

**BOROUGH OF BRIELLE SCHOOL DISTRICT**

**AUDITOR'S MANAGEMENT REPORT**

**COUNTY OF MONMOUTH**

**JUNE 30, 2021**

**ROBERT A. HULSART & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
2807 HURLEY POND ROAD, SUITE 100  
WALL, NEW JERSEY 07719**

# AUDITORS MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS

## FINANCIAL, COMPLIANCE AND PERFORMANCE

	<u>Page</u>
Report of Independent Auditors	1.
Administrative Findings - Financial, Compliance and Performance Reporting	
Scope of Audit	2.
Administrative Practices and Procedures	
Insurance	2.
Officials Bonds	2.
Tuition Charges	2.
Financial Planning, Accounting and Reporting	
Examination of Claims	2.
Payroll Account	2.
Reserve for Encumbrances and Accounts Payable	3.
Classification of Expenditures	3.
Board Secretary's Records	3.
Treasurer's Records	3.
Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA)	3.
Other Special Federal and/or State Projects	3.
T.P.A.F. Reimbursement	4.
School Purchasing Program	
Contracts and Agreements Requiring Advertisement for Bids	4.
School Food Service Fund	4 & 5.
Scholarship Fund	5.
Student Body Activities	5.
Application for State School Aid	5.
Pupil Transportation	6.
Travel & Attorney's Log	6.
Follow-up on Prior Years' Findings	6.
Acknowledgment	6.
4% Calculation of Excess Surplus	7.
Application for State School Aid Summary	8 to 10.
Audit Recommendations Summary	11.

# Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

1.

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
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## REPORT OF INDEPENDENT AUDITORS

Honorable President and Members  
of the Board of Education  
Brielle School District  
County of Monmouth, New Jersey

We have audited, in accordance with generally accepted audit standards and Government Auditing Standards issued by the comptroller General of the United States, the general purpose financial statements of the Board of Education of the Brielle School District in the County of Monmouth for the year ended June 30, 2021 and have issued our report thereon dated February 11, 2022.

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 Brielle 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.

  
\_\_\_\_\_  
Licensed Public School Accountant  
No. 322  
ROBERT A. HULSART AND COMPANY

February 11, 2022

## ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING

### 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 detailed on Exhibit J-20; Insurance Schedule contained in the district's ACFR.

#### Officials Bond

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Dawn Cherry	Board Secretary/School Business Administrator	\$ 360,000.00
Loretta Hill	Treasurer	360,000.00

There is a Public Employees' Faithful Performance Blanket Position Bond under the blanket policy covering all other employees with multiple coverage of \$100,000.00.

#### Tuition Charges

A comparison of tentative charges and actual certified tuition charges was made. The Board made a proper adjustment to the billings to sending districts for the decrease in per pupil costs in accordance with *N.J.A.C. 6A:23-3.1(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, certifications, 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 approved by the Superintendent and were certified by the President of the Board and the Board Secretary/School Business Administrator.

Salary withholdings were promptly remitted to the proper agencies.

### **Reserve for Encumbrances and Accounts Payable**

A review of outstanding issued purchase orders was made as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable. All exceptions were adjusted.

### **Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A:23-2.2(g)* 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-2.4*. 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 reportable conditions.

### **Treasurer's Records**

The Treasurer's records were in good order, all reconciliation's were prepared on a monthly basis.

### **Elementary and Secondary Education Act (E.S.E.A.) 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 ACFR. This section of the ACFR documents the financial position pertaining to projects under Title I, Title IIA and Title IV of the Elementary and Secondary Education Act as amended.

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 Schedule A and Schedule B located in the ACFR.

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 ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

The study of compliance for the special projects indicated no areas of noncompliance.

### **T.P.A.F. Reimbursement**

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

### **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 \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (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 \$19,600 for 2020-21.

The District 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.

Based on the results of our examination, we did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of *N.J.S.A. 18A:18A-4*.

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

### **School Food Service Fund**

The School Food Service Program has not been audited as a major program and has not expended \$100,000 or more in Federal and State Support.

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

The School District opted out of the National Lunch Program in 2020-2021.

Cash receipts and bank records were reviewed for timely deposits per state guidelines.

The cash disbursement records reflected expenditures for program related goods and services. The District deposited and expended program monies in accordance with *N.J.S.A. 18A:17-34*, and 19-1 through 19-4.1. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

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

Expenditures were separately recorded as food, labor and other costs. "Cafeterias" inventory records on food supply items were maintained and applied in determining the cost of food and supplies used. Inventories of commodities were reviewed for reasonableness as submitted, without verification. No inventories were on hand for district owned items.

