

**LONG BRANCH SCHOOL DISTRICT**

**AUDITORS' MANAGEMENT REPORT ON**

**ADMINISTRATIVE FINDINGS –**

**FINANCIAL, COMPLIANCE AND PERFORMANCE**

**JUNE 30, 2023**

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## 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, 2023, and have issued our report thereon dated March 1, 2024.

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.

*PKF O'Connor Davies, LLP*

Cranford, New Jersey  
March 1, 2024

*Scott A. Clelland*

Scott A. Clelland, CPA  
Licensed Public School Accountant, No. 1049

## 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 ACFR.

### 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
Michael Petrizzo	Treasurer of School Monies	550,000

### *P.L. 2020, c.44*

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A. 18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by the district.

The School district data certification was completed by the chief school administrator. The school district Chapter 44 data was submitted timely.

The original data submission did not require significant revision due to errors or omissions on the part of the district submission.

### 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

An inquiry and subsequent review of the Position Control Roster did not identify any inconsistencies between the payroll 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 item:

#### **Finding 2023-001:**

During our testing of account balances, we noted that interfunds were not being liquidated timely and were not always in balance across funds and the accounts receivable subledger was not being reconciled to the general ledger on a monthly basis.

#### **Recommendation:**

We suggest that interfunds be reviewed on a regular basis to ensure they net to zero across funds and are liquidated timely and the accounts receivable subledgers are reconciled to the general ledger monthly.

### 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 ACFR. This section of the ACFR 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 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 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.

### 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 \$44,000 (the Business Administrator is a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school transportation contracts under *N.J.S.A. 18A:39-3* is \$20,200 for 2022-23.

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 2023-002:**

During our testing of purchasing and cash disbursements, we noted the District did not obtain required quotes for one purchase and the pricing agreement for a purchase made from a Co-op could not be located in order to verify the pricing was correct. In addition, we identified four purchase orders where the invoice date was prior to purchase order date.

**Recommendation:**

We suggest the District ensure that purchases that will exceed the quote threshold are reviewed and all quotes and Co-Ops are obtained prior to initiation of a purchase order and all pricing sheets related to Co-ops be attached to the respective voucher package. In addition, purchase orders should be prepared and approved prior to purchases being made that result in confirming orders.

**School Food Service**

**PUBLIC HEALTH EMERGENCY**

In accordance with the Governor's Declaration of Emergency pertaining to the public health emergency all Public, Charter, Non-Public schools were ordered to close effective as of 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 eligible students during the period of school closures. Governor Murphy's emergency declaration ended June 4, 2021; however, the United States Department of Agriculture's federal waiver continued through June 30, 2023. Food Service Agencies operated under this federal waiver.

As a result, School Food Authorities (SFAs) were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO). SFAs could also choose to participate in the National School Lunch Program utilizing standard counting and claiming practices.

SFAs 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 SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

SFAs 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 students during the emergency.

The school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State 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 were noted.

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

We inquired of management about the public health emergency procedures/practices that the SFA instituted to provide meals to all 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. We also inquired if the FSMC received a loan in accordance with the Payroll Protection Plan and whether the funds were used to pay for costs applicable to the Food Service Programs. We also inquired if the PPP loan was subsequently forgiven and if the FSMC refunded or credited the applicable amounts to the SFA.

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

### **Student Body Activities**

No exceptions were noted during out testing of the student activity funds.

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

Our audit procedures included a test of information reported in the October 14, 2022 Application for State School Aid (ASSA) for on-roll, private school for students with disabilities, low-income, and bilingual. We also performed a review of the District procedures related to its completion. The information on the ASSA was compared to the district workpapers with minor differences. The information included as part of the workpapers was verified without exception. The results of our procedures are presented in the Scheduled of Audited Enrollments.

### **Pupil Transportation**

Because Transportation Aid was not tested as a major program in the 2023 fiscal year, our audit procedures did not include a test of on-roll status reported in the 2022-2023 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 2022-2023 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, except for finding 2023-001.

There were no audit reports issued by the Office of Fiscal Accountability and Compliance (OFAC) during the 2023 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.

