

LYNDHURST SCHOOL DISTRICT

**Auditors' Management Report on
Administrative Findings
Financial, Compliance and Performance
Fiscal Year Ended June 30, 2017**

LYNDHURST SCHOOL DISTRICT

COUNTY OF BERGEN

STATE OF NEW JERSEY

AUDITORS' MANAGEMENT REPORT

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

FISCAL YEAR ENDED JUNE 30, 2017

DI MARIA & DI MARIA LLP

**LYNDHURST SCHOOL DISTRICT
AUDITORS' MANAGEMENT REPORT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

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Report of Independent Auditors

Honorable President and Members of the Board of Education
Lyndhurst School District, County of Bergen, 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 basic financial statements of the Board of Education of the Lyndhurst School District in the County of Bergen, for the year ended June 30, 2017, and have issued our report thereon dated November 30, 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 Lyndhurst School District 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.

DI MARIA & DI MARIA LLP
Accountants and Consultants

Frank Di Maria

Frank Di Maria
Public School Accountant
PSA Number CS 01168

November 30, 2017

**LYNDHURST SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, the activities of the Board of Education, and the records of the various funds under the auspices of the Board of Education.

Funds collected, disbursed and controlled by local parent-teacher associations and/or organizations, are not under the auspices of the Board of Education, and as such are not included as part of this report.

**LYNDHURST SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

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.

Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32, 18A:13-13)

<u>Name/Position</u>	<u>Amount</u>
David DiPisa, Board Secretary/School Business Administrator	\$250,000

There is a employees' dishonesty policy covering all other employees.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were compared to the estimated costs. The Board made the 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.

**LYNDHURST SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Financial Planning, Accounting and Reporting

Examination of Claims

Finding:

An examination of claims paid during the period under review indicated discrepancies with respect to proper period classification of purchase orders. \$1,556,929 was re-classified from FY2018 back into the FY2017 budget. The re-classification caused significant overexpenditures in terms of quantities and amounts. In addition, the re-classification put the District's June 30, 2017 General Fund Balance in a deficit. The main cause was determined to be the failure to issue purchase orders and encumber funds immediately upon ordering goods and services in all instances.

Recommendation:

That internal control procedures be reviewed and enhanced to ensure purchase orders are issued and encumbered prior to goods and services being ordered.

Recommendation:

That Internal control procedures be reviewed and enhanced to avoid overexpenditures.

Recommendation:

That an adequate and reasonable plan be developed to fund the June 30, 2017 General Fund deficit.

Finding:

County approval was not sought for all applicable budget line item transfers.

Recommendation:

That County approval be sought for all applicable budget line-item transfers.

**LYNDHURST SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Financial Planning, Accounting and Reporting

Payroll Account and Position Control Register

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls were certified by the President of the Board and the Board Secretary/School Business Administrator.

Salary withholdings were promptly remitted to proper agencies, including health benefit premium withholding due to the general fund.

Employees were paid in accordance with approved contract amounts. Reporting of employee compensation for income tax related purposes was in compliance with federal and state regulations regarding the compensation which is required to be reported.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators to the NJ Department of Treasury was properly filed by the March 15th due date.

Inquiry and review of the Position Control Roster found no inconsistencies between payroll records, employee benefit records, general ledger accounts to where wages are posted and the Position Control Roster.

Travel

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

**LYNDHURST SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Financial Planning, Accounting and Reporting (Continued)

Board Secretary's Records

Bids received were summarized in the minutes (N.J.S.A. 18A:18A-21).

Acknowledgement of the Board Secretary's and Treasurer's monthly financial reports were included in the minutes.

Budget appropriations were greater than realized revenues and the board authorized the use of surplus. The Board Secretary made corresponding and/or appropriate adjustments to surplus to properly balance the budget.

Payments were not found to be made prior to the receipt of goods.

Capital asset records were updated for additions and disposals of capital assets made during the year.

There were no potential liabilities or loss contingencies related to ongoing labor contract negotiations required to be recorded in accordance with GASBI 6 and GASBS 62.

Treasurer's Records

The Finance Manager performed bank reconciliations for the general operating accounts, payroll account, payroll agency account, and food service account.

Cash receipts were promptly deposited.

The Finance Manager's cash balance for the general operating account was in agreement with the reconciled cash balance as determined during the audit.

