

ESSEX COUNTY VOCATIONAL SCHOOLS

COUNTY OF ESSEX

NEW JERSEY

AUDITOR'S MANAGEMENT REPORT

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

FISCAL YEAR ENDED

JUNE 30, 2017

PREPARED BY

**SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS**

**ESSEX COUNTY VOCATIONAL SCHOOLS
COUNTY OF ESSEX
NEW JERSEY**

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

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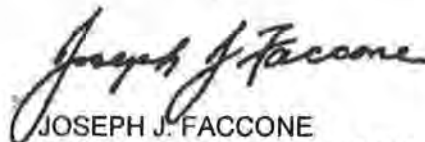
REPORT OF INDEPENDENT AUDITORS

Honorable President and Members
of the Board of Education
Essex County Vocational Schools
County of Essex, New Jersey 07044

We have audited, in accordance with accounting principles generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Essex County Vocational Schools in the County of Essex, for the year ended June 30, 2017, and have issued our report thereon dated December 4, 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 Essex County Vocational Schools 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.



JOSEPH J. FACCONI
Licensed Public School Accountant #194



SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
December 4, 2017

ESSEX COUNTY VOCATIONAL SCHOOLS

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

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.

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

<u>Name</u>	<u>Position</u>	<u>Amount of Bond</u>
Bernetta Davis	Business Administrator	\$300,000
Lori Tanner	Board Secretary	300,000
Paul Hopkins	Treasurer of School Moneys	300,000

There is a Public Employees' Faithful Performance Blanket Position Bond with the New Jersey School Boards Association Insurance Group covering all other employees.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The Board did make an adjustment to the billings to sending districts for per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f)3.

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.

In verifying expenditures, computations were tested on claims approved and paid. No attempt was made in this connection to establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

Payroll Fund and Position Control Roster

Net salaries of all employees were deposited in the Payroll Bank Account.

All payroll deductions with Withholding Tax, Social Security, Employees' Pension Funds, Hospitalization Premiums and other items as well as the Board's Payroll Contributions, were deposited to the Payroll Agency Bank Account.

Financial Planning, Accounting and Reporting (Continued)

Payroll Fund and Position Control Roster (Continued)

Finding 2017-01:

There was one (1) out of ten (10) terminated employees who were not taken off health benefits within a reasonable amount of time.

Recommendation:

That health benefit bills be examined to ascertain that all terminated employees are removed in accordance with the District's policy.

Finding 2017-02:

There were two (2) quarters in which the Federal 941 Reports were not in agreement with the quarterly payroll registers.

There was one (1) quarter in which taxable wages reported for State Unemployment Insurance payments did not agree with the quarterly payroll registers.

Recommendation:

That all Federal 941 Reports and State Unemployment Insurance payments be in agreement with the quarterly payroll registers.

All payrolls were approved by the Superintendent of Schools and certified by the President and the Secretary of the Board of Education.

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

The propriety of deductions from individual salaries for Pensions, Social Security, Withholding Tax and other purposes were not verified as part of this examination.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30th for proper classification of orders, a reserve for encumbrances and accounts payable. Careful consideration should be given to proper classification of both encumbrances and liabilities on an ongoing basis.

We reviewed the accounts payable as of June 30, 2017 for invoices which have not been liquidated by September 30th following the fiscal year end.

We reviewed the encumbrances as of June 30, 2017 for invoices which have not been liquidated by September 30th following the fiscal year end.

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 classification 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% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Financial Planning, Accounting and Reporting (Continued)

Board Secretary's Records

The financial records and books of accounts maintained by the Board Secretary were in satisfactory condition. The prescribed contractual order system was followed.

Finding 2017-03:

We noted differences in some of the bank reconciliations presented to us. It appears that unidentified differences were added to the bank reconciliations to make them agree to the General Ledger.

Recommendation:

That all adjustments to bank reconciliations be reviewed for correctness.

District funds were provided and expended in the proper GAAP account codes based upon audit testing of transactions.

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

The School District's double entry system of accounting records was maintained in accordance with the Department of Education's prescribed GAAP Technical System Manual, pursuant to N.J.S.A. 18A:4-14 and N.J.A.C. 6:20-2A.

Treasurer's Records

The financial records were examined and found to be in agreement with records of the Board Secretary.

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 (ESEA)/Improving America's Schools Act (IASA) as Reauthorized by the No Child Left Behind (NCLB) Act of 2001

The ESEA/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 Title I and Title VI of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for ESEA did not indicate any areas of noncompliance.

