

EMERSON SCHOOL DISTRICT

**Auditors' Management Report on
Administrative Findings
Financial, Compliance and Performance
Fiscal Year Ended June 30, 2017**

REVISED - 12/07/17

EMERSON SCHOOL DISTRICT

COUNTY OF BERGEN

STATE OF NEW JERSEY

AUDITORS' MANAGEMENT REPORT

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

FISCAL YEAR ENDED JUNE 30, 2017

DI MARIA & DI MARIA LLP

**EMERSON SCHOOL DISTRICT
AUDITORS' MANAGEMENT REPORT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

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Report of Independent Auditors

Honorable President and Members of the Board of Education
Emerson School District, County of Bergen, 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 Board of Education of the Emerson School District in the County of Bergen, for the year ended June 30, 2017, and have issued our report thereon dated November 30, 2017.

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 Emerson School District Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

DI MARIA & DI MARIA LLP
Accountants and Consultants

Frank DiMaria

Frank Di Maria
Public School Accountant
PSA Number CS 01168

November 30, 2017

**EMERSON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, the activities of the Board of Education, and the records of the various funds under the auspices of the Board of Education.

Funds collected, disbursed and controlled by local parent-teacher associations and/or organizations, are not under the auspices of the Board of Education, and as such are not included as part of this report.

**EMERSON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the district's CAFR.

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

<u>Name/Position</u>	<u>Amount</u>
Phil Nisonoff, Board Secretary/School Business Administrator	\$ 250,000
Douglas Barrett, Treasurer of School Monies	\$ 250,000
John Vitetta, Bus Driver/Courier	\$ 50,000
Gaby Mills, Bus Driver/Courier	\$ 50,000

There is a employees' dishonesty policy covering all other employees.

Tuition Charges

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

**EMERSON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Financial Planning, Accounting and Reporting

Examination of Claims

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

Payroll Account and Position Control Register

The net salaries of all 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.

All payrolls were certified by the President of the Board and the Board Secretary/School Business Administrator.

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

Employees were paid in accordance with approved contract amounts. Reporting of employee compensation for income tax related purposes was in compliance with federal and state regulations regarding the compensation which is required to be reported.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators to the NJ Department of Treasury was properly filed by the March 15th due date.

Inquiry and review of the Position Control Roster found no inconsistencies between payroll records, employee benefit records, general ledger accounts to where wages are posted and the Position Control Roster.

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.

All items tested appeared to be properly classified and were made with proper authorization for amounts that did not exceed original approved purchase order amounts.

Travel

The District has an approved board travel policy as required by N.J.A.C. 6A:23A-6.13 and N.J.S.A. 18A:11-12.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our 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. As a result of the procedures performed, a transaction error rate of 0% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Allocated salaries had appropriate documentation supporting the allocation method and rationale for the allocation.

**EMERSON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Financial Planning, Accounting and Reporting (Continued)

Board Secretary's Records

Bids received were summarized in the minutes (N.J.S.A. 18A:18A-21).

Acknowledgement of the Board Secretary's and Treasurer's monthly financial reports were included in the minutes.

Budget appropriations were greater than realized revenues and the board authorized the use of surplus. The Board Secretary made corresponding and/or appropriate adjustments to surplus to properly balance the budget.

Budgetary line accounts were not overexpended during the fiscal year nor at June 30, and Board Secretary's monthly certification of the budgetary line item status (N.J.A.C. 6A:23A-16.10) was consistent with actual budgetary records.

Payments were not found to be made prior to the receipt of goods.

General fixed asset records were updated for additions and disposals of general fixed assets made during the year.

There were no potential liabilities or loss contingencies related to ongoing labor contract negotiations required to be recorded in accordance with GASBI 6 and GASBS 62.

Treasurer's Records

The Treasurer performed bank reconciliations for the general operating accounts, payroll account, payroll agency account, investment account, and food service account.

Cash receipts were promptly deposited.

The Treasurer's cash balance for the general operating account was in agreement with the reconciled cash balance as determined during the audit.

Elementary and Secondary Education Act (E.S.E.A.)/Improving America's Schools Act (IASA), as reauthorized by the No Child Left Behind Act of 2001

The E.S.E.A./NCLB 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.

The study of compliance for E.S.E.A. indicated no instances of non-compliance and/or questionable costs.

**EMERSON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Financial Planning, Accounting and Reporting (Continued)

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 instances of non-compliance.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

The district did not have any expenditures charged to the current year's reports pertaining to federal awards to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for employees whose salaries were paid from federal funds. As such no audit procedures were necessary to test the payment date in relation to the 90 day grant liquidation period as required by the Office of Grants management.