**LYNDHURST SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Financial Planning, Accounting and Reporting (Continued)

Elementary and Secondary Education Act (E.S.E.A./Improving America's Schools Act (IASA), as reauthorized by the No Child Left Behind Act of 2001

The E.S.E.A./NCLB 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 Titles 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 instances of non-compliance 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 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 special projects indicated no instances of non-compliance.

T.P.A.F. Reimbursement

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

The district did not have any expenditures charged to the current year's reports pertaining to federal awards to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for employees whose salaries were paid from federal funds. As such, no audit procedures were necessary to test the payment date in relation to the 90 day grant liquidation period as required by the Office of Grants management.

Nonpublic State Aid

Project Completion Reports were finalized and transmitted to the department by the due date.

**LYNDHURST SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2015 and thereafter the bid threshold in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$29,000 without and \$40,000 with a Qualified Purchasing Agent. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$18,800.

The board of education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Board Attorney's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or goods or service, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

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

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

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained.

**LYNDHURST SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

School Food Service

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

The district utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC contract were reviewed and audited.

The number of meals claimed for reimbursement were compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet or its equivalent was completed. Reimbursement claims were submitted/certified in a timely manner.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. Net cash resources did not exceed three months average expenditures.

Cash receipt and bank records were reviewed for timely deposit.

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

Expenditures were separately recorded as food and labor costs. Vendor invoices were reviewed and labor costs verified.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (CAFR Schedule B-5) does separate program and non-program revenue AND program and non-program cost of goods sold.

**LYNDHURST SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

The District maintains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review.

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 SFA had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

The district has elected not to participate in the Community Eligibility Provision ("CEP") as provided in the federal *Healthy, Hunger-Free Kids Act of 2010* as implemented by the U.S. Department of Agriculture ("USDA"). Accordingly, no audit procedures were necessary pertaining to this program.

Finding:

The Food Service Enterprise Fund ended the year with a deficit fund balance.

Recommendation:

That the District take action to eliminate the deficit in the unrestricted net position in the Food Service Enterprise Fund at June 30, 2017, and avoid similar future situations prior to year

**LYNDHURST SCHOOL DISTRICT
 ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
 YEAR ENDED JUNE 30, 2017**

Net Cash Resources:

	Current Assets		
B-4	Cash & Cash Equivalents		45,277
B-4	Intergovernmental A/R		21,152
B-4	Accounts Receivable		-
B-4	Investments		-
	Current Liabilities		
B-4	Accounts Payable		(87,900)
B-4	Accruals		-
B-4	Interfunds		-
B-4	Deferred Revenue		-
		Net Cash Resources	<u><u>(21,471)</u></u>

Net Adjustment Total Operating Expense:

B-5	Total Operating Expenses		791,406
B-5	Less Depreciation		-
		(B)	<u><u>791,406</u></u>

Average Monthly Operating Expense:

B/10	(C)	<u><u>79,141</u></u>
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Three Times Monthly Average:

3 X C	(D)	<u><u>237,422</u></u>
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Three months average expenditures exceeded? NO

**LYNDHURST SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Student Body Activities

The following findings were noted in regard to individual student activity funds:

Elementary School Student Activities Fund:

None

High School Student Activities Fund:

None

Student Athletic Fund:

None

Policies exist that clearly establish the regulation of student activity funds. All cash receipts were promptly deposited and all cash disbursements had proper supporting documentation in accordance with N.J.A.C. 6A:23A-16.12.

**LYNDHURST SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

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 district has adequate written procedures for the recording of student enrollment data.

**LYNDHURST SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2016-17 District Report of Transported Resident Students (DRTRS). The information that was included in 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.

Finding:

Examination of the District's aid-in-lieu payment records revealed 73 payments made to parents/legal guardians for which no entries were made on the DRTRS by the District. As a result, the associated Transportation Aid was not awarded to the District for these students. Errors were also noted reporting students who reside at 240 Chubb Avenue, and 1301 Wall Street.

Recommendation:

That greater care be exercised in completing the DRTRS with respect to AIL reporting, and reporting students who reside at 240 Chubb Avenue, and 1301 Wall Street.

**LYNDHURST SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Facilities and Capital Assets

Facilities and fixed asset records were maintained in satisfactory condition. Records were updated for additions and disposals made during the year.

