319	7,931	7,634,985
Total Liabilities & Fund Balances	\$ 17,331,438	\$ 25,933,176	\$ 121,819	\$ 280,830	

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$78,289,983 and the accumulated depreciation is \$36,175,400.	42,114,583
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	
Deferred Outflows related to pensions	12,708,304
Deferred Inflows related to pensions	(8,350,412)
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(317,487)
Accrued pension contributions for the June 30, 2019 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(1,416,022)
Long-term liabilities, including net pension liability, compensated absences payable and other post employment benefits are not due and payable in the current period and, therefore, are not reported as a liability in the funds.	(107,980,801)
Net position of Governmental Activities	\$ (55,606,850)

The accompanying Notes to Financial Statements are an integral part of this statement.

LAKWOOD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2019

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
Revenues					
Local Sources:					
Local Tax Levy	\$ 100,827,483	\$ -	\$ -	\$ 1,621,931	\$ 102,449,414
Rents and Royalties	18,670	-	-	-	18,670
Tuition	23,899	-	-	-	23,899
Miscellaneous	1,426,420	3,528,724	272	-	4,955,416
Total Local Sources	102,296,472	3,528,724	272	1,621,931	107,447,399
State Sources	56,683,015	37,659,627	-	655,519	94,998,161
Federal Sources	1,247,037	31,225,168	-	-	32,472,205
Total Revenues	160,226,524	72,413,519	272	2,277,450	234,917,765
Expenditures:					
Current Expense:					
Regular Instruction	17,985,740	18,467,876	-	-	36,453,616
Special Education Instruction	8,550,050	-	-	-	8,550,050
Other Special Instruction	3,998,163	-	-	-	3,998,163
Other Instruction	2,270,936	-	-	-	2,270,936
Support Services:					
Tuition	37,638,604	-	-	-	37,638,604
Attendance	240,722	-	-	-	240,722
Health Services	478,809	-	-	-	478,809
Student & Instruction Related Services	12,913,672	44,378,073	-	-	57,291,745
Educational Media Services/School Library	447,992	-	-	-	447,992
General Administrative Services	3,237,629	-	-	-	3,237,629
School Administrative Services	4,046,087	-	-	-	4,046,087
Central Services	1,267,876	-	-	-	1,267,876
Administrative Information Technology	1,036,483	-	-	-	1,036,483
Plant Operations & Maintenance	7,811,566	-	-	-	7,811,566
Pupil Transportation	30,056,187	2,751,926	-	-	32,808,113
Unallocated Benefits	24,004,563	3,354,768	-	-	27,359,331
On-Behalf TPAF Pension and Social Security Contributions	11,734,953	-	-	-	11,734,953
Capital Outlay	493,844	1,043,794	18,200	-	1,555,838
Debt Service:					
Redemption of Principal	-	-	-	1,350,000	1,350,000
Interest & Other Charges	703	-	-	927,450	928,153
Total Expenditures	168,214,579	69,996,437	18,200	2,277,450	240,506,666
Excess/(Deficiency) of Revenues Over (Under) Expenditures	(7,988,055)	2,417,082	(17,928)	-	(5,588,901)
Other Financing Sources/(Uses)					
Transfer to Charter School	(3,222,884)	-	-	-	(3,222,884)
State Aid Advance Loan	28,182,090	-	-	-	28,182,090
Cancellation of Prior Year Payables	364,063	-	-	-	364,063
Sale of Assets	1,062,879	-	-	-	1,062,879
Operating Transfer In	2,615,281	3,185,605	-	272	5,801,158
Operating Transfer Out	(3,185,605)	(2,615,281)	(272)	-	(5,801,158)
Total Other Financing Sources/(Uses)	25,815,824	570,324	(272)	272	26,386,148
Net Change in Fund Balance	17,827,769	2,987,406	(18,200)	272	20,797,247
Fund Balance - July 1	(10,113,835)	(3,185,605)	129,519	7,659	(13,162,262)
Fund Balance - June 30	\$ 7,713,934	\$ (198,199)	\$ 111,319	\$ 7,931	\$ 7,634,985

The accompanying Notes to Financial Statements are an integral part of this statement.