Nonpublic State Aid

Project Completion Reports were finalized and transmitted to the department by the due date.

**EMERSON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2015 and thereafter the bid threshold in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$29,000 without and \$40,000 with a Qualified Purchasing Agent. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$18,800.

The 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 Board Attorney'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 goods or service, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The results of our examination indicated that no individual payments, contracts, or agreements were 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.

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.

**EMERSON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

School Food Service

The financial transactions and statistical records of the School Food Services were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

The 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 contract were reviewed and audited.

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 or its equivalent was completed. Reimbursement claims were submitted/certified in a timely manner.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. Net cash resources did not exceed three months average expenditures.

Cash receipt and bank records were reviewed for timely deposit.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section G of the CAFR.

Expenditures were separately recorded as food and labor costs. Vendor invoices were reviewed and labor costs verified.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (CAFR Schedule B-5) does separate program and non-program revenue AND program and non-program cost of goods sold.

The District maintains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually

Applications for free and reduced price meals were reviewed for completeness and accuracy. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review.

The school food service program was not selected as a major federal and/or State program and program expenditures did not exceed \$100,000 in federal and/or State support. Accordingly no inquiries of school management or appropriate school food service personnel were made as to reimbursement overclaims or underclaims.

The district has elected not to participate in the Community Eligibility Provision ("CEP") as provided in the federal *Healthy, Hunger-Free Kids Act of 2010* as implemented by the U.S. Department of Agriculture ("USDA"). Accordingly, no audit procedures were necessary pertaining to this program.

**EMERSON SCHOOL DISTRICT
 ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
 YEAR ENDED JUNE 30, 2017**

Net Cash Resources:

	Current Assets	
B-4	Cash & Cash Equivalents	19,973
B-4	Intergovernmental A/R	4,989
B-4	Accounts Receivable	-
B-4	Investments	-
	Current Liabilities	
B-4	Less - Accounts Payable	(8,479)
B-4	Less - Accruals	-
B-4	Less - Interfunds	-
B-4	Less - Deferred Revenue	-
	Net Cash Resources	<u><u>16,483</u></u>

Net Adjustment Total Operating Expense:

B-5	Total Operating Expenses	409,625
B-5	Less Depreciation	-
	(B)	<u><u>409,625</u></u>

Average Monthly Operating Expense:

B/10	(C)	<u><u>40,963</u></u>
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Three Times Monthly Average:

3 X C	(D)	<u><u>122,888</u></u>
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Three months average expenditures exceeded? NO

**EMERSON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Student Body Activities

The following findings were noted in regard to individual student activity funds:

Student Body Activities Fund

None

Student Body Athletic Fund

None

Policies exist that clearly establish the regulation of student activity funds. All cash receipts were promptly deposited and all cash disbursements had proper supporting documentation in accordance with N.J.A.C. 6A:23A-16.12.

**EMERSON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2016 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income, and bilingual. 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 without exception. 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 has adequate written procedures for the recording of student enrollment data.

**EMERSON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2016-17 District Report of Transported Resident Students (DRTRS). The information that was included in 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 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.

**EMERSON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Facilities and Capital Assets

Facilities and fixed asset records were maintained in satisfactory condition. Records were updated for additions and disposals made during the year.

**EMERSON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Miscellaneous

The District complied with continuing disclosure agreements made in relation to prior year(s) bond issuances in accordance with Local Finance Notice 2014-9.

The District adhered to all 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. Results of testing were available at the school facility and on the District's website.

**EMERSON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Follow-up on Prior Years' Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations including findings. There were no recommendations issued in the prior year; As such, review of these items is not applicable.

There have been no findings or reports issued by the Office of Fiscal Accountability and Compliance (OFAC); As such, review of these items is not applicable.

**EMERSON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Acknowledgment

We received the complete cooperation of all the officials of the school district and greatly appreciate the courtesies extended to the members of the audit team during the course of the audit.