**LYNDHURST SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Miscellaneous

The District complied with continuing disclosure agreements made in relation to prior year(s) bond issuances in accordance with Local Finance Notice 2014-9.

The 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. Results of testing were available at the school facility and on the District's website.

**LYNDHURST SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Follow-up on Prior Years' Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations including findings. Corrective action has been taken on all prior year findings.

There have been no findings or reports issued by the Office of Fiscal Accountability and Compliance (OFAC). As such, review of these items is not applicable.

**LYNDHURST SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Acknowledgment

We received the complete cooperation of all the officials of the school district and greatly appreciate the courtesies extended to the members of the audit team during the course of the audit.

**LYNDHURST SCHOOL DISTRICT
 ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
 YEAR ENDED JUNE 30, 2017**

Schedule of Meal Count Activity

Lyndhurst School District
Food Service Fund
Number of Meals Served and (Over) / Underclaim - Federal
Enterprise Fund
For the Fiscal Year Ended June 30, 2017

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested & Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over) / Under Claim</u>
National School Lunch Program (High Rate)	Free	60,816	60,816	0	3.1800	0.00
	Reduced	7,966	7,966	0	2.7800	0.00
	Paid	32,640	32,640	0	0.3200	0.00
	Total	101,422	101,422	0		0.00
National School Lunch Program (HHFKA - PB Lunch Only)	All	101,422	101,422	0	0.0600	0.00
School Breakfast (Regular Needs Rate)	Free	0	0	0	1.7100	0.00
	Reduced	0	0	0	1.4100	0.00
	Paid	0	0	0	0.2900	0.00
	Total	0	0	0		0.00
School Breakfast (Severe Needs Rate)	Free	8,052	8,052	0	2.0400	0.00
	Reduced	1,206	1,206	0	1.7400	0.00
	Paid	8,218	8,218	0	0.2900	0.00
	Total	17,476	17,476	0		0.00
Special Milk Program	Free	0	0	0	Avg. Cost	0.00
	Paid	0	0	0	0.1975	0.00
	Total	0	0	0		0.00
After School Snacks	Free	0	0	0	0.8600	0.00
	Reduced	0	0	0	0.4300	0.00
	Paid	0	0	0	0.0700	0.00
	Total	0	0	0		0.00

LYNDHURST SCHOOL DISTRICT
 ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
 YEAR ENDED JUNE 30, 2017

Schedule of Meal Count Activity

Lyndhurst School District
Food Service Fund
Number of Meals Served and (Over) / Underclaim - State
Enterprise Fund
For the Fiscal Year Ended June 30, 2017

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over) / Under Claim</u>
State Reimbursement -						
National School Lunch Program (High Rate)	Free	60,816	60,816	0	0.0550	0.00
	Reduced	7,966	7,966	0	0.0550	0.00
	Paid	32,640	32,640	0	0.0400	0.00
	Total	<u>101,422</u>	<u>101,422</u>	<u>0</u>		<u>0.00</u>
State Reimbursement -						
School Breakfast (Regular Needs Rate)	Free	0	0	0	0.0000	0.00
	Reduced	0	0	0	0.0000	0.00
	Paid	0	0	0	0.0000	0.00
	Total	<u>0</u>	<u>0</u>	<u>0</u>		<u>0.00</u>
State Reimbursement -						
School Breakfast (Severe Needs Rate)	Free	8,052	8,052	0	0.0000	0.00
	Reduced	1,206	1,206	0	0.0000	0.00
	Paid	8,218	8,218	0	0.0000	0.00
	Total	<u>17,476</u>	<u>17,476</u>	<u>0</u>		<u>0.00</u>

LYNDHURST SCHOOL DISTRICT
 ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
 YEAR ENDED JUNE 30, 2017

Schedule of Audited Enrollments - On October 15, 2016
2017-2018 Application for State School Aid