Other Special Federal and State Projects

The District's Special Projects were approved as listed on Schedule A (K-3) and Schedule B (K-4) reflected 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 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.

TPAF Reimbursement

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

Financial Planning, Accounting and Reporting (Continued)

TPAF Reimbursement to the State for Federal Salary Expenditures

The reimbursement to the State for 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 subsequent to the end of the 60 day grant liquidation period, but prior to the 90 days required by N.J.S.A. 18A:66-90. Accordingly, the expenditure was made in accordance with State law (90 days) and properly reported as obligated and not expended and as an unliquidated balance in the current year's Final Report(s) for all federal awards.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 is \$40,000.00 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 \$18,800.00.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

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, as amended.

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. Our examination did reveal however, that purchases were made through the use of state contracts.

School Food Service

The financial transactions and statistical records of the School Food Service Fund were maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit. The District utilizes a food service management company (Maschio's Food Services) 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 Maschio's Food Services contract were reviewed and audited. The Maschio's Food Services contract includes an operating results provision which guarantees that the Food Service Program will return a profit of at least \$85,000.00. The operating results provision has been met.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

School Food Service (Continued)

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 nonprofit status of the School Food Service.

Net cash resources did not exceed three months average expenditures.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Service employees authorized by the Board of Education.

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 on file, times the number of operating days, on a school by school basis. The free and reduced price meal is uniformly administered throughout the School System. Sites approved to participate in provisions complied with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review.

The School District did provide the detail revenue and expenditure information necessary in order to execute the U.S.D.A. Mandated Non-Program Food Revenue Tool at least annually.

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.

Food Distribution Program Commodities were received and a separate inventory was maintained on a first-in, first-out basis.

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

Student Body Activities

Cash receipts and disbursement records were examined only insofar as the local records permitted. Our review of the student activity fund did not determine any exceptions.

Application for State School Aid

Our audit procedures included a test of information reported in the October 14, 2016 Application for State School Aid (ASSA) 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 ASSA was compared to the District work papers with exceptions. The information that was included on the work papers was verified with exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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

Facilities and Capital Assets

Accounting for capital assets is required in order to maintain physical accountability over the assets owned by a school. The accounting system should provide a record of the fixed assets obtained over the years that are still in service and identify the funding source for the purchase of those assets. This provides the ability to prevent, detect and recognize losses of capital assets. The New Jersey Department of Education notified school districts that, effective July 1, 2001, there is a \$2,000.00 capitalization threshold for capital assets. This is a policy set for financial reporting and accounting purposes. Schools may use a lower threshold for asset management and insurance purposes.

Testing for Lead of all Drinking Water in Educational Facilities

The School District adheres 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.

Follow-Up on Prior Year Findings

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations. Corrective action has been taken with the exception of those recommendations marked with an asterisk.

Miscellaneous

The minutes indicate that the Report on the Examination of Accounts for the 2015-2016 fiscal year was reviewed by the Board, a synopsis thereof distributed at a public meeting and public discussion held.

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

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.



JOSEPH J. FACCONI
Licensed Public School Accountant #194



SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
December 4, 2017

ESSEX COUNTY VOCATIONAL SCHOOLS
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 TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE</u>	<u>(OVER)/ UNDER- CLAIM</u>
National School Lunch (High Rate)	Paid	13,502	13,502	13,502		0.32	\$
National School Lunch (High Rate)	Reduced	28,028	28,028	28,028		2.78	
National School Lunch (High Rate)	Free	187,923	187,923	187,923		3.18	
	Total	<u>229,453</u>	<u>229,453</u>	<u>229,453</u>			<u>-</u>
National School Lunch	HHFKA	<u>236,293</u>	<u>236,293</u>	<u>236,293</u>		0.06	<u>-</u>
School Breakfast (Severe Need Rate)	Paid	50,345	50,345	50,345		0.29	
	Reduced	38,671	38,671	38,671		1.74	
	Free	202,593	202,593	202,593		2.04	
	Total	<u>291,609</u>	<u>291,609</u>	<u>291,609</u>			<u>-</u>
Total							<u>\$ -</u>

ESSEX COUNTY VOCATIONAL SCHOOLS
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 TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE</u>	<u>(OVER/ UNDER- CLAIM</u>
State Reimbursement - National School Lunch (High Rate)	Paid	13,502	13,502	13,502		0.040	\$ -
State Reimbursement - National School Lunch (High Rate)	Reduced	28,028	28,028	28,028		0.055	
State Reimbursement - National School Lunch (High Rate)	Free	<u>187,923</u>	<u>187,923</u>	<u>187,923</u>		0.055	
	Total	<u>229,453</u>	<u>229,453</u>	<u>229,453</u>			
Total							<u>\$ -</u>

