



LONG BRANCH SCHOOL DISTRICT

AUDITORS' MANAGEMENT REPORT ON

ADMINISTRATIVE FINDINGS –

FINANCIAL, COMPLIANCE AND PERFORMANCE

JUNE 30, 2017

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditors' Report.....	1
Scope of Audit.....	2
Administrative Practices and Procedures	
Insurance	2
Official Bonds.....	2
Tuition Charges	2
Financial Planning, Accounting and Reporting	
Examination of Claims.....	2
Payroll Account	2
Employee Position Control Roster	3
Reserve for Encumbrances and Accounts Payable	3
Classification of Expenditures.....	3
• General Classifications	
• Administrative Classifications	
Board Secretary's Records	3
Treasurer's Records	3
Elementary and Secondary Education Act/Improving America's Schools	
Act as reauthorized by the No Child Left Behind Act of 2001	3
Other Special Federal and/or State Projects.....	3
T.P.A.F. Reimbursement	4
T.P.A.F. Reimbursement to the State for Federal Salary Expenditures	4
Non-Public State Aid	4
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids	4
School Food Service	4
Student Body Activities.....	5
Application for State School Aid	5
Pupil Transportation.....	6
Facilities and Capital Assets.....	6
Internal Service Fund.....	6
Follow-up on Prior Year's Findings	6
Acknowledgment	6
Schedule of Meal Count Activity	7
Schedule of Net Cash Resources	9
Schedule of Audited Enrollments	10
Excess Surplus Calculation	13
Audit Recommendations Summary.....	16

INDEPENDENT AUDITORS' REPORT

Honorable President and Members
of the Board of Education
Long Branch Board of Education
County of Monmouth, New Jersey

We have audited, in accordance with auditing standards 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 Long Branch School District, County of Monmouth 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 solely for the information and use of the Long Branch School District's management, Board of Education members, and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.



David A. Kaplan
Licensed Public School Accountant
No. 911



WISS & COMPANY, LLP

Livingston, New Jersey
December 4, 2017

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 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</u>	<u>Position</u>	<u>Amount</u>
Peter E. Genovese III	School Business Administrator/Board Secretary	\$ 100,000
Nancy L. Valenti	Asst. Business Administrator/Asst. Board Secretary	100,000
Ronald J. Mehlhorn, Sr.	Treasurer of School Monies	450,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were greater than or less than estimated costs. The District made a 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*.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period did not indicate any discrepancies with respect to signatures, certification or supporting documentation. No discrepancies or exceptions were noted.

Payroll Account

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 approved by the Superintendent and were certified by the President of the Board and the Board Secretary/Business Administrator.

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

Payrolls were delivered to the Secretary of the Board who then deposited with warrants in separate banks accounts for net payroll and withholdings.

Employee Position Control Roster

A test of the Position Control Roster found it to be consistent with payroll records, employee benefit records (e.g. pension reports and health benefit coverage reports) and the general ledger accounts to where wages are posted (administrative versus instruction).

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. No exceptions were noted.

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% 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 disclosed no exceptions.

Treasurer's Records

Our review of the financial and accounting records maintained by the Treasurer disclosed no exceptions.

Elementary and Secondary Education Act (ESEA)/Improving America's Schools Act (IASA) as reauthorized by the No Child Left Behind 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 Titles I and VI of the Elementary and Secondary School Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. /I.A.S.A. /N.C.L.B. indicated no exceptions.

Other Special Federal and/or State Projects

The District's special projects were approved as listed on Schedules A (K-3) and B (K-4) 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 noncompliance that are required to be reported in accordance with the Uniform Guidance or State Circular 15-08.

T.P.A.F. 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.

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Reports 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 exception were noted.

Non-Public State Aid

Our review of non-public state aid did not disclose any exceptions.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2010 and thereafter, the bid thresholds in accordance with *18A:18A-2 and 18A:18A-3(a)* are \$40,000 (the Business Administrator is a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under *N.J.S.A. 18A:39-3* is currently \$18,800 for 2016-17.

The District 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.

Procedures were performed on a test basis, to indicate if any 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. No exceptions were identified.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per *N.J.S.A. 18A:18A-5*.

