



LONG BRANCH SCHOOL DISTRICT

AUDITORS' MANAGEMENT REPORT ON

ADMINISTRATIVE FINDINGS –

FINANCIAL, COMPLIANCE AND

PERFORMANCE

JUNE 30, 2020

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	4
Elementary and Secondary Education Act as amended by the Every Student Succeeds Act (ESSA)	4
Other Special Federal and/or State Projects	4
T.P.A.F. Reimbursement	4
Non-Public State Aid	4
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids.....	5
School Food Service	5
Student Body Activities.....	6
Application for State School Aid.....	6
Pupil Transportation	6
Facilities and Capital Assets.....	7
Miscellaneous.....	7
Follow-up on Prior Year Findings	7
Acknowledgment.....	7
Schedule of Audited Enrollments.....	8
Excess Surplus Calculation	11
Audit Recommendations Summary.....	14



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, 2020, and have issued our report thereon dated February 5, 2021.

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.

Scott A. Clelland
Licensed Public School Accountant
No. 1049

WISS & COMPANY, LLP

Florham Park, New Jersey
February 5, 2021

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 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.

No exceptions were noted during our testing of payroll.

Employee Position Control Roster

An inquiry and subsequent review of the Position Control Roster did not identify any inconsistencies between the payroll records, employee benefit records and the general ledger accounts to where wages are posted.

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. Our testing revealed no exceptions.

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 identified the following finding:

Finding 2020-001

Finding:

During our audit procedures, we noted the District encountered difficulty in closing its underlying accounting records. The District has certain control policies and procedures in place that are intended to provide management with reasonable assurance of meeting the control objective of an effective financial statement close process that results in a set of accurate accounting records. The District converted to a new web-based software package, with its existing software vendor, and was not able to provide final reports in a timely manner. As a result, District management performed certain additional procedures manually in order to close its year-end financial statements and provide us with financial information to audit. The District provided preliminary reports and notified us that there would be additional entries proposed by management.

Recommendation:

We suggest the District ensure a more timely and accurate financial statement close process in the future and ensure that its software system is capable of producing accurate final reports to avoid the manual entries and reconciliations that were required to close its records for the 2020 fiscal year.

This finding has also been included in the schedule of findings and questioned costs within the CAFR.

Treasurer's Records

No exceptions were noted during our review of the financial and accounting records maintained by the Treasurer.

Elementary and Secondary Education Act (ESEA) as amended by the Every Student Succeeds Act (ESSA)

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 the projects under Title 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 areas of noncompliance and/or questionable costs.

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 other special projects indicated no instances of noncompliance or questioned costs that are required to be reported in accordance with the Uniform Guidance or State Circular NJ OMB 15-08. However, the following was identified:

Finding 2020-002

Finding:

During our audit of the IDEA grant, we noted the District did not obtain board approval for the grant application and amendments to the application.

Recommendation:

We suggest the District obtain appropriate board approval for grant application and amendments.

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 exceptions were noted.

Non-Public State Aid

Our review of Nonpublic State Aid completion reports disclosed no exceptions.

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 (the Business Administrator is a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school transportation contracts under *N.J.S.A. 18A:39-3* is \$19,000 for 2019-20.

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 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*. Our testing identified the following:

Finding 2020-003

Finding:

During our testing of the quote process, we noted the District did not obtain at least two quotes for the purchase of locks.

Recommendation:

We suggest the District strengthen controls over the purchasing process to ensure that at least two quotes are obtained for purchases over the quote threshold.

School Food Service

The school food service program was not selected as a major federal program. However, the program expenditures exceeded \$100,000 in federal support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions noted.

Exhibits reflecting Child Nutrition Program operations are included in the B-4 through B-6 section of the CAFR.

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.

COVID-19 EMERGENCY

In accordance with the Governor's Declaration of Emergency pertaining to the COVID-19 Virus, all Public, Charter, and Non-Public schools were ordered to close effective March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, School Food Authorities (SFA) were required to institute alternate procedures to provide meals to Free and Reduced Price eligible students during the period of school closures.

Therefore, SFA's were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and *N.J.S.A. 18A:18A-7*. The SFA's were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed price contracts as necessary to ensure the feeding of Free and Reduced Price meal eligible students.

SFA's were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all free and reduced price meal eligible students during the emergency.

We also inquired of management about the emergency COVID-19 procedures/practices that the SFA instituted to provide meals to eligible students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations.

Student Body Activities

During our audit of the student activity funds, no items were identified.

