

**STATE OF NEW JERSEY
DEPARTMENT OF EDUCATION
STATE AID AUDIT UNIT
OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE
P.O. BOX 500
TRENTON, NEW JERSEY 08625-0500**

**REVIEW OF THE APPLICATION FOR STATE SCHOOL AID
REVIEW OF THE DISTRICT REPORT OF
TRANSPORTED RESIDENT STUDENTS
AS OF OCTOBER 15, 2015
EXTRAORDINARY SPECIAL EDUCATION AID
FY 2015-2016
OFAC CASE # SAAU-03-17**

**COLTS NECK TOWNSHIP BOARD OF EDUCATION
MONMOUTH COUNTY
70 CONOVER ROAD
COLTS NECK, NJ 07722**

**COLTS NECK TOWNSHIP BOARD OF EDUCATION
MONMOUTH COUNTY
APPLICATION FOR STATE SCHOOL AID
DISTRICT REPORT OF TRANSPORTED RESIDENT STUDENTS
AS OF OCTOBER 15, 2015
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SCOPE

The review verified students on roll listed on the October 15, 2015 Application for State School Aid (ASSA) with the district's New Jersey School Registers. The review verified the district's enrollment counts for regular and special education students. Total enrollment counts were verified for On Roll Full Time, Received Full Time, and Sent-Private Schools for Students With Disabilities. Low Income Enrollment, LEP Students, Speech Only, and other appropriate categories as reported on the ASSA were also verified.

The review also verified the data supporting transportation services provided to students as reported on the District Report of Transported Resident Students (DRTRS) as of October 15, 2015.

Lastly, OFAC verified expenses claimed on the Application for Special Education Extraordinary Aid (EXAID) for the 2015-2016 school year as supported by district invoices, contracts, attendance records, payroll data, and individual special education plans.

FINDINGS

On Roll Full Time

The district reported 954 full time students, which the department verified. See Exhibit A

Received Full Time

The district reported 40 preschool students, which the department verified.

Private Schools for Students with Disabilities

The district reported five students, which the department verified.

Summary of Resident Enrollment

As a result of the above, the OFAC determined that the district correctly reported a total of 919 Resident Students. There were minimal offsetting changes to grade and special education categories noted on Exhibit A.

Low Income Enrollment

The district reported 30 students. The department verified 33 students based on multiple Low Income Resident Student listings provided for the OFAC audit. The district did not maintain a workpaper to reflect the cross-referencing of staff members employed by the district who have children enrolled in the district as resident students.

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Resident LEP Students

The district reported 16 LEP Resident Students; 11 Low Income LEP students, and five Not Low Income LEP students, which the department verified.

Speech Only

The district reported five speech students, while the department verified three students, for a decrease of two students. This data is collected for informational research purposes and had no impact on state aid.

Transported Students-Regular

The district reported 833 students, while the department verified 886. The net adjustment of 53 students included increases for special education students eligible for transportation without a special transportation which was determined as a result of the OFAC review of each student's Individual Education Programs (IEPs). See Exhibit B.

Transported Students-Special Education

The district reported 111 students, while the department verified 11 for a decrease of 100 net students. The audit identified students ineligible for special needs transportation due to the review of IEPs. See Exhibit B.

CONCLUSION

The difference in Low Income Resident Enrollment and Transported Students has resulted in a decrease adjustment to categorical formula aid totaling \$284,421 as follows.

| | |
|--------------------|-------------------|
| Security Aid | \$ 110 |
| Transportation Aid | <u>(284,531)</u> |
| Net Impact | (\$284,421) |

The total state aid adjustment as applied to the SFRA formula was determined to be \$284,421. However, in accordance with the language contained in the New Jersey State annual budget for FY 2016-2017, the full amount of formula aid was not included in state aid payments to the district. The formula calculations were used to calculate Additional Formula Aid totaling \$4,633. By restating the formula calculations based on the OFAC audit adjustments, the district's Additional Formula Aid decreased to zero. A total state aid adjustment is due for \$4,633.