**EMERSON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Schedule of Meal Count Activity

Emerson School District
Food Service Fund
Number of Meals Served and (Over) / Underclaim - Federal
Enterprise Fund
For the Fiscal Year Ended June 30, 2017

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over) / Under Claim</u>
National School Lunch Program (Regular Rate)	Free	8,719	8,719	0	3.1600	0.00
	Reduced	898	898	0	2.7600	0.00
	Paid	54,961	54,961	0	0.3000	0.00
	Total	64,578	64,578	0		0.00
National School Lunch Program (HHFKA - PB Lunch Only)	All	64,578	64,578	0	0.0600	0.00
School Breakfast (Regular Rate)	Free	5,166	5,166	0	1.7100	0.00
	Reduced	11	11	0	1.4100	0.00
	Paid	1,161	1,161	0	0.2900	0.00
	Total	6,338	6,338	0		0.00
Special Milk Program	Free	0	0	0	Avg. Cost	0.00
	Paid	0	0	0	0.1975	0.00
	Total	0	0	0		0.00
After School Snacks	Free	0	0	0	0.8600	0.00
	Reduced	0	0	0	0.4300	0.00
	Paid	0	0	0	0.0700	0.00
	Total	0	0	0		0.00

**EMERSON SCHOOL DISTRICT
 ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
 YEAR ENDED JUNE 30, 2017**

Schedule of Meal Count Activity

Emerson School District
Food Service Fund
Number of Meals Served and (Over) / Underclaim - State
Enterprise Fund
For the Fiscal Year Ended June 30, 2017

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over) / Under Claim</u>
National School Lunch Program (Regular Rate)	Free	8,719	8,719	0	0.0550	0.00
	Reduced	898	898	0	0.0550	0.00
	Paid	54,961	54,961	0	0.0400	0.00
	Total	64,578	64,578	0		0.00
School Breakfast (Regular Rate)	Free	5,166	5,166	0	0.0000	0.00
	Reduced	11	11	0	0.0000	0.00
	Paid	1,161	1,161	0	0.0000	0.00
	Total	6,338	6,338	0		0.00
Special Milk Program	Free	0	0	0	Avg. Cost	0.00
	Paid	0	0	0	0.1975	0.00
	Total	0	0	0		0.00
After School Snacks	Free	0	0	0	0.8600	0.00
	Reduced	0	0	0	0.4300	0.00
	Paid	0	0	0	0.0700	0.00
	Total	0	0	0		0.00

EMERSON SCHOOL DISTRICT
 ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
 YEAR ENDED JUNE 30, 2017

Schedule of Audited Enrollments - On October 15, 2016
2017-2018 Application for State School Aid

	On Roll										Private Schools for Disabled						
	Reported on A.S.S.A.		Reported on Workpapers on Roll		Errors		Sample Selected From Workpapers		Verified to Registers		Errors Per Registers		Reported as Private Schools	Sample For Verification	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Half Day Preschool	43.0	0.0	43.0	0.0	0.0	0.0	43.0	0.0	43.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Full Day Kindergarten	74.0	0.0	74.0	0.0	0.0	0.0	74.0	0.0	74.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
One	64.0	0.0	64.0	0.0	0.0	0.0	64.0	0.0	64.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Two	79.0	0.0	79.0	0.0	0.0	0.0	79.0	0.0	79.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Three	72.0	0.0	72.0	0.0	0.0	0.0	72.0	0.0	72.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Four	69.0	0.0	69.0	0.0	0.0	0.0	69.0	0.0	69.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Five	83.0	0.0	83.0	0.0	0.0	0.0	83.0	0.0	83.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Six	65.0	0.0	65.0	0.0	0.0	0.0	65.0	0.0	65.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Seven	74.0	0.0	74.0	0.0	0.0	0.0	74.0	0.0	74.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Eight	78.0	0.0	78.0	0.0	0.0	0.0	78.0	0.0	78.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nine	73.0	0.0	73.0	0.0	0.0	0.0	73.0	0.0	73.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ten	66.0	0.0	66.0	0.0	0.0	0.0	66.0	0.0	66.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Eleven	81.0	0.0	81.0	0.0	0.0	0.0	81.0	0.0	81.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Twelve	87.0	0.0	87.0	0.0	0.0	0.0	87.0	0.0	87.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal	1008.0	0.0	1008.0	0.0	0.0	0.0	1008.0	0.0	1008.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special Ed - Elementary	55.0	0.0	55.0	0.0	0.0	0.0	55.0	0.0	55.0	0.0	0.0	0.0	5.0	5.0	5.0	5.0	0.0
Special Ed - Middle School	28.0	0.0	28.0	0.0	0.0	0.0	28.0	0.0	28.0	0.0	0.0	0.0	4.0	4.0	4.0	4.0	0.0
Special Ed - High School	55.0	0.0	55.0	0.0	0.0	0.0	55.0	0.0	55.0	0.0	0.0	0.0	6.0	6.0	6.0	6.0	0.0
Subtotal	138.0	0.0	138.0	0.0	0.0	0.0	138.0	0.0	138.0	0.0	0.0	0.0	15.0	15.0	15.0	15.0	0.0
Totals	1146.0	0.0	1146.0	0.0	0.0	0.0	1146.0	0.0	1146.0	0.0	0.0	0.0	15.0	15.0	15.0	15.0	0.0
Percentage Error					0.0%	0.0%					0.0%	0.0%					0.0%