### **School Food Service Fund (Continued)**

The 2020-21 operations produced a net loss of \$24,849.

All vendor discounts, rebates and credit from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

In 2020-21, Brielle again was not part of the Child Nutrition Program and therefore did not receive any federal or state reimbursements.

In 2020-21, Brielle Board of Education contracted with Cafeterias to provide student meals. Cafeterias is normally paid a management fee at the end of the year provided that certain goals are completed; however, in the summer of 2021, Cafeterias did not provide any paperwork and did not set up operations for September 2021 opening of school, leaving the District in a bind. At the present time it is undetermined if Cafeterias will be paid any management fees.

It was also determined that no ending inventory was available at year end due to spoilage and unusable food supplies.

Finding 2021-1: The District has a listing of Student Account Meal Balances. This file has many positive and negative balances. It was determined that some students have graduated from the elementary school.

Recommendation 2021-1: That the District reviews the student account balances to determine its accuracy and close out old student accounts by refunding or attempting to collect outstanding balances.

### **Scholarship Fund**

These funds were maintained in savings accounts, which were administered by the Business Administrator's office.

### **Student Body Activities**

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

### **Application for State School Aid**

Our audit procedures included a test of information reported in October 15, 2020 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income, and bilingual. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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

**Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2020-21 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

**Travel & Attorney's Log****Travel Log**

The log was examined and found to be properly kept, and all required supporting documentation was present.

**Attorney's Log**

The log was examined and found to be properly maintained.

**Prior Year Recommendations**

There were no prior year recommendations.

**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.



**4% Calculation of Excess Surplus**

2020-21 Total General Fund Expenditures Per the ACFR	\$ 15,625,938
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(1,783,384)</u>
Adjusted 2020-21 General Fund Expenditures	<u>\$ 13,842,554</u>
4% of Adjusted 2020-21 General Fund Expenditures	<u>\$ 553,702</u>
Enter Above or \$250,000 Whichever is Greater	\$ 553,702
Increased by Allowable Adjustment	<u>281,071</u>
Maximum Unassigned Fund Balance	<u>\$ 834,773</u>

**Section 2**

Total General Fund – Fund Balance @ 6-30-21	\$ 4,805,587
Decreased by:	
Reserved for Unemployment	(48,527)
Designated for Subsequent Years Expenditures – General Fund	(118,980)
Designated for Subsequent Years Expenditures – Excess Surplus	(300,855)
Maintenance Reserve	(609,496)
Designated for Subsequent Years Expenditures – Capital Reserve	(150,000)
Capital Reserve	<u>(2,603,594)</u>
Total Unassigned Fund Balance	<u>\$ 974,135</u>

**Section 3**

Reserved Fund Balance – Excess Surplus Designated for	
Subsequent Years Expenditures	\$ 300,855
Excess Surplus	<u>139,362</u>
	<u>\$ 440,217</u>

**Detail of Allowable Adjustments**

Extraordinary Aid	\$ 265,880
Non-Public Transportation	<u>15,191</u>
	<u>\$ 281,071</u>

**Detail of Other Reserved Fund Balance**

Maintenance Reserve	\$ 609,496
Capital Reserve	<u>2,603,594</u>
	<u>\$ 3,213,090</u>

**BRIELLE SCHOOL DISTRICT**

**APPLICATION FOR STATE SCHOOL AID SUMMARY**

Sheet 1 of 3

**ENROLLMENT AS OF OCTOBER 15, 2020**

	2021-22 Application for State School Aid						Sample for Verification						Private Schools for Handicapped			
	Reported On		Reported on		Errors		Sample Selected		Verified Per		Errors Per Registers		Reported On	Sample for	Sample	Sample
	A.S.S.A. on Roll		Workpapers on Roll				from Workpapers		Registers on Roll		on Roll		A.S.S.A. as	Verification	Verified	Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Private Schools			
Half Day Preschool - 3yrs	7		7					7		7						
Half Day Preschool - 4yrs	7		7					7		7						
Full Day Kindergarten	36		36					36		36						
One	49		49					49		49						
Two	43		43					43		43						
Three	41		41					41		41						
Four	45		45					45		45						
Five	44		44					44		44						
Six	60		60					60		60						
Seven	62		62					62		62						
Eight	50		50					50		50						
Nine																
Ten																
Eleven																
Twelve																
Subtotal	<u>444</u>	<u>0</u>	<u>444</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>444</u>	<u>0</u>	<u>444</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Special Ed - Elementary	45		45				45		45			3	3	3		
Special Ed. - Middle School	20		20				20		20			2	2	2		
Special Ed. - High School												4	4	4		
Subtotal	<u>65</u>	<u>0</u>	<u>65</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>65</u>	<u>0</u>	<u>65</u>	<u>0</u>	<u>0</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>0</u>	<u>0</u>
Co. Voc. - Regular																
Co. Voc. - Ft. Post Sec.																
Totals	<u>509</u>	<u>0</u>	<u>509</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>509</u>	<u>0</u>	<u>509</u>	<u>0</u>	<u>0</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>0</u>	<u>0</u>
Percentage Error					<u>0%</u>	<u>0%</u>										<u>8%</u>

