

**SUMMIT PUBLIC SCHOOLS  
AUDITOR'S MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL COMPLIANCE AND PERFORMANCE  
JUNE 30, 2017**

**SUMMIT PUBLIC SCHOOLS  
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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## INDEPENDENT AUDITOR'S MANAGEMENT REPORT

Honorable President and Members  
of the Board of Trustees  
City of Summit Public Schools  
Summit, 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 Summit Public Schools as of and for the fiscal year ended June 30, 2017, and have issued our report thereon dated October 11, 2017.

As part of our audit, we performed procedures required by the Office of School Finance, Department of Education, State of New Jersey 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 management, the Board of Trustees, others within the District and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.

LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants

Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
October 11, 2017

**SUMMIT PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL 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 Monies, the activities of the Board of Education, 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 reported on Exhibit J-20 as contained in the district's Comprehensive Annual Financial Report (the "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>
Mr. Louis J. Pepe	Board Secretary/Assistant Superintendent for Business	\$150,000
Ms. Margaret Gerba	Treasurer of School Monies	\$375,000

There is Employees' Dishonesty with Faithful Performance coverage with Selective Insurance Company of America covering all other employees.

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

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

**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 certified by the President of the Board and the Board Secretary/Business Administrator and approved by the Chief School Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium withholding due to the General Fund.

The School Business Administrator completed and filed the required Certification of Compliance with Federal and State Law respecting the reporting of compensation for certain employees.

**SUMMIT PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Financial Planning, Accounting and Reporting (Continued)**

**Employee Position Control Roster**

The District maintained an employee position control roster.

**Reserve for Encumbrances and Accounts Payable**

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

**Travel**

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

Payments made to employees for a travel event were in accordance with the approved travel policy.

**Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-A-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.

**Board Secretary's Records**

The financial records, books of account and minutes maintained by the Board Secretary were in very good condition.

Acknowledgment of the Board's receipt of the Board Secretary's and Treasurer's monthly financial reports was included in the minutes.

The prescribed contractual order system was followed.

Bids received were summarized in the minutes.

**Treasurer's Records**

The Treasurer did perform cash reconciliations for all the accounts as required (N.J.S.A. 18A:17-36).

All cash receipts were promptly deposited.

The Treasurer's records were in agreement with the records of the Board Secretary.

**Unemployment Compensation Insurance Trust Fund**

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. The financial transactions of this fund are reported in the Fiduciary Fund.

**SUMMIT PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Financial Planning, Accounting and Reporting (Continued)**

**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. financial exhibits are contained within the Special Revenue section of the CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I, II and III of the Elementary and Secondary Education Act as amended and reauthorized.

Our examination 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.

**Other Special Federal and/or State Projects**

The district's Special Projects were approved as listed Exhibits K-3 and K-4 located in the CAFR.

Our examination 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 Fund section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

**Title I**

**Finding – (CAFR Finding 2017-001):** The individuals charged to the Title I grant were incorrectly calculated. The financial statements have been adjusted accordingly to reflect the correct salary amounts.

**Recommendation:** It is recommended that salaries charged to the Title I grant be reviewed on a monthly basis to ensure that the salaries are being calculated correctly.

**T.P.A.F. Reimbursements**

Our audit procedures included a test of the semi-monthly 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.

**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 for all federal awards for the school district (or charter school or renaissance school project) to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district (or charter school or renaissance school project) for those employees whose salaries are identified as being paid from federal funds was made subsequent to the end of the 60 day grant liquidations 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 for all federal awards.

**Non-Public State Aid**

Project completion reports were finalized and transmitted to the State by the due date.

**SUMMIT PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**School Purchasing Programs**

**Contracts and Agreements Requiring Advertisement for Bids**

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a qualifying purchasing agent) and \$29,000 (without a qualifying purchasing agent), respectively. On May 16, 2011 the Board appointed the Business Administrator/Board Secretary as the District's qualified purchasing agent which increased the bid threshold to \$40,000. 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 fiscal 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. 18:A18-4.