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EXTRAORDINARY SPECIAL EDUCATION AID

The district filed a 2015-2016 Application for EXAID based upon costs in the amount of \$1,225,502 for 20 students. The itemized student costs exceeding the appropriate thresholds for all students were reported as \$395,502 which was the basis for EXAID totaling \$193,060. The OFAC examined supporting documentation and determined that there were decreases to the amount of costs reported by the district on the application to the Department of Education. The OFAC examined substantiating cost documentation for all reported students and determined a revised EXAID award.

The audit verified costs of \$1,217,468 for all reported students. The verified amount above the appropriate thresholds was \$393,384. Revised aid was calculated in the amount of \$192,001, for a decrease to EXAID totaling \$1,059.

Total eligible EXAID students decreased from 20 to 19. There was one Class 1 student reported on the EXAID application with eligible actual costs less than \$40,000 per student. There were nine students with costs that were decreased. These were offset by eight students with increased costs. There were two students reported with no changes.

In summary, state aid was overstated in the amount of \$1,059.

CONDITION OF RECORDS

Except for Low Income enrollment, which had a minor increase, supporting documentation submitted for the ASSA report reconciled to all other ASSA counts submitted by the district. Workpapers were well maintained.

RECOMMENDATIONS

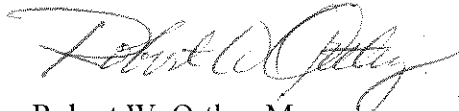
The OFAC recommends that:

1. the district enhances workpapers for students reported as Low Income on the ASSA to include the workpapers of district employees who are parents or guardians of district students;
2. the district enhances procedures in place to cross reference students transported with the district special education office to ensure accuracy and determine which students require special transportation needs; and

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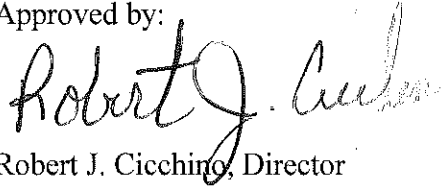
3. the district ensures that the salaries and benefits of teachers associated with the in-district students reported on the EXAID application are verified with the district payroll office.

Submitted by:



Robert W. Ortley, Manager
State Aid Audit Unit

Approved by:



Robert J. Cicchino, Director
Office of Fiscal Accountability and Compliance

Colts Neck Twp Board of Education
Application for State School Aid
As of October 15, 2015

| Grades | On Roll Full Time | | | On Roll Shared Time | | |
|------------------------|-------------------|----------|------------|---------------------|----------|------------|
| | Reported | Verified | Difference | Reported | Verified | Difference |
| Half Day Preschool 3yr | 6.0 | 6.0 | - | | | |
| Half Day Preschool 4yr | 4.0 | 4.0 | - | | | |
| Full Day Preschool 3yr | 9.0 | 9.0 | - | | | |
| Full Day Preschool 4yr | 21.0 | 21.0 | - | | | |
| Full Day Kindergarten | 57.0 | 57.0 | - | | | |
| One | 77.0 | 77.0 | - | | | |
| Two | 78.0 | 78.0 | - | | | |
| Three | 74.0 | 74.0 | - | | | |
| Four | 87.0 | 87.0 | - | | | |
| Five | 92.0 | 92.0 | - | | | |
| Six | 98.0 | 99.0 | 1.0 | | | |
| Seven | 96.0 | 96.0 | - | | | |
| Eight | 110.0 | 110.0 | - | | | |
| Subtotal | 809.0 | 810.0 | 1.0 | - | - | - |
| Spec Educ Elementary | 81.0 | 81.0 | - | | | |
| Spec Educ Middle | 64.0 | 63.0 | (1.0) | | | |
| Subtotal | 145.0 | 144.0 | (1.0) | - | - | - |
| Totals | 954.0 | 954.0 | - | - | - | - |