Application for State School Aid

Because the General State Aid cluster was not tested as a major program in the 2020 fiscal year, our audit procedures did not include a test of information reported in the October 15, 2019 Application for State School Aid (ASSA) for on-roll, private schools for the handicapped, low-income and bilingual. We did agree the ASSA summary report to the underlying District working papers without exception. We also performed a review of the District procedures related to its completion.

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

Because Transportation Aid was not tested as a major program in the 2020 fiscal year, our audit procedures did not include a test of on-roll status reported in the 2019-2020 District Report of Transported Resident Students (DRTRS). We did agree the information presented on the DRTRS by the County/NJDOE and compared to the information presented by the District without exception.

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 2019-2020 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 New Jersey Schools Development Authority (“NJSDA”) grant agreement for consistency with recording NJSDA revenue and the awarding of contracts for eligible facilities construction. No exceptions were identified.

Miscellaneous

Testing for Lead of All Drinking Water in Educational Facilities

The school 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.

The school district submitted the annual Statement of Assurance to the Department of Education, pursuant to *N.J.A.C. 6A:26-12.4(g)*.

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 had been taken on all prior year findings.

There were no audit reports issued by the Office of Fiscal Accountability and Compliance (OFAC) during the 2020 fiscal year.

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.

LONG BRANCH SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2019

SCHEDULE OF AUDITED ENROLLMENTS

Note: Detailed testing over ASSA, DRTRS, and Non-public transportation was not performed for the fiscal year ended June 30, 2020 as the General State Aid Cluster and Transportation Aid were not tested in the current year for Single Audit purposes.

	2020-2021 Application for State School Aid (10/15/19 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 Verification		Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool	681	-	681	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	357	-	357	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
One	367	-	367	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Two	351	-	351	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Three	345	-	345	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Four	332	-	332	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Five	337	-	337	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Six	301	-	301	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Seven	371	-	371	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eight	356	-	356	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nine	347	-	347	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ten	338	-	338	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eleven	302	18	302	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Twelve	293	20	293	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	5,078	38	5,078	38	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Ed - Elementary	327	-	327	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Ed - Middle School	163	-	163	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Ed - High School	178	19	178	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	668	19	668	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	5,746	57	5,746	57	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Percentage Error					0.00%	0.00%				0.00%	0.00%							0.00%

LONG BRANCH SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2019

SCHEDULE OF AUDITED ENROLLMENTS

Note: Detailed testing over ASSA, DRTRS, and Non-public transportation was not performed for the fiscal year ended June 30, 2020 as the General State Aid Cluster and Transportation Aid were not tested in the current year for Single Audit purposes.

	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	303.0	303.0	-	-	-	-	86.0	86.0	-	-	-	-
Full Day Kindergarten	302.0	302.0	-	-	-	-	117.0	117.0	-	-	-	-
One	303.0	303.0	-	-	-	-	132.0	132.0	-	-	-	-
Two	303.0	303.0	-	-	-	-	118.0	118.0	-	-	-	-
Three	291.0	291.0	-	-	-	-	78.0	78.0	-	-	-	-
Four	287.0	287.0	-	-	-	-	66.0	66.0	-	-	-	-
Five	255.0	255.0	-	-	-	-	41.0	41.0	-	-	-	-
Six	317.0	317.0	-	-	-	-	48.0	48.0	-	-	-	-
Seven	299.0	299.0	-	-	-	-	45.0	45.0	-	-	-	-
Eight	276.0	276.0	-	-	-	-	53.0	53.0	-	-	-	-
Nine	256.0	256.0	-	-	-	-	55.0	55.0	-	-	-	-
Ten	231.5	231.5	-	-	-	-	31.0	31.0	-	-	-	-
Eleven	228.5	228.5	-	-	-	-	34.0	34.0	-	-	-	-
Twelve	-	-	-	-	-	-	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	3,652.0	3,652.0	-	-	-	-	904.0	904.0	-	-	-	-
Special Ed - Elementary	304.0	304.0	-	-	-	-	105.0	105.0	-	-	-	-
Special Ed - Middle	146.0	146.0	-	-	-	-	6.0	6.0	-	-	-	-
Special Ed - High	166.5	166.5	-	-	-	-	3.0	3.0	-	-	-	-
Subtotal	616.5	616.5	-	-	-	-	114.0	114.0	-	-	-	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	4,268.5	4,268.5	-	-	-	-	1,018.0	1,018.0	-	-	-	-
Percentage Error			0.00%						0.00%			0.00%