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. Our examination did reveal, however, that the district purchased items through the use of State contracts.

**School Food Service**

The financial transactions and statistical records of the school food services were maintained in good condition.

Cash receipts and bank records were reviewed for timely deposit.

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/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the Food Service will break even. 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 and supply items were currently maintained and properly applied in determining the cost of food and supplies used.

**SUMMIT PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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 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.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications/or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced priced applications were completed and available for review.

USDA Food Distribution Program commodities were reviewed and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (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 G of the CAFR.

**Flash Program**

The records for the Flash Program were in satisfactory condition.

**Finding** – One individual's salary was calculated using the incorrect hourly rate resulting in an over payment of \$1,111.

**Recommendation** – It is recommended that salaries charged to the Flash Program be reviewed to ensure the correct hourly payment rate is being utilized.

**Finding** – We were unable to complete the audit of the revenue collection cycle due to the attendance records not being available for audit.

**Recommendation** – It is recommended that the attendance records for the Flash Program be available for audit.



**SUMMIT PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Student Activity Funds**

The District had a policy and procedures in place for regulating the student activity funds.

**Finding-** Our audit of the Student Activity Funds revealed the following:

- Athletics- Duplicate tickets for the games were not retained; auditor was unable to reconcile the game summary work sheets with the tickets sold. In addition, there was one deposit out of four deposits tested that were not made timely (13 days after point of collection) and one deposit out of four deposits tested that didn't contain a deposit slip.
- Brayton- Our audit of the cash disbursements revealed that there were two on-line purchases that were not shipped to the school's address and one cash disbursement lacked a vendor invoice.
- Franklin- Our audit of the cash disbursement cycle revealed that there was one on-line purchase that wasn't shipped to the school's address and didn't contain an invoice; it was a print of the on-line shopping cart.
- High School- Our audit of the cash receipt cycle revealed that there were six deposits in June that were made a week after point of collection and five deposits didn't contain a deposit summary form.
- Jefferson- Our audit of the cash disbursement cycle revealed that there were two on-line purchases made that were not shipped to the school's address and two purchases that didn't contain a vendor invoice. Our audit of the cash receipt cycle revealed that there were deposits are not being made timely (30 plus days after point of collection).
- Lincoln Hubbard- Our audit of the cash receipt cycle revealed that pre-numbered /deposit summary forms are not maintained for deposits.
- Middle School- Our audit of the cash receipt cycle revealed that there were multiple deposits that are not being made timely (seven days after the point of collection). Our audit of the cash disbursement cycle revealed that there were two on-line purchases that were not shipped to the school's address.

**Recommendation-** It is recommended that:

- The duplicate tickets sold at the athletic games should be retained with the game summary worksheets. In addition, all deposits be made timely after point of collection, contain a completed pre-numbered deposit summary form and bank deposit slip.
- Items purchased on behalf of the Student Activity Funds be shipped to the school's address and contain proper vendor invoices.

**SUMMIT PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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 school for the handicapped, low-income, related services and bilingual education. 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 isolated exceptions. The information that was included on the workpapers was verified with isolated exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

The district maintained workpapers on the prescribed state forms of 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 isolated exceptions. 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.

**Facilities and Capital Assets**

Our procedures included a review of SDA grant agreement for consistency with recording SDA revenue, transfer of Local Funds from the General Fund or from the Capital Reserve Account, and awarding contracts for eligible facilities construction.

**Follow-Up on Prior Year Findings**

A review was performed on all prior year findings, see recommendations for results.