NET CASH RESOURCE SCHEDULE

Net Cash Resources did not Exceed Three Months of Expenditures Proprietary Funds - Food Service FYE 2017

<u>Net Cash Resources</u>		Food Service B - 4/5	
CAFR	*	Current Assets	
B-4		Cash and Cash Equiv.	\$ 490,719.56
B-4		Due from Other Gov'ts	73,168.91
B-4		Accounts Receivable	
B-4		Investments	
CAFR		Current Liabilities	
B-4		Less Accounts Payable	
B-4		Less Accruals	
B-4		Less Due to Other Funds	(179,510.46)
B-4		Less Deferred Revenue	
		Net Cash Resources	<u>\$ 384,378.01</u> (A)

Net Adj. Total Operating Expense

B-5	Tot. Operating Exp.	\$ 1,420,209.22	
B-5	Less Depreciation	<u>\$ (9,406.67)</u>	
	Adj. Tot. Oper. Exp.	<u>\$ 1,410,802.55</u>	(B)

Average Monthly Operating Expense

	B / 10	<u>\$ 141,080.26</u>	(C)
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Three Times Monthly Average

	3 X C	<u>\$ 423,240.77</u>	(D)
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TOTAL IN BOX A	\$	384,378.01	
LESS TOTAL IN BOX D	\$	<u>423,240.77</u>	
NET	\$	<u>(38,862.76)</u>	

From above:

A is greater than D, cash exceeds 3 X average monthly operating expenses.

D is greater than A, cash does not exceed 3 X average monthly operating expenses.

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

SOURCE - USDA Resource Management Comprehensive Review Form

SCHEDULE OF AUDIT ENROLLMENTS

ESSEX COUNTY VOCATIONAL SCHOOLS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2016

	2017-2018 Application for State School Aid						Sample for Verification					
	Reported on A.S.S.A. On-Roll		Reported on Workpapers On-Roll		Errors		Sample Selected from Workpapers		Verified per Registers On-Roll		Errors per Registers On-Roll	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool 3					0	0					0	0
Half Day Preschool 4					0	0					0	0
Full Day Preschool 4					0	0					0	0
Half Day Kindergarten					0	0					0	0
Full Day Kindergarten					0	0					0	0
One					0	0					0	0
Two					0	0					0	0
Three					0	0					0	0
Four					0	0					0	0
Five					0	0					0	0
Six					0	0					0	0
Seven					0	0					0	0
Eight					0	0					0	0
Nine					0	0					0	0
Ten					0	0					0	0
Eleven					0	0					0	0
Twelve					0	0					0	0
Post-Graduate					0	0					0	0
Adult H.S. (15+CR.)					0	0					0	0
Adult H.S. (1-14 CR.)					0	0					0	0
Sub-Total	0	0	0	0	0	0	0	0	0	0	0	0
Special Ed - Elementary					0	0					0	0
Special Ed - Middle School					0	0					0	0
Special Ed - High School	213	64	213	64	0	0	27	8	27	8	0	0
Sub-Total	213	64	213	64	0	0	27	8	27	8	0	0
Co. Voc. - Regular	1,904	8	1,904	8	0	0	240	1	240	1	0	0
Co. Voc. Ft. Post Sec.	67	0	67	0	0	0	8	0	8	0	0	0
Totals	2,184	72	2,184	72	0	0	275	9	275	9	0	0
							(a)	(a)				
Percentage Error					0.00%	0.00%					0.00%	0.00%

SCHEDULE OF AUDITED ENROLLMENTS

ESSEX COUNTY VOCATIONAL SCHOOLS
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 14, 2016

	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 + share time	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten			0.0			0.0			0.0			0.0
Full Day Kindergarten			0.0			0.0			0.0			0.0
One			0.0			0.0			0.0			0.0
Two			0.0			0.0			0.0			0.0
Three			0.0			0.0			0.0			0.0
Four			0.0			0.0			0.0			0.0
Five			0.0			0.0			0.0			0.0
Six			0.0			0.0			0.0			0.0
Seven			0.0			0.0			0.0			0.0
Eight			0.0			0.0			0.0			0.0
Nine			0.0			0.0			0.0			0.0
Ten			0.0			0.0			0.0			0.0
Eleven			0.0			0.0			0.0			0.0
Twelve			0.0			0.0			0.0			0.0
Post-Graduate			0.0			0.0			0.0			0.0
Adult H.S. (15+CR.)			0.0			0.0			0.0			0.0
Adult H.S. (1-14 CR.)			0.0			0.0			0.0			0.0
Sub-Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special Ed - Elementary			0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special Ed - Middle			0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special Ed - High	195.5	195.5	0.0	30.0	30.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sub-Total	195.5	195.5	0.0	30.0	30.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Co. Voc. - Regular	1598.0	1598.0		249.0	249.0	0.0	106.0	106.0	0.0	72.0	72.0	0.0
Co. Voc. Ft. Post Sec	0.0						0.0	0.0	0.0	0.0	0.0	0.0
Totals	1793.5	1793.5	0.0	279.0	279.0	0.0	106.0	106.0	0.0	72.0	72.0	0.0
Percentage Error			0.00%	(c)		0.00%			0.00%	(d)		0.00%

