

**ALLENHURST BOARD OF EDUCATION**

**AUDITOR'S MANAGEMENT REPORT**

**COUNTY OF MONMOUTH**

**JUNE 30, 2017**

**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**

|   | <b><u>Page</u></b> |
|---|--------------------|
| 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.                 |
| Financial Planning, Accounting and Reporting                              |                    |
| Examination of Claims   | 2.                 |
| Reserve for Encumbrances and Accounts Payable                             | 2.                 |
| Board Secretary's Records   | 2.                 |
| Treasurer's Records   | 2.                 |
| School Purchasing Program   |                    |
| Contracts and Agreements Requiring Advertisement for Bids                 | 3.                 |
| Financial Planning Accounting and Reporting                               |                    |
| Application for State School Aid  | 4.                 |
| Pupil Transportation  | 4.                 |
| Classification of Expenditures  | 5.                 |
| Excess Surplus Calculation  | 5.                 |
| Follow-up on Prior Years' Findings  | 5.                 |
| Acknowledgment  | 5.                 |
| Summary Schedule of Application for State School Aid                      | 6 & 7.             |

*Robert A. Hulsart and Company*  
CERTIFIED PUBLIC ACCOUNTANTS

1.

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
ROBERT A. HULSART, JR., C.P.A., P.S.A.  

---

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

Telecopier:  
(732) 280-8888

e-mail:  
rah@monmouth.com

2807 Hurley Pond Road • Suite 100  
P.O. Box 1409  
Wall, New Jersey 07719-1409  
(732) 681-4990

**REPORT OF INDEPENDENT AUDITORS**

Honorable President and Members  
of the Board of Education  
Allenhurst 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 Allenhurst School District in the County of Monmouth for the year ended June 30, 2017, and have issued our report thereon dated September 18, 2017.

As part of our audit, we performed procedures required by the New Jersey Department of Education and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the Allenhurst 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.

**ROBERT A. HULSART AND COMPANY**

---

Robert A. Hulsart  
Licensed Public School Accountant  
No. 322

September 18, 2017

**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 CAFR.

**Officials Bond**

| <u>Name</u>           | <u>Position</u>                               | <u>Amount</u> |
|-----------------------|---|---------------|
| Peter E. Genovese III | Board Secretary/School Business Administrator | \$ 100,000.00 |
| Nancy Vilenti         | Treasurer                                     | 100,000.00    |

**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, certification or supporting documentation.

**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.

**Board Secretary's Records**

Our review of the financial and accounting records maintained by the Board Secretary disclosed no reportable conditions. The records were in good order.

**Treasurer's Records**

The Treasurer's records were in agreement with the records of the Board Secretary. All reconciliations were properly done.

## School Purchasing Programs

### Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2015 N.J.S. 18A:18A-3 was amended to read as follows:

- a. When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$29,000.00 the contract may be awarded by a purchasing agent when so authorized by resolution of the board of education without public advertising for bids and bidding therefore, except that the board of education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. (pending before the Legislature as section 15 of this bill) of section 9 of P.L. 1971, c.198 (C.40A:11-9) the board of education may establish that the bid threshold may be up to \$40,000.00. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section. Effective July 1, 2015, the quotation threshold was increased to \$4,350 and \$6,000, respectively.

Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection a. N.J.S. 18A:18A-5 may be awarded for a period not exceeding 12 consecutive months.

N.J.S. 18A:18A-4 is amended to read as follows:

- a. Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law.

Effective July 1, 2015 and thereafter the bid threshold in accordance with N.J.S.A. Transportation 18A:39-3 is currently \$18,800.00.

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 Solicitor's opinion should be sought before a commitment is made.

The results of our examination indicated that no individual payments, contracts or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provisions of N.J.S.A. 18A:18A-4.

## **Financial Planning Accounting and Reporting**

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

Our audit procedures included a test of information reported in the October 15, 2016 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income, and bilingual. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers 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 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 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.

**Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6:20-2A.2(m) as part of our tests of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. As a result of the procedures performed, a transaction error rate of .0% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

**Excess Surplus Calculation**

|  |                   |
|--|-------------------|
| 2016-17 Total General Fund Expenditures Per the CAFR             | <u>\$ 168,007</u> |
| Adjusted 2016-17 General Fund Expenditures                       | <u>\$ 168,007</u> |
| 2% of Adjusted 2016-17 General Fund Expenditures                 | <u>\$ 3,360</u>   |
| Minimum Allowed  | \$ 250,000        |
| Increased by: Allowable Adjustment-Non-Public Transportation Aid | <u>      769</u>  |
| Maximum Unassigned Fund Balance                                  | <u>\$ 250,769</u> |
| Total General Fund – Fund Balance @ 6-30-17                      | \$ 496,559        |
| Decreased by:  |                   |
| Encumbrances   | 4,000             |
| Designated for Subsequent Year’s Expenditures                    | 34,674            |
| Other Reserves   | <u>250,000</u>    |
| Total Unassigned Fund Balance                                    | <u>\$ 207,885</u> |
| Total Unassigned Fund Balance for Excess Surplus Calculation     | <u>\$ 207,885</u> |
| Maximum Unassigned Fund Balance                                  | <u>\$ 250,769</u> |
| Restricted Fund Balance – Excess Surplus                         | <u>\$ -0-</u>     |

**Follow-Up on Prior Year’s Findings**

There were no reportable conditions found during the 2015-2016 reporting period.