School Food Service

The financial transactions and statistical records of the school food services fund were reviewed on a test check basis. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis and no exceptions were noted.

Cash receipts and bank records were reviewed on a test basis for timely deposit and no exceptions were noted.

The District utilizes a food service management company (FSMC) and is depositing and expending monies in accordance with *N.J.S.A. 18A:17-34*, and *19-1* through *19-4.1*. Provisions of the FSMC contract / addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will have a profit of at least \$406,000. The operating results provision has been met.

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

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.

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. No exceptions were noted.

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 and/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 its 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. No exceptions were noted.

USDA Food Donation Program commodities were received and a separate inventory was maintained on a first-in, first-out basis. No exceptions were noted.

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

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

Student Body Activities

During our audit of the student activity funds, there were no exceptions noted.

Application for State School Aid

Our audit procedures included a test of information reported in the October 14, 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 with minor exceptions noted on the attached schedules. The information that was included on

the workpapers was verified as presented in the Schedule of Audited Enrollments. 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.

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2016-2017 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with minor exceptions noted on the attached schedules. 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. The District did not purchase any buses during the 2016-2017 school year. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

Our procedures included a review of the SDA grant agreement for consistency with recording SDA revenue and the awarding of contracts for eligible facilities construction. No exceptions were identified.

Internal Service Fund

The District implemented a self-insurance program during the 2014-2015 fiscal year. As part of that program, the District opened a health center housed in the District's High School. The District's Self Insurance Internal Service Fund ended the year with a deficit of \$1,231,098, which is a reduction of \$673,737 from the deficit as of June 30, 2017. We suggest the District continue to take measures to ameliorate this deficit.

Follow-up on Prior Year's Findings

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations. Corrective action has been taken on all prior year findings.

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.

SCHEDULE OF MEAL COUNT ACTIVITY

LONG BRANCH SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED - 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 (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
National School Lunch (Severe Needs Rate)	Paid	108,436	108,436	108,436	-	\$ 0.32	\$ -
National School Lunch (Severe Needs Rate)	Reduced	75,013	75,013	75,013	-	2.78	-
National School Lunch (Severe Needs Rate)	Free	616,677	616,677	616,677	-	3.18	-
	TOTAL	800,126	800,126	800,126			-
	HHFKA - PB Lunch						
National School Lunch	Only	800,126	800,126	800,126	-	\$ 0.06	\$ -
After School Snack	Free	103,044	103,044	103,044	-	\$ 0.86	\$ -
School Breakfast (Regular Rate)	Paid	1,096	1,096	1,096	-	\$ 0.29	\$ -
	Reduced	1,038	1,038	1,038	-	1.41	-
	Free	9,782	9,782	9,782	-	1.71	-
	TOTAL	11,916	11,916	11,916			-
School Breakfast (Severe Need Rate)	Paid	57,720	57,720	57,720	-	\$ 0.29	\$ -
	Reduced	37,901	37,901	37,901	-	1.74	-
	Free	343,567	343,567	343,567	-	2.04	-
	TOTAL	439,188	439,188	439,188			-
Seamless Summer	Lunch	19,350	19,350	19,350	-	\$ 3.18	\$ -
	Breakfast	17,315	17,315	17,315	-	2.04	-
	HHFKA - PB Lunch	19,350	19,350	19,350	-	0.06	-
	TOTAL	56,015	56,015	56,015			-
	Total Net Underclaim						\$ -

SCHEDULE OF MEAL COUNT ACTIVITY

LONG BRANCH SCHOOL DISTRICT
FOOD SERVICE FUND

NUMBER OF MEALS SERVED - 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 (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
State Reimbursement - National School Lunch (Regular Rate)	Paid	108,436	108,436	108,436	-	\$ 0.04	\$ -
State Reimbursement - National School Lunch (Regular Rate)	Reduced	75,013	75,013	75,013	-	0.055	-
State Reimbursement - National School Lunch (Regular Rate)	Free	616,677	616,677	616,677	-	0.055	<u>-</u>
	TOTAL	<u>800,126</u>	<u>800,126</u>	<u>800,126</u>			