	On Roll										Private Schools for Disabled						
	Reported on A.S.S.A.		Reported on Workpapers on Roll		Errors		Sample Selected From Workpapers		Verified to Registers		Errors Per Registers		Reported as Private Schools	Sample For Verification	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Half Day Preschool	62.0	0.0	62.0	0.0	0.0	0.0	62.0	0.0	62.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Full Day Preschool	15.0	0.0	15.0	0.0	0.0	0.0	15.0	0.0	15.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Half Day Kindergarten	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Full Day Kindergarten	153.0	0.0	153.0	0.0	0.0	0.0	153.0	0.0	153.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
One	186.0	0.0	186.0	0.0	0.0	0.0	186.0	0.0	186.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Two	151.0	0.0	151.0	0.0	0.0	0.0	151.0	0.0	151.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Three	163.0	0.0	163.0	0.0	0.0	0.0	163.0	0.0	163.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Four	148.0	0.0	148.0	0.0	0.0	0.0	148.0	0.0	148.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Five	169.0	0.0	169.0	0.0	0.0	0.0	169.0	0.0	169.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Six	171.0	0.0	171.0	0.0	0.0	0.0	171.0	0.0	171.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Seven	151.0	0.0	151.0	0.0	0.0	0.0	151.0	0.0	151.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Eight	165.0	0.0	165.0	0.0	0.0	0.0	165.0	0.0	165.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nine	162.0	1.0	162.0	1.0	0.0	0.0	162.0	1.0	162.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ten	151.0	0.0	151.0	0.0	0.0	0.0	151.0	0.0	151.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Eleven	173.0	0.0	173.0	0.0	0.0	0.0	173.0	0.0	173.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Twelve	151.0	0.0	151.0	0.0	0.0	0.0	151.0	0.0	151.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal	2171.0	1.0	2171.0	1.0	0.0	0.0	2171.0	1.0	2171.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special Ed - Elementary	144.0	0.0	144.0	0.0	0.0	0.0	144.0	0.0	144.0	0.0	0.0	0.0	4.0	4.0	4.0	4.0	0.0
Special Ed - Middle School	90.0	0.0	90.0	0.0	0.0	0.0	90.0	0.0	90.0	0.0	0.0	0.0	4.0	4.0	4.0	4.0	0.0
Special Ed - High School	113.0	2.5	113.0	2.5	0.0	0.0	113.0	2.5	113.0	2.5	0.0	0.0	9.0	9.0	9.0	9.0	0.0
Subtotal	347.0	2.5	347.0	2.5	0.0	0.0	347.0	2.5	347.0	2.5	0.0	0.0	17.0	17.0	17.0	17.0	0.0
Totals	2518.0	3.5	2518.0	3.5	0.0	0.0	2518.0	3.5	2518.0	3.5	0.0	0.0	17.0	17.0	17.0	17.0	0.0
Percentage Error					0.0%	0.0%					0.0%	0.0%					0.0%

LYNDHURST SCHOOL DISTRICT
 ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
 YEAR ENDED JUNE 30, 2017

Schedule of Audited Enrollments - On October 15, 2016
2017-2018 Application for State School Aid

	Resident Low Income						Resident LEP Low Income					
	Reported on A.S.S.A On Roll	Reported on Workpapers as Low Income	Errors	Sample For Verification			Reported on A.S.S.A On Roll	Reported on Workpapers as Low Income	Errors	Sample For Verification		
				Sample From Workpapers	Verified to Application / Registers	Errors				Sample From Workpapers	Verified to Application / Registers	Errors
Full Day Kindergarten	41.0	41.0	0.0	17.0	17.0	0.0	4.0	4.0	0.0	4.0	4.0	0.0
One	35.0	35.0	0.0	14.0	14.0	0.0	1.0	1.0	0.0	1.0	1.0	0.0
Two	33.0	33.0	0.0	12.0	12.0	0.0	2.0	2.0	0.0	1.0	1.0	0.0
Three	50.0	50.0	0.0	20.0	20.0	0.0	4.0	4.0	0.0	3.0	3.0	0.0
Four	28.0	28.0	0.0	11.0	11.0	0.0	2.0	2.0	0.0	1.0	1.0	0.0
Five	34.0	34.0	0.0	17.0	17.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Six	24.0	24.0	0.0	9.0	9.0	0.0	3.0	3.0	0.0	3.0	3.0	0.0
Seven	32.0	32.0	0.0	14.0	14.0	0.0	2.0	2.0	0.0	1.0	1.0	0.0
Eight	20.0	20.0	0.0	9.0	9.0	0.0	0.0	0.0	0.0	1.0	1.0	0.0
Nine	30.5	30.5	0.0	12.0	12.0	0.0	1.0	1.0	0.0	1.0	1.0	0.0
Ten	31.0	31.0	0.0	12.0	12.0	0.0	6.0	6.0	0.0	4.0	4.0	0.0
Eleven	29.0	29.0	0.0	13.0	13.0	0.0	3.0	3.0	0.0	2.0	2.0	0.0
Twelve	22.0	22.0	0.0	10.0	10.0	0.0	2.0	2.0	0.0	1.0	1.0	0.0
Subtotal	409.5	409.5	0.0	170.0	170.0	0.0	30.0	30.0	0.0	23.0	23.0	0.0
Special Ed - Elementary	56.0	56.0	0.0	14.0	14.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special Ed - Middle School	27.0	27.0	0.0	7.0	7.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special Ed - High School	40.0	40.0	0.0	6.0	6.0	0.0	1.0	1.0	0.0	0.0	0.0	0.0
Subtotal	123.0	123.0	0.0	27.0	27.0	0.0	1.0	1.0	0.0	0.0	0.0	0.0
Totals	532.5	532.5	0.0	197.0	197.0	0.0	31.0	31.0	0.0	23.0	23.0	0.0
Percentage Error			<u>0.0%</u>			<u>0.0%</u>			<u>0.0%</u>			<u>0.0%</u>