CORRECTIVE ACTION PLAN

NAME OF SCHOOL DISTRICT: LAKESIDE TOWNSHIP COUNTY: OCEAN
 TYPE OF AUDIT: COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR YEAR ENDED JUNE 30, 2019
 DATE OF BOARD MEETING: JANUARY 8, 2020
 CONTACT PERSON: KEVIN CAMPBELL, INTERIM BUSINESS ADMINISTRATOR PHONE: (732) 364-2400 x 7011

RECOMMENDATION NUMBER	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
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1	It is recommended that while cash balances were accurately recorded and reconciled with the Treasurer's report without exception, that the district properly maintain its general ledger and reconcile monthly with other subsidiary accounting records for all funds for accrual balances.	Supervisory review will ensure that the general ledger is reconciled monthly with other subsidiary accounting records for all funds for accrual balances.	Business Administrator and Assistant Business Administrator	1/31/2020
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2	Application for State School Aid (ASSA) 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.	Procedures will be reviewed and changed as necessary to ensure that documentation to support students reported on the ASSA is maintained to provide a sufficient audit trail.	Business Administrator and Director of Technology	1/31/2020
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Prior Year Recommendations
 All prior year recommendations were corrected except for #2


 CHIEF SCHOOL ADMINISTRATOR
 Laura Winters


 SCHOOL BUSINESS ADMINISTRATOR
 Kevin Campbell

1/8/2020 DATE
 1/8/2020 DATE

c: Executive Ocean County Superintendent of Schools

CERTIFICATION OF IMPLEMENTATION OF CORRECTIVE ACTION PLAN
For the Fiscal Year ended 6/30/2019
Please submit by June 30, 2020

County OCEAN

Name of School District LAKWOOD

I hereby certify that all corrective actions listed on the district's Corrective Action Plan have been

 X fully implemented. * implemented with the following exceptions:

* No attachments or comments required if fully implemented.

CAP
Recommendation
Number

Comments



Chief School Administrator
Laura A. Winters

01/09/20
Date



Board Secretary/Business Administrator
Kevin Campbell

01/09/20
Date

**EXTRACT FROM THE MINUTES OF A MEETING OF THE
BOARD OF EDUCATION OF THE TOWNSHIP OF LAKEWOOD,
OCEAN COUNTY, N.J. AS RECORDED IN THE
OFFICIAL MINUTE BOOK**

The Board of Education of the Township of Lakewood in the County of Ocean, State of New Jersey, convened in public session Wednesday, January 8, 2020, at 7:00 p.m. in the meeting room at Lakewood High School, 855 Somerset Avenue, Lakewood, New Jersey.

The following members of the Lakewood Township Board of Education were present:
Mr.Zlatkin, Ms. Gonzalez, Mr. Grunhut, Mr. Nakdimen, Mr. Rodriguez, Mr. Stern, Mr. Treisser, Ms. Jackson-Byers, Mr. Bender

The following members were absent: None

Business Administrator/Board Secretary Agenda

Motion: Mr. Rodriguez Second: Mr. Bender

- A. That the Board, in accordance with N.J.S.A. 18A:23-5, acknowledges the receipt of and accepts the Comprehensive Annual Financial Report and Auditor's Management Report on Administrative Findings for the fiscal year ended June 30, 2019, as prepared by the firm of Holman, Frenia & Allison, Toms River, New Jersey.

Furthermore, that the Board has publicly reviewed the Audit Synopsis, Auditor's Findings and Recommendations and the Corrective Action Plan prepared by the School Business Administrator as appended to and made a part of these minutes.

Furthermore, that the Board approves the Corrective Action Plan as follows:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

Finding - It is recommended that while cash balances were accurately recorded and reconciled with the Treasurer's report without exception, that the district properly maintain its general ledger and reconcile monthly with other subsidiary accounting records for all funds for accrual balances.

Corrective Action – The district will properly maintain its general ledger and reconcile monthly with other subsidiary accounting records for all funds for accrual balances.

Method of Implementation – Supervisory review will ensure that the general ledger is reconciled monthly with other subsidiary accounting records for all funds for accrual balances.

Person Responsible – Business Administrator and Assistant Business Administrator.

Date of Implementation – January 31, 2020

3. School Purchasing Programs

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

Finding – 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.

Corrective Action – Greater care will be taken to ensure that a sufficient audit trail is provided for all entries on the Application for State School Aid.

Method of Implementation – Procedures will be reviewed and changed as necessary to ensure that documentation to support students reported on the ASSA is maintained to provide a sufficient audit trail.

Person Responsible – Business Administrator and Director of Technology

Date of Implementation – January 31, 2020

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

None

Furthermore, that the Board authorizes the School Business Administrator to forward the Corrective Action Plan and the Audit Synopsis to the Executive Ocean County Superintendent of Schools.

ROLL CALL: AYES: 9
 NAYS: 0
 ABSTAIN: 0

I, Kevin Campbell, Secretary of the Board of Education of the Township of Lakewood in the County of Ocean, State of New Jersey, hereby certify that the foregoing extract from the minutes of the meeting of the Lakewood Township Board of Education duly called and held on Wednesday, January 8, 2020 has been compared by me with the original minutes as officially recorded in my office in the minute book of said Lakewood Township Board of Education and is a true, complete copy thereof and of the whole of said original minutes so far as the same relate to the subject matter referred to in said

extract. In witness I have hereunto set my hand and affixed the corporate seal of the Lakewood Township Board of Education this 9th day of January 2020.

SEAL



Kevin Campbell
Assistant Business Administrator/Board Secretary