

***WEST LONG BRANCH  
BOARD OF EDUCATION  
AUDITOR'S MANAGEMENT REPORT  
FISCAL YEAR ENDED JUNE 30, 2024***



## WEST LONG BRANCH BOARD OF EDUCATION

### AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS FINANCIAL, COMPLIANCE AND PERFORMANCE

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**CANNONE AND COMPANY, P.A.**

*Certified Public Accountants*

485 Morris Avenue, Ste 201  
Springfield, New Jersey 07081  
(973) 379-6868  
FAX (973) 379-6278  
[www.cannonecpa.com](http://www.cannonecpa.com)

MEMBER:

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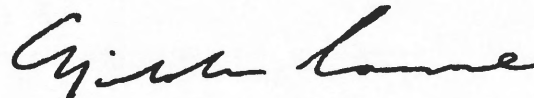
**REPORT OF INDEPENDENT AUDITORS**

Honorable President and  
Members of the Board of Education  
West Long Branch Board of Education  
135 Locust Avenue  
West Long Branch, NJ 07764  
County of Monmouth

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 West Long Branch Board of Education in the County of Monmouth for the year ended June 30, 2024, and have issued our report thereon dated December 31, 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 for the information of the West Long Branch Board of Education management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.



Nicholas A. Cannone  
Licensed Public School Accountant  
No. CS-02103  
Cannone & Company, CPAs

December 31, 2024

## **ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

### **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, the records of the various funds under the auspices of the Board of Education.

### **Administrative Practices and Procedures**

#### **Insurance**

Insurance coverage was carried in the amounts as detailed on the Insurance Schedule contained in the Statistical Section of the District's ACFR.

Adequacy of insurance coverage is the responsibility of the Board of Education.

#### **Official Bonds**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Corey J. Lowell, SFO	Board Secretary/School Business Administrator	\$190,000
George E. Stone, CPA	Treasurer	\$190,000

There is a Public Employees' Dishonesty with Faithful Performance Agreement with NJSBA Insurance Group covering all other employees with multiple coverage of \$25,000, subject to a \$500 per occurrence.

#### **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 fiscal year of the audit. The Chapter 44 Summary Report was reviewed for reasonableness and timeliness.

The data submitted included all health benefit plans offered by the school district. The school district data certification was completed by the chief administrator and was submitted on a timely basis.

#### **Tuition Charges**

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. 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:23A-17.1(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, certification 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.

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

Payrolls were delivered to the treasurer of school moneys with a warrant made to his order for the full amount of each payment.

### **Employee Position Control Roster**

The Position Control Roster was reviewed and compared to payroll records, employee benefit records and charges made to the general ledger to ensure proper and consistent financial reporting and that employee benefits are only offered to current employees.

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

All encumbrances and accounts payable at June 30, 2024 were properly recorded and classified.

### **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, no errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

### **Board Secretary's Records**

The Board Secretary's Records were found to be in order.

### **Treasurer's Records (optional position)**

The Treasurer's Records were found to be in order.



## Elementary and Secondary Education Act 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 Titles I and VI of the Elementary and Secondary Education Act as amended.

The study of compliance for E.S.E.A. did not indicate any 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 did not indicate any areas of noncompliance.

### 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.

## 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 \$20,200 for 2022-23.

Also, effective July 1, 2020, the maximum threshold for quotations for a board of education without a QPA is \$4,800; and for a board with a QPA the maximum threshold for quotations is \$6,600.

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 questions arise 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 my examination, I 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 agreements for "Professional Services" per *N.J.S.A. 18A:18A-5*.

### **School Food Service**

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.

Cash receipts and bank records were reviewed for timely deposit.

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 FSMC contract includes an operating results provision which guarantees that the food service program will either break even, return a profit or incur a loss of not more than a specified amount. The operating results provision has been met.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

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.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education. No exceptions were noted.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served did not exceed the number of valid applications on file, times the number of operating days, on a school by school basis. The free and reduced price meal is uniformly administered throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review.