LYNDHURST SCHOOL DISTRICT
 ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
 YEAR ENDED JUNE 30, 2017

Schedule of Audited Enrollments - On October 15, 2016
2017-2018 Application for State School Aid

	Resident LEP NOT Low Income					
	Reported on A.S.S.A On Roll	Reported on Workpapers as Low Income	Errors	Sample For Verification		
				Sample From Workpapers	Verified to Application / Registers	Errors
Full Day Kindergarten	4.0	4.0	0.0	3.0	3.0	0.0
One	3.0	3.0	0.0	1.0	1.0	0.0
Two	2.0	2.0	0.0	2.0	2.0	0.0
Three	0.0	0.0	0.0	0.0	0.0	0.0
Four	0.0	0.0	0.0	0.0	0.0	0.0
Five	4.0	4.0	0.0	3.0	3.0	0.0
Six	0.0	0.0	0.0	0.0	0.0	0.0
Seven	0.0	0.0	0.0	0.0	0.0	0.0
Eight	2.0	2.0	0.0	2.0	2.0	0.0
Nine	4.0	4.0	0.0	3.0	3.0	0.0
Ten	3.0	3.0	0.0	2.0	2.0	0.0
Eleven	2.0	2.0	0.0	2.0	2.0	0.0
Twelve	2.0	2.0	0.0	2.0	2.0	0.0
Subtotal	26.0	26.0	0.0	20.0	20.0	0.0
Special Ed - Elementary	0.0	0.0	0.0	0.0	0.0	0.0
Special Ed - Middle School	0.0	0.0	0.0	0.0	0.0	0.0
Special Ed - High School	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal	0.0	0.0	0.0	0.0	0.0	0.0
Totals	26.0	26.0	0.0	20.0	20.0	0.0
Percentage Error			0.0%			0.0%

LYNDHURST SCHOOL DISTRICT
 ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
 YEAR ENDED JUNE 30, 2017

Schedule of Audited Enrollments (Continued)

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
<u>Regular</u>						
Regular - Public	61.0	61.0	-	46.0	46.0	-
Regular - Special Education	58.0	58.0	-	50.0	50.0	-
Regular - Transported	-	-	-	-	-	-
Aid-in-Lieu	-	-	(73.0)	55.0	55.0	-
Total Regular	119.0	119.0	(73.0)	151.0	151.0	-
<u>Special Education</u>						
Special Education - Public	19.0	19.0	-	16.0	16.0	-
Special Education - Private	12.0	12.0	-	10.0	10.0	-
Special Education - Sp. Needs	39.0	39.0	-	33.0	33.0	-
	70.0	70.0	-	59.0	59.0	-
	189.0	189.0	(73.0)	210.0	210.0	-
Percentage Error						0.00%

	Bilingual Education			Sample for Verification		
	Reported on A.S.S.A. as Bilingual Education	Reported on Workpapers Bilingual Education	Errors	Sample Selected From Workpapers	Verified to Test Score and Register	Sample Errors
Bilingual Students	57	57	-	43	43	-
Percentage Error			0.00%			0.00%