Total Net Underclaim

\$ -

LONG BRANCH SCHOOL DISTRICT

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 & Cash Equiv.	\$ 814,831	
B-4		Due from Other Gov'ts	217,467	
B-4		Due from Other Funds	-	
B-4		Accounts Receivable	5,696	
B-4		Investments	-	
CAFR		Current Liabilities		
B-4		Less Accounts Payable	(618,623)	
B-4		Less Accruals	-	
B-4		Less Due to Other Funds	-	
B-4		Less Unearned Revenue	<u>(11,982)</u>	
		Net Cash Resources	<u><u>\$ 407,389</u></u>	(A)

Net Adj. Total Operating Expense:

B-5		Tot. Operating Exp.	4,245,375	
B-5		Less Depreciation	<u>(73,704)</u>	
		Adj. Tot. Oper. Exp.	<u><u>\$ 4,171,671</u></u>	(B)

Average Monthly Operating Expense:

	B / 10	<u><u>\$ 417,167</u></u>	(C)
--	--------	--------------------------	------------

Three times monthly Average:

	3 X C	<u><u>\$ 1,251,501</u></u>	(D)
--	-------	----------------------------	------------

TOTAL IN BOX A	\$	407,389	
LESS TOTAL IN BOX D	\$	1,251,501	
NET	\$	<u><u>(844,112)</u></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 AUDITED ENROLLMENTS

**LONG BRANCH SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2016**

	2017-2018 Application for State School Aid (10/14/16 data)						Sample for Verification						Private Schools for Disabled			
	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		Reported on A.S.S.A. as Private Schools	Sample for Veri- fication	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool																
Full Day Preschool	761	-	761	-	-	-	41	-	41	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	362	-	362	-	-	-	20	-	20	-	-	-	-	-	-	-
One	324	-	324	-	-	-	18	-	18	-	-	-	-	-	-	-
Two	357	-	357	-	-	-	20	-	20	-	-	-	-	-	-	-
Three	311	-	311	-	-	-	17	-	17	-	-	-	-	-	-	-
Four	376	-	376	-	-	-	21	-	21	-	-	-	-	-	-	-
Five	359	-	359	-	-	-	20	-	20	-	-	-	-	-	-	-
Six	341	-	341	-	-	-	19	-	19	-	-	-	-	-	-	-
Seven	318	-	318	-	-	-	17	-	17	-	-	-	-	-	-	-
Eight	326	-	326	-	-	-	18	-	18	-	-	-	-	-	-	-
Nine	340	-	340	-	-	-	19	-	19	-	-	-	-	-	-	-
Ten	354	-	354	-	-	-	19	-	19	-	-	-	-	-	-	-
Eleven	265	15	265	15	-	-	14	13	14	13	-	-	-	-	-	-
Twelve	273	13	273	13	-	-	15	11	15	11	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>5,067</u>	<u>28</u>	<u>5,067</u>	<u>28</u>	<u>-</u>	<u>-</u>	<u>278</u>	<u>24</u>	<u>278</u>	<u>24</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special Ed - Elementary	334	-	334	-	-	-	18	-	18	-	-	-	11	9	9	-
Special Ed - Middle School	152	-	152	-	-	-	8	-	8	-	-	-	10	9	9	-
Special Ed - High School	159	16	157	16	2	-	9	14	10	14	(1)	-	21	18	18	-
Subtotal	<u>645</u>	<u>16</u>	<u>643</u>	<u>16</u>	<u>2</u>	<u>-</u>	<u>35</u>	<u>14</u>	<u>36</u>	<u>14</u>	<u>(1)</u>	<u>-</u>	<u>42</u>	<u>36</u>	<u>36</u>	<u>-</u>
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	<u>5,712</u>	<u>44</u>	<u>5,710</u>	<u>44</u>	<u>2</u>	<u>-</u>	<u>313</u>	<u>38</u>	<u>314</u>	<u>38</u>	<u>(1)</u>	<u>-</u>	<u>42</u>	<u>36</u>	<u>36</u>	<u>-</u>
Percentage Error					<u>0.04%</u>	<u>0.00%</u>					<u>-0.32%</u>	<u>0.00%</u>				<u>0.00%</u>