U.S.D.A. Food Distribution Program (food and/or commodities) were received and a separate inventory was maintained on a first-in, first-out basis. No exceptions were noted.

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



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

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

### **Student Body Activities**

During our review of the Student Activity Funds, we did not note any areas of non-compliance.

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

Our audit procedures included a test of information reported in the October Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, and low-income. 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. The information that was included on the workpapers was verified. Any errors or exceptions were rectified. 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.

### **Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2023-2024 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report. No exceptions were noted.

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.

### **Follow-up on Prior Year 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.

### **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.



**BOARD OF EDUCATION  
WEST LONG BRANCH SCHOOL DISTRICT  
COUNTY OF MONMOUTH  
SCHEDULE OF AUDITED ENROLLMENTS  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2023**

	2024-2025 Application for State School Aid						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	28		28		0		28		28		0					
Half Day Kindergarten																
Full Day Kindergarten	54		54		0		54		54		0					
One	50		50		0		50		50		0					
Two	57		57		0		57		57		0					
Three	48		48		0		48		48		0					
Four	46		46		0		46		46		0					
Five	44		44		0		44		44		0					
Six	53		53		0		53		53		0					
Seven	31		31		0		31		31		0					
Eight	51		51		0		51		51		0					
Nine																
Ten																
Eleven																
Twelve																
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	462	0	462	0	0	0	462	0	462	0	0	0	0	0	0	0
Special Education:																
Elementary School	71		71		0		71		71		0					
Middle School	29		29		0		29		29		0					
High School																
Subtotal	100	0	100	0	0	0	100	0	100	0	0	0	0.0	0.0	0	0
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	562	0	562	0	0	0	562	0	562	0	0	0	0.0	0.0	0	0
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%

**BOARD OF EDUCATION  
WEST LONG BRANCH SCHOOL DISTRICT  
COUNTY OF MONMOUTH  
SCHEDULE OF AUDITED ENROLLMENTS (CONTINUED)  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2023**

	Low Income			Sample for Verification			LEP Low Income			Sample for Verification		
	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten	5	5	0	5	5	0	2	2		2	2	0
One	6	6	0	6	6	0	4	4		4	4	0
Two	10	10	0	10	10	0	3	3		3	3	0
Three	7	7	0	7	7	0	2	2		2	2	0
Four	7	7	0	7	7	0	1	1		1	1	0
Five	6	6	0	6	6	0	0	0		0	0	0
Six	8	8	0	8	8	0	2	2		2	2	0
Seven	7	7	0	7	7	0	1	1		1	1	0
Eight	9	9	0	9	9	0	2	2		2	2	0
Nine												
Ten												
Eleven												
Twelve												
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	65	65	0	65	65	0	17	17	0	17	17	0
Special Education:												
Elementary School	20	20	0	20	20	0	1	1		1	1	0
Middle School	7	7	0	7	7	0	0	0		0	0	0
High School												
Subtotal	27	27	0	27	27	0	1	1	0	1	1	0
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	92	92	0	92	92	0	18	18	0	18	18	0
Percentage Error			0.00%			0.00%			0.00%			0.00%

Transportation											
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors			Reported	Re-Calculated	
AIL - Non-Public	35.0	35.0	0.0	35.0	35.0	0.0	Average Mileage - Regular Including Grade PK student		3.5	3.5	
Regular - Public Schools	1.0	1.0	0.0	1.0	1.0	0.0	Average Mileage - Regular Excluding Grade PK student		3.5	3.5	
Regular - Special Education	39.0	39.0	0.0	39.0	39.0	0.0	Average Mileage - Special Ed with Special Needs		1.5	1.5	
Transported - Non-Public	190.0	190.0	0.0	190.0	190.0	0.0					
Special Ed Spec	48.0	48.0	0.0	48.0	48.0	0.0					
Totals	313.0	313.0	0.0	313.0	313.0	0.0					
Percentage Error						0.00%					