**SUMMIT PUBLIC SCHOOLS  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**SCHEDULE OF MEAL COUNT ACTIVITY**

<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 (Regular Rate)	Paid	203,347	109,637	109,637	-	\$ 0.300	\$ -
	Reduced	13,876	7,472	7,472	-	2.760	-
	Free	<u>59,085</u>	<u>31,895</u>	<u>31,895</u>	<u>-</u>	<u>3.160</u>	<u>-</u>
	Total	<u>276,308</u>	<u>149,004</u>	<u>149,004</u>	<u>-</u>	<u>6.22</u>	<u>-</u>
National School Lunch	HHFKA- PB Lunch Only	<u>276,308</u>	<u>149,004</u>	<u>149,004</u>	<u>-</u>	<u>0.06</u>	<u>-</u>
School Breakfast (Regular Rate)	Paid	2,409	1,275	1,275		0.29	-
	Reduced	1,406	784	784		1.41	-
	Free	<u>8,053</u>	<u>4,364</u>	<u>4,364</u>	<u>-</u>	<u>1.71</u>	<u>-</u>
	Total	<u>11,868</u>	<u>6,423</u>	<u>6,423</u>	<u>-</u>	<u>3.41</u>	<u>-</u>
Severe Need School Breakfast	Paid	1,002	524	524	-	0.29	-
	Reduced	391	210	210	-	1.74	-
	Free	<u>2,376</u>	<u>1,285</u>	<u>1,285</u>	<u>-</u>	<u>2.04</u>	<u>-</u>
	Total	<u>3,769</u>	<u>2,019</u>	<u>2,019</u>	<u>-</u>	<u>4.07</u>	<u>-</u>
<b>Total Net Under-Claim</b>							<u><u>-</u></u>

**SUMMIT PUBLIC SCHOOLS  
NET CASH RESOURCE SCHEDULE**

**Proprietary Funds - Food Service  
FYE 2017**

<u>Net Cash Resources:</u>		<b>Food Service B - 4/5</b>	
<b>CAFR</b>	*	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	\$ 404,608
B-4		Due from Other Gov'ts	26,093
B-4		Accounts Receivable	
B-4		Investments	
<b>CAFR</b>		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	(35,639)
B-4		Less Accruals	
B-4		Less Due to Other Funds	
B-4		Less Deferred Revenue	
		<b>Net Cash Resources</b>	<b>\$ 395,062 (A)</b>

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	1,790,338	
B-5	Less Depreciation	(41,491)	
	Adj. Tot. Oper. Exp.	<b>\$ 1,748,847 (B)</b>	

Average Monthly Operating Expense:

	B / 10	<b>\$ 174,885 (C)</b>	
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Three times monthly Average:

	3 X C	<b>\$ 524,654 (D)</b>	
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TOTAL IN BOX A	\$	395,062.00	
LESS TOTAL IN BOX D	\$	524,654.10	
NET	\$	<b>(129,592.10)</b>	
From above:			
<b>A is greater than D, cash exceeds 3 X average monthly operating expenses.</b>			
<b>D is greater than A, cash does not exceed 3 X average monthly operating expenses.</b>			

**SUMMIT BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 14, 2016**

	2017/2018 Application for State School Aid						Sample for Verification				Private Schools for Disabled						
	Reported on Original A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Register On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi-cation	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Half Day Pre K (3yrs)	11		11					8		8			-	-	-	-	-
Full Day Pre K (3yrs)	25		25										-	-	-	-	-
Half Day Pre K (4yrs)								19		24			(5)	-	-	-	-
Full Day Pre K (4yrs)													-	-	-	-	-
Half Day Kindergarten	188		188					101		101			-	-	-	-	-
Full Day Kindergarten		129		129									-	-	-	-	-
Grade 1	308		308					75		75			-	-	-	-	-
Grade 2	281		281					64		64			-	-	-	-	-
Grade 3	304		304					67		67			-	-	-	-	-
Grade 4	309		309					39		39			-	-	-	-	-
Grade 5	297		296			1		65		65			-	-	-	-	-
Grade 6	260		260					287		287			-	-	-	-	-
Grade 7	278		278					316		316			-	-	-	-	-
Grade 8	296		297			(1)		323		324			(1)	-	-	-	-
Grade 9	257		257					287		287			-	-	-	-	-
Grade 10	285		285					312		312			-	-	-	-	-
Grade 11	265	3	264	3		1		312		312			-	-	-	-	-
Grade 12	299	4	299	4				334		335			(1)	-	-	-	-
Subtotal	3,663	136	3,662	136		1	-	2,609	-	2,616	-		(7)	-			
Sp Ed- Elementary	169		166			3		13		13			-		6	5	5
Sp Ed - Middle School	94		94					7		6			1		5	4	4
Sp Ed - High School	117	14	117	14				10		10			-		11	10	10
Subtotal	380	14	377	14		3	-	30	-	29	-		1	-	22	19	19
Totals	4,043	150	4,039	150		4	-	2,639	-	2,645	-		(6)	-	22	19	19
Percentage Error	<u>0.10%</u> <u>0.00%</u>						<u>-0.23%</u> <u>0.00%</u>						<u>0.00%</u>				