SCHEDULE OF AUDITED ENROLLMENTS

**LONG BRANCH SCHOOL DISTRICT
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	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	-	-	-				-	-	-	-	-	-
Full Day Kindergarten	315.0	315.0	-	21.0	21.0	-	135.0	135.0	-	42.0	42.0	-
One	281.0	281.0	-	17.0	17.0	-	65.0	65.0	-	20.0	20.0	-
Two	309.0	309.0	-	23.0	23.0	-	61.0	61.0	-	18.0	18.0	-
Three	279.0	279.0	-	27.0	27.0	-	30.0	30.0	-	10.0	10.0	-
Four	330.0	330.0	-	22.0	22.0	-	19.0	19.0	-	5.0	5.0	-
Five	322.0	322.0	-	17.0	17.0	-	17.0	17.0	-	5.0	5.0	-
Six	280.0	280.0	-	29.0	29.0	-	20.0	20.0	-	5.0	5.0	-
Seven	252.0	252.0	-	19.0	19.0	-	24.0	24.0	-	8.0	8.0	-
Eight	269.0	269.0	-	19.0	19.0	-	31.0	31.0	-	9.0	9.0	-
Nine	281.0	281.0	-	16.0	16.0	-	35.0	35.0	-	11.0	11.0	-
Ten	284.0	284.0	-	21.0	21.0	-	44.0	44.0	-	14.0	14.0	-
Eleven	208.5	208.5	-	15.0	15.0	-	23.0	23.0	-	7.0	7.0	-
Twelve	217.5	217.5	-	19.0	19.0	-	24.0	24.0	-	8.0	8.0	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	3,628.0	3,628.0	-	265.0	265.0	-	528.0	528.0	-	162.0	162.0	-
Special Ed - Elementary	298.0	298.0	-	19.0	19.0	-	50.0	50.0	-	16.0	16.0	-
Special Ed - Middle	136.0	136.0	-	10.0	10.0	-	1.0	1.0	-	-	-	-
Special Ed - High	133.0	133.0	-	11.0	11.0	-	1.0	1.0	-	-	-	-
Subtotal	567.0	567.0	-	40.0	40.0	-	52.0	52.0	-	16.0	16.0	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	4,195.0	4,195.0	-	305.0	305.0	-	580.0	580.0	-	178.0	178.0	-
Percentage Error			0.00%			0.00%			0.00%			0.00%

	Transportation						Reported	Recalculated
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors		
Reg. - Public Schools, col. 1	878	878	-	158	157	1	3.5	3.6
ALL - Non-Public, col. 3	59	59	-	11	11	-	3.6	3.6
Transported - Non-Public, col. 2	317	317	-	57	57	-	4.4	4.4
Reg.- Special Ed, col. 4	138	138	-	25	25	-		
Special Ed Spec. Needs, col. 6	119	119	-	21	21	-		
Totals	1,511	1,511	-	272	271	1		
Percentage Error						0.37%		

Reg Avg.(Mileage) = Regular Including Grade PK students (Part A)
 Reg Avg.(Mileage) = Regular Excluding Grade PK students (Part B)
 Spec Avg. = Special Ed with Special Needs

SCHEDULE OF AUDITED ENROLLMENTS

LONG BRANCH SCHOOL DISTRICT
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 Kindegarten	-	-	-	-	-	-
Full Day Kindergarten	6	6	-	3	3	-
One	4	4	-	2	2	-
Two	4	4	-	3	3	-
Three	1	1	-	-	-	-
Four	2	2	-	1	1	-
Five	-	-	-	-	-	-
Six	6	6	-	3	3	-
Seven	-	-	-	-	-	-
Eight	4	4	-	2	2	-
Nine	5	5	-	1	1	-
Ten	3	3	-	2	2	-
Eleven	-	-	-	-	-	-
Twelve	1	1	-	1	1	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-
Subtotal	<u>36</u>	<u>36</u>	<u>-</u>	<u>18</u>	<u>18</u>	<u>-</u>
Special Ed - Elementary	2	2	-	1	1	-
Special Ed - Middle	-	-	-	-	-	-
Special Ed - High	-	-	-	-	-	-
Subtotal	<u>2</u>	<u>2</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Co. Voc. - Regular	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-
Totals	<u>38</u>	<u>38</u>	<u>-</u>	<u>19</u>	<u>19</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