**BRIELLE SCHOOL DISTRICT**

**APPLICATION FOR STATE SCHOOL AID SUMMARY**

**ENROLLMENT AS OF OCTOBER 15, 2020**

**LOW INCOME STUDENTS**

	<b>Low Income</b>			<b>Sample for Verification</b>		
	<b>Reported on A.S.S.A. as Low Income</b>	<b>Reported on Workpapers as Low Income</b>	<b>Errors</b>	<b>Sample Selected from Workpapers</b>	<b>Verified to Application and Register</b>	<b>Sample Errors</b>
Full Day Kindergarten						
Grade 1	1	1		1	1	
Grade 2	2	2		2	2	
Grade 3	2	2		2	2	
Grade 4	2	2		2	2	
Grade 5	2	2		2	2	
Grade 6	2	2		2	2	
Grade 7	4	4		4	4	
Grade 8	3	3		3	3	
Special Ed - Elementary	3	3		3	3	
Special Ed - Middle	1	1		1	1	
<b>Totals</b>	<b>22</b>	<b>22</b>	<b>0</b>	<b>22</b>	<b>22</b>	<b>0</b>
Percentage Error			0%			0%

**LEP STUDENTS - NOT LOW INCOME**

	<b>Reported on ASSA as LEP - Not Low Income</b>	<b>Reported on Workpapers as LEP - Not Low Income</b>	<b>Errors</b>	<b>Sample Selected from Workpapers</b>	<b>Verified to Test Score and Register</b>	<b>Sample Errors</b>
	Special Ed - Elementary	1	1		1	1
<b>Totals</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>
Percentage Error			0%			0%

**BRIELLE SCHOOL DISTRICT**

**APPLICATION FOR STATE SCHOOL AID SUMMARY**

**ENROLLMENT AS OF OCTOBER 15, 2020**

**LEP STUDENTS - LOW INCOME**

	<b>Reported on ASSA as LEP Low Income</b>	<b>Reported on Workpapers as LEP Low Income</b>	<b>Errors</b>	<b>Sample Selected from Workpapers</b>	<b>Verified to Test Score and Register</b>	<b>Sample Errors</b>
Grade 1	1	1		1	1	
Grade 2	1	1		1	1	
Grade 5	1	1		1	1	
Special Ed - Elementary	3	3		3	3	
<b>Totals</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>0</b>
Percentage Error			<b>0%</b>			<b>0%</b>

**TRANSPORTATION**

	<b>Reported on DRTRS by DOE</b>	<b>Reported on DRTRS by District</b>	<b>Errors</b>	<b>Tested</b>	<b>Verified</b>	<b>Errors</b>
Reg. - Public Schools	63	63		63	63	
Transported - Non-Public	17	17		17	17	
Special Education - Public School	7	7		7	7	
Special Needs - Public & Private	9	9		9	9	
<b>Totals</b>	<b>96</b>	<b>96</b>	<b>0</b>	<b>96</b>	<b>96</b>	<b>0</b>
Percentage Error			<b>0%</b>			<b>0%</b>
					<b>Reported</b>	<b>Recalculated</b>
Avg. Mileage - Regular Including Grade PK Students					8.1	8.1
Avg. Mileage - Special Ed. With Special Needs					8.1	8.1
					29.5	29.5

**BRIELLE SCHOOL DISTRICT**  
**AUDIT RECOMMENDATIONS SUMMARY**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Programs

None

4. School Food Service

Finding 2021-1: The District has a listing of Student Account Meal Balances. This file has many positive and negative balances. It was determined that some students have graduated from the elementary school.

Recommendation 2021-1: That the District reviews the student account balances to determine its accuracy and close out old student accounts by refunding or attempting to collect outstanding balances.

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

There were no prior year recommendations.