EMERSON SCHOOL DISTRICT
 ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
 YEAR ENDED JUNE 30, 2017

Schedule of Audited Enrollments - On October 15, 2016
2017-2018 Application for State School Aid

	Resident Low Income						Resident LEP Low Income						
	Reported on A.S.S.A On Roll	Reported on Workpapers as Low Income	Errors	Sample For Verification			Reported on A.S.S.A On Roll	Reported on Workpapers as Low Income	Errors	Sample For Verification			
				Sample From Workpapers	Verified to Application / Registers	Errors				Sample From Workpapers	Verified to Application / Registers	Errors	
Half Day Preschool	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Half Day Kindergarten	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Full Day Kindergarten	7.0	7.0	0.0	6.0	6.0	0.0	4.0	4.0	0.0	4.0	4.0	0.0	0.0
One	10.0	10.0	0.0	7.0	7.0	0.0	7.0	7.0	0.0	6.0	6.0	0.0	0.0
Two	4.0	4.0	0.0	4.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Three	13.0	13.0	0.0	11.0	11.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Four	5.0	5.0	0.0	5.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Five	8.0	8.0	0.0	6.0	6.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Six	2.0	2.0	0.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Seven	7.0	7.0	0.0	4.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Eight	2.0	2.0	0.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nine	7.0	7.0	0.0	5.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ten	4.0	4.0	0.0	3.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Eleven	5.0	5.0	0.0	5.0	5.0	0.0	1.0	1.0	0.0	1.0	1.0	0.0	0.0
Twelve	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal	76.0	76.0	0.0	58.0	58.0	0.0	12.0	12.0	0.0	11.0	11.0	0.0	0.0
Special Ed - Elementary	5.0	5.0	0.0	4.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special Ed - Middle School	2.0	2.0	0.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special Ed - High School	5.0	5.0	0.0	4.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal	12.0	12.0	0.0	9.0	9.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mental Health Center	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Totals	88.0	88.0	0.0	67.0	67.0	0.0	12.0	12.0	0.0	11.0	11.0	0.0	0.0
Percentage Error			0.0%			0.0%			0.0%			0.0%	

EMERSON SCHOOL DISTRICT
 ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
 YEAR ENDED JUNE 30, 2017

Schedule of Audited Enrollments - On October 15, 2016
2017-2018 Application for State School Aid

	Resident LEP NOT Low Income					
	Reported on A.S.S.A On Roll	Reported on Workpapers as Low Income	Errors	Sample For Verification		
				Sample From Workpapers	Verified to Application / Registers	Errors
Half Day Preschool	0.0	0.0	0.0	0.0	0.0	0.0
Full Day Preschool	0.0	0.0	0.0	0.0	0.0	0.0
Full Day Kindergarten	2.0	2.0	0.0	2.0	2.0	0.0
One	1.0	1.0	0.0	1.0	1.0	0.0
Two	0.0	0.0	0.0	0.0	0.0	0.0
Three	0.0	0.0	0.0	0.0	0.0	0.0
Four	0.0	0.0	0.0	0.0	0.0	0.0
Five	0.0	0.0	0.0	0.0	0.0	0.0
Six	0.0	0.0	0.0	0.0	0.0	0.0
Seven	0.0	0.0	0.0	0.0	0.0	0.0
Eight	0.0	0.0	0.0	0.0	0.0	0.0
Nine	2.0	2.0	0.0	1.0	1.0	0.0
Ten	0.0	0.0	0.0	0.0	0.0	0.0
Eleven	0.0	0.0	0.0	0.0	0.0	0.0
Twelve	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal	5.0	5.0	0.0	4.0	4.0	0.0
Special Ed - Elementary	0.0	0.0	0.0	0.0	0.0	0.0
Special Ed - Middle School	0.0	0.0	0.0	0.0	0.0	0.0
Special Ed - High School	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal	0.0	0.0	0.0	0.0	0.0	0.0
Totals	5.0	5.0	0.0	4.0	4.0	0.0
Percentage Error			0.0%		0.0%	