**LYNDHURST SCHOOL DISTRICT
 ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
 YEAR ENDED JUNE 30, 2017**

Excess Surplus Calculation

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2016-17 Total General Fund Expenditures per CAFR Exhibit C-1	<u>44,517,427</u> (B)	
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	<u>-</u> (B1a)	
Transfer from Capital Reserve to Capital Projects Fund	<u>-</u> (B1b)	
Transfer from General Fund to SRF for PreK-Regular	<u>-</u> (B1c)	
Transfer from General Fund to SRF for PreK-Inclusion	<u>-</u> (B1d)	
Decreased by:		
On-Behalf TPAF Pension & Social Security	<u>4,913,861</u> (B2a)	
Assets Acquired Under Capital Leases	<u>-</u> (B2b)	
Adjusted 2016-17 General Fund Expenditures [(B)+(B1s)-(B2s)]	<u>49,431,288</u> (B3)	
2% of Adjusted 2016-17 General Fund Expenditures [(B3) times .02]	<u>988,626</u> (B4)	
Enter Greater of (B4) or \$250,000	<u>988,626</u> (B5)	
Increased by: Allowable Adjustment	<u>-</u> (K)	
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]		<u>988,626</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-17 (Per CAFR Budgetary Comparison Schedule C-1)	<u>-</u> (C)	
Decreased by:		
Year-end Encumbrances	<u>-</u> (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>-</u> (C2)	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures	<u>-</u> (C3)	
Other Restricted Fund Balances	<u>-</u> (C4)	
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	<u>-</u> (C5)	
Additional Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures July 1, 2017 - August 1, 2017	<u>-</u> (C6)	
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]		<u>-</u> (U1)

**LYNDHURST SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Excess Surplus Calculation

REGULAR DISTRICT

SECTION 3

Restricted Fund Balance - Excess Surplus [(U1)-(M)] IF NEGATIVE ENTER -0- 0 (E)

Recapitulation of Excess Surplus as of June 30, 2017

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	10025	-	(C3)
Reserved Excess Surplus [(E)]	10024	<u>0</u>	(E)
Total Excess Surplus [(C3)+(E)]		<u>-</u>	(D)

Detail of Allowable Adjustments

Impact Aid	\$	-	(H)
Sale & Lease-back		-	(I)
Extraordinary Aid		-	(J1)
Additional Nonpublic School Transportation Aid		-	(J2)
Current Year School Bus Advertising Revenue Recognized		-	(J3)
Family Crisis Transportation Aid		-	(J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	\$	<u>-</u>	(K)

Detail of Other Restricted Fund Balance

Statutory restrictions:			
Approved unspent separate proposal	\$	-	
Sale/lease-back reserve		-	
Capital Reserve		-	
Maintenance reserve		-	
Emergency reserve		-	
Tuition reserve		-	
School Bus Advertising 50% Fuel Offset Reserve - current year		-	
School Bus Advertising 50% Fuel Offset Reserve - prior year		-	
Impact Aid General Fund Reserve (Sections 8002 and 8003)		-	
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)		-	
Other state/government mandated reserve		-	
Other		-	
Total Other Restricted Fund Balance	\$	<u>-</u>	(C4)

**LYNDHURST SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017**

Summary of Recommendations

Administrative Practices and Procedures

- 1) That Internal control procedures be reviewed and enhanced to ensure purchase orders are issued and encumbered prior to goods and services being ordered.
- 2) That County approval be sought for all applicable budget line-item transfers.
- 3) That Internal control procedures be reviewed and enhanced to avoid overexpenditures.
- 4) That formal plans begin to be established to fund reserve accounts permissible by statute.

Financial Planning, Accounting and Reporting

- 5) That an adequate and reasonable plan be developed to fund the June 30, 2017 General Fund deficit.

School Purchasing Programs

None

School Food Service

- 6) That the District take action to eliminate the deficit in the unrestricted net position in the Food

Student Body Activities

None

Application For State School Aid

- 7) That greater care be exercised in completing the DRTRS with respect to AIL reporting, and reporting students who reside at 240 Chubb Avenue, and 1301 Wall Street.

Pupil Transportation

None

Facilities and Capital Assets

None

Miscellaneous

None