BOARD OF EDUCATION  
WEST LONG BRANCH SCHOOL DISTRICT  
COUNTY OF MONMOUTH  
SCHEDULE OF AUDITED ENROLLMENTS (CONTINUED)  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2023

	LEP NOT Low Income			Sample for Verification		
	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	5	5	0	5	5	0
One	5	5	0	5	5	0
Two	2	2	0	2	2	0
Three	1	1	0	1	1	0
Four	4	4	0	4	4	0
Five	3	3	0	3	3	0
Six	0	0	0	0	0	0
Seven	0	0	0	0	0	0
Eight	0	0	0	0	0	0
Nine						
Ten						
Eleven						
Twelve						
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	<u>20</u>	<u>20</u>	<u>0</u>	<u>20</u>	<u>20</u>	<u>0</u>
Special Education:						
Elementary School	2	2	0	2	2	0
Middle School	0	0	0	0	0	0
High School						
Subtotal	<u>2</u>	<u>2</u>	<u>0</u>	<u>2</u>	<u>2</u>	<u>0</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>22</u>	<u>22</u>	<u>0</u>	<u>22</u>	<u>22</u>	<u>0</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**WEST LONG BRANCH SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
As of June 30, 2024**

**Section 1**

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

2023-24 Total General Fund Expenditures per the ACFR	\$ 15,318,062
Decreased by:	
On-Behalf TPAF Pension & Social Security	\$ 2,741,833
Assets Acquired under Capital Leases	17,547
Adjustment for Disallowed Expenditures per S1701	
Adjusted 23-24 General Fund Expenditures	\$ 12,558,682
Higher of 2% of Adjusted 2023-24 General Fund Expenditures or \$250,000	\$ 251,174
Increased by Allowable Adjustment	68,455
Maximum Unreserved/Undesignated Fund Balance	\$ 319,629

**Section 2**

Total General Fund Balances @ 06/30/24	\$ 2,833,227
Decreased by:	
Year-end Encumbrances	\$ 35,738
Capital Reserve	896,804
Legally Restricted - Excess Surplus- Designated for Subsequent Year's Expenditures	533,922
Other Restricted Fund Balances	360,668
Assigned Fund Balance - Unreserved - Designated for Capital Reserve	274,300
Assigned Fund Balance - Unreserved - Designated for Emergency Reserve	34,000
Total Unassigned Fund Balance	\$ 697,795
Increased by:	
Adjustment for Disallowed Transfers per S1701	\$
Total Unreserved/Undesignated Fund Balance for Excess Surplus Calculation	\$ 697,795

**Section 3**

Restricted Fund Balance - Excess Surplus	\$ 378,166
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**Recapitulation of Excess Surplus as of June 30, 2024**

Reserved Excess Surplus -- Designated for Subsequent Year's Expenditures	\$ 533,922
Reserved Excess Surplus	378,166
Total	\$ 912,088

**Detail of Allowable Adjustments**

Impact Aid	\$
Sale and Lease-back	
Extraordinary Aid	18,222
Additional Non Public School Transportation Aid	50,233
Unbudgeted TPAF Wage Freeze Grant Funding	
Higher Expectations for Learning and Proficiency Aid	
Total Adjustments	\$ 68,455

**Detail of Other Restricted Fund Balance**

Statutory Restrictions:	
Approved unspent separate proposal	\$
Capital Outlay for a district with a Capital Outlay cap waiver	
Sale/Lease-Back Reserve	
Impact Aid General Fund Reserve	
Maintenance Reserve	203,569
Emergency Reserve	83,997
Tuition Reserve	
Other State/Government Mandated Reserve - Unemployment Comp	73,102

[Other Restricted Fund Balance not noted above]

Total Other Restricted Fund Balance	\$ 360,668
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**WEST LONG BRANCH SCHOOL DISTRICT**  
**Audit Recommendations Summary**  
**For the Fiscal Year Ended June 30, 2024**

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Programs

None

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

A review was performed on the prior year recommendations and corrective action was taken on all prior year findings.