**SCHEDULE OF AUDITED ENROLLMENTS**

**LONG BRANCH SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 14, 2022**

**Note:** Detailed testing over DRTRS and Non-public transportation was not performed for the fiscal year ended June 30, 2023 as Transportation Aid was not tested in the current year for Single Audit purposes.

	2023-2024 Application for State School Aid (10/15/22 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 Verifi-cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool																
Full Day Preschool	518	-	518	-	-	-	32	-	32	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	284	-	284	-	-	-	17	-	17	-	-	-	-	-	-	-
One	327	-	327	-	-	-	20	-	20	-	-	-	-	-	-	-
Two	335	-	335	-	-	-	20	-	20	-	-	-	-	-	-	-
Three	334	-	334	-	-	-	20	-	20	-	-	-	-	-	-	-
Four	338	-	338	-	-	-	20	-	20	-	-	-	-	-	-	-
Five	328	-	328	-	-	-	20	-	20	-	-	-	-	-	-	-
Six	337	-	337	-	-	-	20	-	20	-	-	-	-	-	-	-
Seven	313	-	313	-	-	-	19	-	19	-	-	-	-	-	-	-
Eight	313	-	313	-	-	-	19	-	19	-	-	-	-	-	-	-
Nine	305	-	305	-	-	-	20	-	20	-	-	-	-	-	-	-
Ten	373	-	373	-	-	-	21	-	21	-	-	-	-	-	-	-
Eleven	305	29	305	29	-	-	19	22	19	22	-	-	-	-	-	-
Twelve	286	24	286	24	-	-	20	19	20	19	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>4,696</u>	<u>53</u>	<u>4,696</u>	<u>53</u>	-	-	<u>287</u>	<u>41</u>	<u>287</u>	<u>41</u>	-	-	-	-	-	-
Special Ed - Elementary	318	-	318	-	-	-	15	-	15	-	-	-	14	13	13	-
Special Ed - Middle School	153	-	153	-	-	-	5	-	5	-	-	-	6	5	5	-
Special Ed - High School	210	20	210	20	-	-	5	20	5	20	-	-	21	18	18	-
Subtotal	<u>681</u>	<u>20</u>	<u>681</u>	<u>20</u>	-	-	<u>25</u>	<u>20</u>	<u>25</u>	<u>20</u>	-	-	<u>41</u>	<u>36</u>	<u>36</u>	-
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	<u>5,377</u>	<u>73</u>	<u>5,377</u>	<u>73</u>	-	-	<u>312</u>	<u>61</u>	<u>312</u>	<u>61</u>	-	-	<u>41</u>	<u>36</u>	<u>36</u>	-
Percentage Error					<u>0.00%</u>	<u>0.00%</u>					<u>0.00%</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, 2022**

**Note:** Detailed testing over DRTRS and Non-public transportation was not performed for the fiscal year ended June 30, 2023 as Transportation Aid was not tested in the current year for Single Audit purposes.

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	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	400.0	400.0	-	45.0	45	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	227.0	227.0	-	54.0	54	-	69.0	69.0	-	53.0	53.0	-
One	269.0	269.0	-	36.0	36	-	105.0	105.0	-	36.0	36.0	-
Two	270.0	270.0	-	11.0	11	-	129.0	129.0	-	11.0	11.0	-
Three	279.0	279.0	-	22.0	22	-	93.0	93.0	-	22.0	22.0	-
Four	281.0	281.0	-	15.0	15	-	110.0	110.0	-	15.0	15.0	-
Five	274.0	274.0	-	12.0	12	-	80.0	80.0	-	12.0	12.0	-
Six	277.0	277.0	-	10.0	10	-	41.0	41.0	-	10.0	10.0	-
Seven	257.0	257.0	-	6.0	6	-	58.0	58.0	-	6.0	6.0	-
Eight	250.0	250.0	-	5.0	5	-	35.0	35.0	-	5.0	5.0	-
Nine	240.0	240.0	-	13.0	13	-	44.0	44.0	-	5.0	5.0	-
Ten	274.0	274.0	-	16.0	16	-	47.0	47.0	-	6.0	6.0	-
Eleven	238.0	238.0	-	8.0	8	-	32.5	32.5	-	4.0	4.0	-
Twelve	214.0	214.0	-	5.0	5	-	36.0	36.0	-	5.0	5.0	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>3,750.0</u>	<u>3,750.0</u>	<u>-</u>	<u>258.0</u>	<u>258.0</u>	<u>-</u>	<u>879.5</u>	<u>879.5</u>	<u>-</u>	<u>190.0</u>	<u>190.0</u>	<u>-</u>
Special Ed - Elementary	264.0	264.0	-	27.0	27.0	-	114.0	114.0	-	14.0	14.0	-
Special Ed - Middle	140.0	140.0	-	9.0	9.0	-	18.0	18.0	-	1.0	1.0	-
Special Ed - High	180.0	180.0	-	8.0	8.0	-	6.0	6.0	-	5.0	5.0	-
Subtotal	<u>584.0</u>	<u>584.0</u>	<u>-</u>	<u>44.0</u>	<u>44.0</u>	<u>-</u>	<u>138.0</u>	<u>138.0</u>	<u>-</u>	<u>20.0</u>	<u>20.0</u>	<u>-</u>
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	<u>4,334.0</u>	<u>4,334.0</u>	<u>-</u>	<u>302.0</u>	<u>302.0</u>	<u>-</u>	<u>1,017.5</u>	<u>1,017.5</u>	<u>-</u>	<u>210.0</u>	<u>210.0</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