Transportation

	Transportation			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		
	Reported on DRTS by DOE/county	Reported on DRTS by District	Errors	Tested	Verified	Errors	Reported	Recalculated	Reported	Recalculated	Reported	Recalculated
Reg. - Public Schools, col. 1	920	920	-	-	-	-	3.7	3.7	3.7	3.7	3.7	3.7
All - Non-Public, col. 3	63	63	-	-	-	-	3.8	3.8	3.8	3.8	3.8	3.8
Transported - Non-Public, col. 2	272	272	-	-	-	-	4.6	4.6	4.6	4.6	4.6	4.6
Reg. - Special Ed, col. 4	180	180	-	-	-	-	-	-	-	-	-	-
Special Ed Spec. Needs, col. 6	121	121	-	-	-	-	-	-	-	-	-	-
Totals	1,556	1,556	-	-	-	-	-	-	-	-	-	-
Percentage Error			0.00%									0.00%

LONG BRANCH SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2020

SECTION 1 - School Based Budget District

B. 2% Calculation of Excess Surplus

2019-20 Total General Fund Expenditures Reported on Exhibit C-1	\$ 110,389,697 (A)
Increased by Applicable Operating Transfers:	
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	\$ 264,336 (A1a)
Transfer from General Fund to SRF for PreK-Inclusion	\$ - (A1a)
Less: Expenditures Allocated to Restricted Federal Sources as Reported on Exhibit D-2	\$ 1,573,886 (A1b)
2019-20 Adjusted General Fund & Other State Expenditures [(A)+(A1a)-(A1b)]	\$ 109,080,147 (A2)
Decreased by:	
On-Behalf TPAF Pension & Social Security	\$ 14,751,203 (A3)
Assets Acquired Under Capital Leases:	
General Fund 10 Assets Acquired Under Capital Leases Reported on Exhibit C-1a	\$ - (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	\$ - (A5)
Combined General Fund Contribution and State Resources Percent of Fund 15 Resources Reported on Exhibit D-2	97.26% (A6)
General Fund and State Resources Portion of Fund 15 Assets Acquired Under Capital Leases [(A5) * (A6)]	\$ - (A7)
Total Assets Acquired Under Capital Leases [(A4) + (A7)]	\$ - (A8)
2019-20 General Fund Expenditures [(A2)-(A3)-(A8)]	\$ 94,328,944 (A9)
2 percent of Adjusted 2019-20 General Fund Expenditures [(A9) times .02]	\$ 1,886,579 (A10)
Enter Greater of (A10) or \$250,000	\$ 1,886,579 (A11)
Increased by: Allowable Adjustment*	\$ 167,485 (K)
Maximum Unassigned Fund Balance [(A11) + (K)]	\$ 2,054,064 (M)

LONG BRANCH SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2020

SECTION 2

Total General Fund – Fund Balances at June 30, 2020 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>7,573,871</u> (C)
Decreased by:	
Year-end Encumbrances	\$ <u>764,615</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ <u> </u> - (C2)
Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>544,032</u> (C3)
Other Restricted Fund Balances****	\$ <u>700,001</u> (C4)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	\$ <u>2,925,409</u> (C5)
Additional Assigned Fund Balance – Unreserved Designated for Subsequent Year's Expenditures July 1, 2020- August 1, 2020	\$ <u> </u> - (C6)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	\$ <u>2,639,814</u> (U)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U)-(M)] IF NEGATIVE ENTER -0-	\$ <u>585,750</u> (E)
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Recapitulation of Excess Surplus as of June 30, 2020

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>544,032</u> (C3)
Restricted Excess Surplus *** [(E)]	\$ <u>585,750</u> (E)
Total [(C3)+(E)]	\$ <u>1,129,782</u> (D)

Detail of Allowable Adjustments

Impact Aid	\$ <u> </u> - (H)
Sales & Lease-back	\$ <u> </u> - (I)
Extraordinary Aid	\$ <u>151,069</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>16,416</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>167,485</u> (K)

** This amount represents the June 30, 2019 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** The amount entered must agree with the June 30, 2020 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, 2020

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)	\$ 700,000
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	\$ 700,001 (C4)

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

JUNE 30, 2020

Audit Recommendations Summary

We suggest the following:

1. Administrative Practices and Procedures –

2020-001- The District ensure a more timely and accurate financial statement close process in the future and ensure that its software system is capable of producing accurate final reports to avoid the manual entries and reconciliations that were required to close its records for the 2020 fiscal year.

2. Financial Planning, Accounting and Reporting –

2020-002- The District implement procedures to obtain appropriate board approval for grant application and amendments.

3. School Purchasing Programs –

2020-003 - The District implement procedures to ensure that at least two quotes are obtained for purchases over the quote threshold.

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

None.