SUMMIT BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 14, 2016  
SCHEDULE OF AUDITED ENROLLMENTS

	Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A	Reported on Workpapers	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A	Reported on Workpapers	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Pre K (3yrs)	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Pre K (3yrs)	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Pre K (4yrs)	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Pre K (4yrs)	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	27	27	-	10	10	-	13	13	-	10	10	-
Full Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Grade 1	28	28	-	10	10	-	16	16	-	12	12	-
Grade 2	37	37	-	13	13	-	13	13	-	10	10	-
Grade 3	40	41	(1)	15	15	-	12	12	-	10	10	-
Grade 4	28	29	(1)	10	10	-	5	5	-	5	5	-
Grade 5	34	34	-	13	13	-	3	3	-	2	2	-
Grade 6	28	28	-	10	10	-	3	3	-	2	2	-
Grade 7	31	31	-	11	11	-	5	5	-	4	4	-
Grade 8	29	29	-	10	10	-	4	4	-	3	3	-
Grade 9	34	34	-	13	13	-	4	4	-	3	3	-
Grade 10	37	37	-	14	14	-	6	6	-	5	5	-
Grade 11	40	40	-	15	15	-	2	2	-	1	1	-
Grade 12	43	43	-	16	16	-	9	9	-	7	7	-
Subtotal	436	438	(2)	160	160	-	95	95	-	74	74	-
Sp Ed - Elementary	47	45	2	15	15	-	1	1	-	-	-	-
Sp Ed - Middle School	33	33	-	11	11	-	-	-	-	-	-	-
Sp Ed - High School	31	31	-	11	11	-	2	2	-	1	1	-
Subtotal	111	109	2	37	37	-	3	3	-	1	1	-
Totals	547	547	-	197	197	-	98	98	-	8	8	-

Percentage Error 0.00% 0.00% 0.00% 0.00%

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	44	44	-	30	30	-
Reg Special Ed. - Public	7	7.0	-	5	5	-
Transported - Non - Public	-	-	-	-	-	-
Special Ed w. Special Needs	50	50.0	-	34	34	-
	101	101.0	-	69	69	-

Percentage Error 0.00% 0.00%

**SUMMIT BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 14, 2016  
SCHEDULE OF AUDITED ENROLLMENTS**

13

	Resident LEP Not Low Income			Sample for Verification		
	Reported on A.S.S.A	Reported on Workpapers	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Pre K (3yrs)	-	-	-	-	-	-
Full Day Pre K (3yrs)	-	-	-	-	-	-
Half Day Pre K (4yrs)	-	-	-	-	-	-
Full Day Pre K (4yrs)	-	-	-	-	-	-
Half Day Kindergarten	7	7	-	5	5	-
Full Day Kindergarten	-	-	-	-	-	-
Grade 1	9	9	-	7	7	-
Grade 2	9	9	-	7	7	-
Grade 3	3	3	-	2	2	-
Grade 4	8	8	-	7	7	-
Grade 5	9	9	-	8	8	-
Grade 6	2	2	-	1	1	-
Grade 7	3	3	-	2	2	-
Grade 8	4	4	-	3	3	-
Grade 9	4	4	-	3	3	-
Grade 10	4	4	-	3	3	-
Grade 11	2	2	-	1	1	-
Grade 12	-	-	-	-	-	-
Subtotal	64	64	-	49	49	-
Sp Ed - Elementary	-	-	-	-	-	-
Sp Ed - Middle School	-	-	-	-	-	-
Sp Ed - High School	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Totals	64	64	-	49	49	-
			<u>0.00%</u>			<u>0.00%</u>