SCHEDULE OF AUDITED ENROLLMENTS

ESSEX COUNTY VOCATIONAL SCHOOLS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2016

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as NOT Low Income</u>	<u>Reported on Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten			0			0
Full Day Kindergarten			0			0
One			0			0
Two			0			0
Three			0			0
Four			0			0
Five			0			0
Six			0			0
Seven			0			0
Eight			0			0
Nine			0			0
Ten			0			0
Eleven			0			0
Twelve			0			0
Post-Graduate			0			0
Adult H.S. (15+CR.)			0			0
Adult H.S. (1-14 CR.)			0			0
Sub-Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Special Ed - Elementary			0	0	0	0
Special Ed - Middle			0	0	0	0
Special Ed - High	0	0	0	0	0	0
Sub-Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Co. Voc. - Regular	9	9	0	6	6	0
Co. Voc. Ft. Post Sec.						
Totals	<u>9</u>	<u>9</u>	<u>0</u>	<u>6</u>	<u>6</u>	<u>0</u>
Percentage Error			<u>0.00%</u>	(f)		<u>0.00%</u>

**ESSEX COUNTY VOCATIONAL SCHOOLS
FISCAL YEAR ENDED JUNE 30, 2017**

EXCESS SURPLUS CALCULATION

<u>County Vocational Districts</u>		
2016-2017 Total General Fund Expenditures per CAFR, Exhibit C-1		\$ 42,467,711.64
Decreased by:		
On-Behalf TPAF Pension and Social Security	4,777,892.31	
Adjusted General Fund Expenditures		37,689,819.33
Applicable Excess Surplus Percentage	6%	
6% of Adjusted 2016-2017 General Fund Expenditures		\$ 2,261,389.16
Increased by: Allowable Adjustment		-
Maximum Unreserved/Undesignated Fund Balance		<u>2,261,389.16</u>
Total General Fund Balance June 30, 2017		14,077,765.33
Decreased by:		
Committed Fund Balance:		
Year End Encumbrances	\$ 1,304,618.96	
Restricted Fund Balance:		
Excess Surplus - Designated for Subsequent Year's Expenditures	4,405,964.00	
Assigned Fund Balance:		
ARRA/Semi - Unreserved - Designated for Subsequent Year's Expenditures	18,094.05	
Designated for Subsequent Year's Expenditures	<u>1,019,990.00</u>	
		<u>6,748,667.01</u>
Total Unassigned Fund Balance		<u>7,329,098.32</u>
Restricted Fund Balance - Excess Surplus June 30, 2017		<u>\$5,067,709.16</u>
<u>Recapitulation of Excess Surplus as of June 30, 2017</u>		
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures		\$ 5,067,709.16
Reserved Excess Surplus		-
Total Excess Surplus		<u>\$ 5,067,709.16</u>
<u>Allowable Adjustment</u>		
Transportation Aid		\$ -
Extraordinary Aid		-
<u>Detail of Other Reserved Fund Balance</u>		
Statutory Restriction:		
Capital Reserve		\$ -
Total Other Reserved Fund Balance		<u>\$ -</u>

ESSEX COUNTY VOCATIONAL SCHOOLS
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2017

It is recommended that:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

Payroll Fund and Position Control Roster:

That health benefit bills be examined to ascertain that all terminated employees are removed in accordance with the District's policy.

That all Federal 941 Reports and State Unemployment Insurance payments be in agreement with the quarterly payroll registers.

Board Secretary's Records:

That all adjustments to bank reconciliations be reviewed for correctness.

3. School Purchasing Program

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

None

7. Facilities and Capital Assets

None

8. Pupil Transportation

None

9. Follow-Up on Prior Years' Findings

A review was performed on the prior year recommendations and corrective action was taken on all prior year findings.

10. Miscellaneous

None