	<u>Transportation</u>					
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools, col. 1	760	760	-	-	-	-
AIL - Non-Public, col. 3	78	78	-	-	-	-
Transported - Non-Public, col. 2	339	339	-	-	-	-
Reg.- Special Ed, col. 4	19	19	-	-	-	-
Special Ed Spec. Needs, col. 6	387	387	-	-	-	-
Totals	<u>1,583</u>	<u>1,583</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	Reported	Recalculated
Reg Avg.(Mileage) = Regular Including Grade PK students (Part A)	4.2	4.2
Reg Avg.(Mileage) = Regular Excluding Grade PK students (Part B)	4.3	4.3
Spec Avg. = Special Ed with Special Needs	2.0	2.0

**SCHEDULE OF AUDITED ENROLLMENTS**

**LONG BRANCH SCHOOL DISTRICT**  
**APPLICATION FOR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 14, 2022**

**Note:** Detailed testing over DRTRS and Non-public transportation was not performed for the fiscal year ended June 30, 2023 as Transportation Aid was not tested in the current year for Single Audit purposes.

	<b>Resident LEP NOT Low Income</b>			<b>Sample for Verification</b>		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool						
Full Day Preschool	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	19.0	19.0	-	9.0	9.0	-
One	19.0	19.0	-	3.0	3.0	-
Two	17.0	17.0	-	3.0	3.0	-
Three	16.0	16.0	-	3.0	3.0	-
Four	12.0	12.0	-	3.0	3.0	-
Five	21.0	21.0	-	3.0	3.0	-
Six	13.0	13.0	-	3.0	3.0	-
Seven	13.0	13.0	-	4.0	4.0	-
Eight	12.0	12.0	-	1.0	1.0	-
Nine	11.0	11.0	-	1.0	1.0	-
Ten	21.0	21.0	-	1.0	1.0	-
Eleven	16.0	16.0	-	2.0	2.0	-
Twelve	13.0	13.0	-	3.0	3.0	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-
Subtotal	<u>203.0</u>	<u>203.0</u>	<u>-</u>	<u>39.0</u>	<u>39.0</u>	<u>-</u>
Special Ed - Elementary	21.0	21.0	-	3.0	3.0	-
Special Ed - Middle	1.0	1.0	-	2.0	2.0	-
Special Ed - High	1.0	1.0	-	-	-	-
Subtotal	<u>23.0</u>	<u>23.0</u>	<u>-</u>	<u>5.0</u>	<u>5.0</u>	<u>-</u>
Co. Voc. - Regular	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-
Totals	<u>226.0</u>	<u>226.0</u>	<u>-</u>	<u>44.0</u>	<u>44.0</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**LONG BRANCH SCHOOL DISTRICT**