**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 staff.

ALLENHURST SCHOOL DISTRICT

APPLICATION FOR STATE SCHOOL AID SUMMARY

Sheet 1 of 2

ENROLLMENT AS OF OCTOBER 15, 2016

|                             | 2017-18 Application for State School Aid |          |                                   |          |           | Private Schools for Handicapped |   |                            |                    |                  |
|-----------------------------|--|----------|-----------------------------------|----------|-----------|---------------------------------|---|----------------------------|--------------------|------------------|
|                             | Reported On<br>A.S.S.A. on Roll          |          | Reported on<br>Workpapers on Roll |          | Errors    |                                 | Reported On<br>A.S.S.A. as<br>Private Schools | Sample for<br>Verification | Sample<br>Verified | Sample<br>Errors |
|                             | Full                                     | Shared   | Full                              | Shared   | Full      | Shared                          |   |                            |                    |                  |
| Full Day Kindergarten       |  |          |                                   |          |           |                                 |   |                            |                    |                  |
| One                         |  |          |                                   |          |           |                                 |   |                            |                    |                  |
| Two                         |  |          |                                   |          |           |                                 |   |                            |                    |                  |
| Three                       |  |          |                                   |          |           |                                 |   |                            |                    |                  |
| Four                        |  |          |                                   |          |           |                                 |   |                            |                    |                  |
| Five                        |  |          |                                   |          |           |                                 |   |                            |                    |                  |
| Six                         |  |          |                                   |          |           |                                 |   |                            |                    |                  |
| Seven                       |  |          |                                   |          |           |                                 |   |                            |                    |                  |
| Eight                       |  |          |                                   |          |           |                                 |   |                            |                    |                  |
| Nine                        |  |          |                                   |          |           |                                 |   |                            |                    |                  |
| Ten                         |  |          |                                   |          |           |                                 |   |                            |                    |                  |
| Eleven                      |  |          |                                   |          |           |                                 |   |                            |                    |                  |
| Twelve                      |  |          |                                   |          |           |                                 |   |                            |                    |                  |
| Subtotal                    | <u>0</u>                                 | <u>0</u> | <u>0</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    |  |          |                                   |          |           |                                 |   |                            |                    |                  |
| Special Ed. - Middle School |  |          |                                   |          |           |                                 |   |                            |                    |                  |
| Special Ed. - High School   |  |          |                                   |          |           |                                 |   |                            |                    |                  |
| Subtotal                    | <u>0</u>                                 | <u>0</u> | <u>0</u>                          | <u>0</u> | <u>0</u>  | <u>0</u>                        | <u>0</u>                                      | <u>0</u>                   | <u>0</u>           | <u>0</u>         |
| Totals                      | <u>0</u>                                 | <u>0</u> | <u>0</u>                          | <u>0</u> | <u>0</u>  | <u>0</u>                        | <u>0</u>                                      | <u>0</u>                   | <u>0</u>           | <u>0</u>         |
| Percentage Error            |  |          |                                   |          | <u>0%</u> | <u>0%</u>                       |   |                            |                    | <u>0%</u>        |

\* Allenhurst is a non-operating District.



ALLENHURST SCHOOL DISTRICT

APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 15, 2016

LOW INCOME STUDENTS

No Low Income students were reported by the District.

LEP STUDENTS

No LEP students were reported by the District.

TRANSPORTATION

|  | <u>Reported on<br/>DRTRS by<br/>DOE</u> | <u>Reported on<br/>DRTRS by<br/>District</u> | <u>Errors</u> | <u>Tested</u> | <u>Verified</u> | <u>Errors</u> |
|--|---|--|---------------|---------------|-----------------|---------------|
| Reg. - Public Schools                    | 4                                       | 4  |               | 4             | 4               |               |
| Transported - Non-Public                 | 21                                      | 21   |               | 21            | 21              |               |
| Special Education Public School Students |   |  |               |               |                 |               |
| Special Education with Special Needs     |   |  |               |               |                 |               |
| Totals                                   | <u>25</u>                               | <u>25</u>                                    | <u>0</u>      | <u>25</u>     | <u>25</u>       | <u>0</u>      |
| Percentage Error                         |   |  | <u>0%</u>     |               |                 | <u>0%</u>     |

|  | <u>Reported</u> | <u>Recalculated</u> |
|--|-----------------|---------------------|
| Avg. Mileage - Regular Including Grade PK Students | 8.50            | 8.50                |
| Avg. Mileage - Regular Excluding Grade PK Students | 8.50            | 8.50                |
| Avg. Mileage - Special Ed. With Special Needs      | 0               | 0                   |