**SUMMIT PUBLIC SCHOOLS  
CALCULATION OF EXCESS SURPLUS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**SECTION 1A - Two Percent (2%) - Calculation of Excess surplus (2016-2017 expenditures of \$100 million or less)**

2016-2017 Total General Fund Expenditures per the CAFR	\$ 74,691,705
Decreased by:	
On-Behalf TPAF Pension & Social Security	8,840,065
Adjusted 2016-2017 General Fund Expenditures	\$ 65,851,640
2% of Adjusted 2016-2017 General Fund Expenditures	1,317,033
Increased by: Allowable Adjustment- Extraordinary Aid	25,573
Maximum Unassigned Fund Balance	\$ 1,342,606

**SECTION 2**

Total General Fund - Fund Balance at June 30, 2017	\$ 7,081,022
Decreased by:	
Year End Encumbrances	190,483
Legally Restricted- Excess Surplus- Designated for Subsequent Year's Expenditures	1,279,068
Other Restricted Fund Balances	2,917,435
Total Unassigned Fund Balance	\$ 2,694,036

**SECTION 3**

Reserved Fund Balance - Excess Surplus	\$ 1,351,430
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***Recapitulation of Excess Surplus as of June 30, 2017***

Reserve Excess Surplus- Designated for Subsequent Year's Expenditures	\$ 1,279,068
Reserve Excess Surplus	1,351,430
Total Excess Surplus	\$ 2,630,498

**Detail of Allowable Adjustments**

Extraordinary Aid	\$ 25,573
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**Detail of Restricted Fund Balances**

Capital Reserve	\$ 2,017,435
Emergency Reserve	400,000
Maintenance Reserve	500,000
	\$ 2,917,435



## SUMMIT PUBLIC SCHOOLS

### RECOMMENDATIONS

#### I. Administration Practices and Procedures

There are none.

#### II. Financial Planning, Accounting and Reporting

It is recommended that salaries charged to the Title I grant be reviewed on a monthly basis to ensure that the salaries are being calculated correctly.

#### III. School Purchasing Program

There are none.

#### IV. Food Service Fund

There are none.

#### V. Flash Program

It is recommended that salaries charged to the Flash Program be reviewed to ensure the correct hourly payment rate is being utilized.

It is recommended that the attendance records for the Flash Program be available for audit.

#### VI. Student Body Activities

It is recommended that:

- The duplicate tickets sold at the athletic games should be retained with the game summary worksheets. In addition, all deposits be made timely after point of collection, contain a completed pre-numbered deposit summary form and bank deposit slip.
- Items purchased on behalf of the Student Activity Funds be shipped to the school's address and contain proper vendor invoices.

#### VII. Application for State School Aid

There are none.

#### VIII. Pupil Transportation

There are none.

#### IX. Facilities and Capital Assets

There are none.

**SUMMIT PUBLIC SCHOOLS**

**RECOMMENDATIONS**

**(Continued)**

X. **Miscellaneous**

There are none.

XI. **Status of Prior Year Audit Findings/Recommendations**

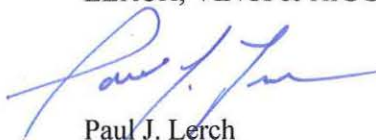
In accordance with government auditing standards, our procedures included a review of the prior year recommendations; corrective action has not been taken on the prior year recommendations related to the Student Activity Fund..

**ACKNOWLEDGEMENT**

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to us.

Respectfully submitted,

LERCH, VINCI & HIGGINS, LLP



Paul J. Lerch  
Public School Accountant  
Certified Public Accountant