**EXCESS SURPLUS CALCULATION**

**JUNE 30, 2023**

**SECTION 1 - School Based Budget District**

**B. 2% Calculation of Excess Surplus**

2022-23 Total General Fund Expenditures Reported on Exhibit C-1	<u>\$ 128,712,198</u> (A)
Increased by Applicable 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	<u>\$ 221,712</u> (A1a)
Transfer from General Fund to SRF for PreK-Inclusion	<u>\$ -</u> (A1a)
Less: Expenditures Allocated to Restricted Federal Sources as Reported on Exhibit D-2	
	<u>\$ 1,449,731</u> (A1b)
2022-23 Adjusted General Fund & Other State Expenditures [(A)+(A1a)-(A1b)]	<u>\$ 127,484,179</u> (A2)
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>\$ 23,653,113</u> (A3)
Assets Acquired Under Capital Leases:	
General Fund 10 Assets Acquired Under Capital Leases Reported on Exhibit C-1a	<u>\$ -</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>97.66%</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>\$ -</u> (A8)
2022-23 General Fund Expenditures [(A2)-(A3)-(A8)]	<u>\$ 103,831,066</u> (A9)
2 percent of Adjusted 2022-23 General Fund Expenditures [(A9) times .04]	<u>\$ 2,076,621</u> (A10)
Enter Greater of (A10) or \$250,000	<u>\$ 2,076,621</u> (A11)
Increased by: Allowable Adjustment*	<u>\$ 523,375</u> (K)
Maximum Unassigned Fund Balance [(A11) + (K)]	<u>\$ 2,599,996</u> (M)

**LONG BRANCH SCHOOL DISTRICT**

**EXCESS SURPLUS CALCULATION**

**JUNE 30, 2023**

**SECTION 2**

Total General Fund – Fund Balances at June 30, 2023 (Per ACFR Budgetary Comparison Schedule C-1)	\$ 16,716,655 (C)
Decreased by:	
Assigned Year-end Encumbrances	\$ 612,221 (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ - (C2)
Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ - (C3)
Other Restricted Fund Balances****	\$ 8,215,903 (C4)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	\$ 4,619,523 (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ 3,269,008 (U)

**SECTION 3**

Restricted Fund Balance - Excess Surplus *** [(U)-(M)] IF NEGATIVE ENTER -0-	\$ 669,012 (E)
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**Recapitulation of Excess Surplus as of June 30, 2023**

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ - (C3)
Restricted Excess Surplus *** [(E)]	\$ 669,012 (E)
Total [(C3)+(E)]	\$ 669,012 (D)

**Detail of Allowable Adjustments**

Impact Aid	\$ - (H)
Sales & Lease-back	\$ - (I)
Extraordinary Aid	\$ 322,690 (J1)
Additional Nonpublic School Transportation Aid	\$ 62,519 (J2)
Current Year School Bus Advertising Revenue Recognized	\$ - (J3)
Family Crisis Transportation Aid	\$ - (J4)
Supplemental Stabilization Aid received April 2023 and Maintenance of Equity Aid received July 2023	\$ 138,166 (J5)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]	\$ 523,375 (K)

\*\* This amount represents the June 30, 2022 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

\*\*\* The amount entered must agree with the June 30, 2023 ACFR 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, 2023

**Detail of Other Restricted Fund Balance**

Statutory Restrictions:

Approved Unspent Separate Proposal	\$ -
Sale/Lease-Back Reserve	\$ -
Capital Reserve (N-1)	\$ 4,500,001
Maintenance Reserve (N-2)	\$ 2,713,000
Tuition Reserve (N-3)	\$ -
Unemployment Reserve	\$ 502,902
Emergency Reserve (N-4)	\$ 500,000
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	\$ 8,215,903 (C4)

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

**JUNE 30, 2023**

Audit Recommendations Summary

We suggest the following:

1. Administrative Practices and Procedures – None.
2. Financial Planning, Accounting and Reporting –  
2023-001\*: The District review interfunds on a regular basis and liquidate when possible and reconcile the accounts receivable subledger to general ledger monthly.
3. School Purchasing Programs –  
2023-002: The District ensure that purchases that will exceed the quote threshold are reviewed and all quotes and Co-Ops are obtained prior to initiation of a purchase order and all pricing sheets related to Co-ops be attached to the respective voucher package. In addition, purchase orders should be prepared and approved prior to purchases being made that result in confirming orders.
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 – all prior year findings have been corrected and are not repeated in the current year except those denoted with an asterisk (\*).