**EMERSON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Schedule of Audited Enrollments (Continued)

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
<u>Regular</u>						
Regular - Public	60	60	-	46	46	-
Regular - Special Education	13	13	-	11	11	-
Regular - Transported	30	30	-	26	26	-
Aid-in-Lieu	26	26	-	22	22	-
Total Regular	129	129	-	105	105	-
<u>Special Education</u>						
Special Education - Public	2	2	-	-	-	-
Special Education - Private	3	3	-	3	3	-
Special Education - Sp. Needs	18	18	-	15	15	-
	23	23	-	18	18	-
	152	152	-	123	123	-
Percentage Error						<u>0.00%</u>

	Bilingual Education			Sample for Verification		
	Reported on A.S.S.A. as Bilingual Education	Reported on Workpapers Bilingual Education	Errors	Sample Selected From Workpapers	Verified to Test Score and Register	Sample Errors
Bilingual Students	17	17	-	15	15	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**EMERSON SCHOOL DISTRICT
 ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
 YEAR ENDED JUNE 30, 2017**

Excess Surplus Calculation

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2016-17 Total General Fund Expenditures per CAFR Exhibit C-1	<u>22,223,573</u> (B)	
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	<u>-</u> (B1a)	
Transfer from Capital Reserve to Capital Projects Fund	<u>-</u> (B1b)	
Transfer from General Fund to SRF for PreK-Regular	<u>-</u> (B1c)	
Transfer from General Fund to SRF for PreK-Inclusion	<u>-</u> (B1d)	
Decreased by:		
On-Behalf TPAF Pension & Social Security	<u>(2,311,559)</u> (B2a)	
Assets Acquired Under Capital Leases	<u>-</u> (B2b)	
Adjusted 2016-17 General Fund Expenditures [(B)+(B1s)-(B2s)]	<u>19,912,014</u> (B3)	
2% of Adjusted 2016-17 General Fund Expenditures [(B3) times .02]	<u>398,240</u> (B4)	
Enter Greater of (B4) or \$250,000	<u>398,240</u> (B5)	
Increased by: Allowable Adjustment	<u>300,755</u> (K)	
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]		<u>698,995</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-17 (Per CAFR Budgetary Comparison Schedule C-1)	<u>3,863,507</u> (C)	
Decreased by:		
Year-End Encumbrances	<u>(701,892)</u> (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>(100,000)</u> (C2)	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures	<u>-</u> (C3)	
Other Restricted Fund Balances	<u>(2,363,835)</u> (C4)	
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	<u>-</u> (C5)	
Additional Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures July 1, 2017 - August 1, 2017	<u>-</u> (C6)	
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]		<u>697,780</u> (U1)

**EMERSON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Excess Surplus Calculation

REGULAR DISTRICT

SECTION 3

Restricted Fund Balance - Excess Surplus [(U1)-(M)] IF NEGATIVE ENTER -0- _____ 0 (E)

Recapitulation of Excess Surplus as of June 30, 2017

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	-	(C3)
Reserved Excess Surplus [(E)]	0	(E)
Total Excess Surplus [(C3)+(E)]	-	(D)

Detail of Allowable Adjustments

Impact Aid	\$ -	(H)
Sale & Lease-back	-	(I)
Extraordinary Aid	291,581	(J1)
Additional Nonpublic School Transportation Aid	9,174	(J2)
Current Year School Bus Advertising Revenue Recognized	-	(J3)
Family Crisis Transportation Aid	-	(J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	\$ 300,755	(K)

Detail of Other Restricted Fund Balance

Statutory restrictions:		
Approved unspent separate proposal	\$ -	
Sale/lease-back reserve	-	
Capital Reserve	2,262,424	
Maintenance reserve	-	
Emergency reserve	101,411	
Tuition reserve	-	
School Bus Advertising 50% Fuel Offset Reserve - current year	-	
School Bus Advertising 50% Fuel Offset Reserve - prior year	-	
Impact Aid General Fund Reserve (Sections 8002 and 8003)	-	
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	-	
Other state/government mandated reserve	-	
Other	-	
Total Other Restricted Fund Balance	\$ 2,363,835	(C4)

**EMERSON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Summary of Recommendations

Administrative Practices and Procedures

None

Financial Planning, Accounting and Reporting

None

School Purchasing Programs

None

School Food Service

None

Student Body Activities

None

Application For State School Aid

None

Pupil Transportation

None

Facilities and Capital Assets

None

Miscellaneous

None