LONG BRANCH SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2017

SECTION 1 - Regular District

B. 2% Calculation of Excess Surplus

2016-17 Total General Fund Expenditures Reported on Exhibit C-1	<u>\$98,603,999</u> (A)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	\$ _____ - (A1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ _____ - (A1a)
Transfer from General Fund to SRF for PreK-Regular	\$ 547,304 (A1a)
Transfer from General Fund to SRF for PreK-Inclusion	\$ _____ - (A1a)
Less: Expenditures Allocated to Restricted Federal Sources as Reported on Exhibit D-2	<u>\$ 1,463,757</u> (A1b)
2016-17 Adjusted General Fund & Other State Expenditures [(A)+(A1a)-(A1b)]	<u>\$97,687,546</u> (A2)
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>\$10,794,631</u> (A3)
Assets Acquired Under Capital Leases:	
General Fund 10 Assets Acquired Under Capital Leases Reported on Exhibit C-1a	<u>\$ 302,274</u> (A4)
Add:	
General Fund and 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 and State Resources Percent of Fund 15 Resources Reported on Exhibit D-2	<u>97.12%</u> (A6)
General Fund and 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>\$ 302,274</u> (A8)
2016-17 General Fund Expenditures [(A2)-(A3)-(A8)]	<u>\$86,590,641</u> (A9)
2 percent of Adjusted 2016-17 General Fund Expenditures [(A9) times .02]	<u>\$ 1,731,813</u> (A10)
Enter Greater of (A10) or \$250,000	<u>\$ 1,731,813</u> (A11)
Increased by: Allowable Adjustment*	<u>\$ 221,415</u> (K)
Maximum Unassigned Fund Balance [(A11) + (K)]	<u>\$ 1,953,228</u> (M)

LONG BRANCH SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2017

SECTION 2

Total General Fund – Fund Balances at June 30, 2017 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>2,689,738</u> (C)
Decreased by:	
Year-end Encumbrances	\$ <u>123,240</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ <u>21,096</u> (C2)
Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u> </u> - (C3)
Other Restricted Fund Balances****	\$ <u> </u> 1 (C4)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	\$ <u>378,904</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>2,166,497</u> (U)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U)-(M)] IF NEGATIVE ENTER -0-	\$ <u>213,269</u> (E)
---	-----------------------

Recapitulation of Excess Surplus as of June 30, 2017

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u> </u> - (C3)
Restricted Excess Surplus *** [(E)]	\$ <u>213,269</u> (E)
Total [(C3)+(E)]	\$ <u>213,269</u> (D)

Detail of Allowable Adjustments

Impact Aid	\$ <u>28,408</u> (H)
Sales & Lease-back	\$ <u> </u> - (I)
Extraordinary Aid	\$ <u>179,130</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>13,877</u> (J2)
Current Year School Bus Advertising Revenue Recognized	\$ <u> </u> - (J3)
Family Crisis Transportation Aid	\$ <u> </u> - (J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	\$ <u>221,415</u> (K)

** This amount represents the June 30, 2016 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** The amount entered must agree with the June 30, 2017 CAFR and Audit Summary Worksheet Line 90030.

**** Amount for Other Restricted/Reserved Fund Balance 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.

LONG BRANCH SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2017

Detail of Other Restricted Fund Balance

Statutory Restrictions:

Approved Unspent Separate Proposal	\$ -
Sale/Lease-Back Reserve	\$ -
Capital Reserve (N-1)	\$ 1
Maintenance Reserve (N-2)	\$ -
Tuition Reserve (N-3)	\$ -
Emergency Reserve (N-4)	\$ -
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)	\$ -
Other Restricted Fund Balance Not Noted Above****	\$ -
Total Other Restricted Fund Balance	\$ 1 (C4)

**LONG BRANCH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE**

JUNE 30, 2017

Audit Recommendations Summary

We suggest the following:

1. Administrative Practices and Procedures – None.
2. Financial Planning, Accounting and Reporting – None.
3. School Purchasing Programs – None.
4. School Food Service – None.
5. Student Body Activities – None.
6. Application for State School Aid – None.
7. Pupil Transportation – None.
8. Facilities and Capital Assets – None.
9. Miscellaneous – None.
10. Status of Prior Year Audit Findings/Recommendations – Corrective action has been taken on all prior year findings.