Colts Neck Twp Board of Education
Application for State School Aid
As of October 15, 2015

| Grades | Sent Full Time | | | Sent Shared Time | | |
|------------------------|----------------|----------|------------|------------------|----------|------------|
| | Reported | Verified | Difference | Reported | Verified | Difference |
| Half Day Preschool 3yr | | | - | | | - |
| Half Day Preschool 4yr | | | - | | | - |
| Full Day Preschool 3yr | | | | | | |
| Full Day Preschool 4yr | | | | | | |
| Full Kindergarten | | | - | | | - |
| One | | | - | | | - |
| Two | | | - | | | - |
| Three | | | - | | | - |
| Four | | | - | | | - |
| Five | | | - | | | - |
| Six | | | - | | | - |
| Seven | | | - | | | - |
| Eight | | | - | | | - |
| Adult HS | | | - | | | - |
| Subtotal | - | - | - | - | - | - |
| Spec Educ Elementary | | | - | | | - |
| Spec Educ Middle | | | - | | | - |
| Subtotal | - | - | - | - | - | - |
| Totals | - | - | - | - | - | - |

Colts Neck Twp Board of Education
Application for State School Aid
As of October 15, 2015

| Grades | Received Full Time | | | Received Shared Time | | |
|------------------------|--------------------|----------|------------|----------------------|----------|------------|
| | Reported | Verified | Difference | Reported | Verified | Difference |
| Half Day Preschool 3yr | 6.0 | 6.0 | - | | | |
| Half Day Preschool 4yr | 4.0 | 4.0 | - | | | |
| Full Day Preschool 3yr | 9.0 | 9.0 | | | | |
| Full Day Preschool 4yr | 21.0 | 21.0 | | | | |
| Full Kindergarten | | | - | | | - |
| One | | | - | | | - |
| Two | | | - | | | - |
| Three | | | - | | | - |
| Four | | | - | | | - |
| Five | | | - | | | - |
| Six | | | - | | | - |
| Seven | | | - | | | - |
| Eight | | | - | | | - |
| Subtotal | 40.0 | 40.0 | - | - | - | - |
| Spec Educ Elementary | | | - | | | - |
| Spec Educ Middle | | | - | | | - |
| Subtotal | - | - | - | - | - | - |
| Totals | 40.0 | 40.0 | - | - | - | - |

Colts Neck Twp Board of Education
Application for State School Aid
As of October 15, 2015

| Grades | Sent to Regional Day Schools | | | Private Schools for Disabled | | |
|------------------------|------------------------------|----------|------------|------------------------------|----------|------------|
| | Reported | Verified | Difference | Reported | Verified | Difference |
| Half Day Preschool 3yr | | | - | | | - |
| Half Day Preschool 4yr | | | - | | | - |
| Full Day Preschool 3yr | | | | | | |
| Full Day Preschool 4yr | | | | | | |
| Full Kindergarten | | | - | | | - |
| One | | | - | | | - |
| Two | | | - | | | - |
| Three | | | - | | | - |
| Four | | | - | | | - |
| Five | | | - | | | - |
| Six | | | - | | | - |
| Seven | | | - | | | - |
| Eight | | | - | | | - |
| Subtotal | - | - | - | - | - | - |
| Spec Educ Elementary | - | - | - | 4.0 | 3.0 | 1.0 |
| Spec Educ Middle | - | - | - | 1.0 | 2.0 | (1.0) |
| Subtotal | - | - | - | 5.0 | 5.0 | - |
| Co. Voc. | - | - | - | - | - | - |
| Totals | - | - | - | 5.0 | 5.0 | - |

Colts Neck Twp Board of Education
Application for State School Aid
As of October 15, 2015

| Grades | Resident Students | | | Resident Low Income | | |
|----------------------|-------------------|--------------|--------------|---------------------|-------------|--------------|
| | Reported | Verified | Difference | Reported | Verified | Difference |
| Full Kindergarten | 57.0 | 57.0 | - | 1.0 | 1.0 | - |
| One | 77.0 | 77.0 | - | 1.0 | 1.0 | - |
| Two | 78.0 | 78.0 | - | 2.0 | 3.0 | 1.0 |
| Three | 74.0 | 74.0 | - | | | - |
| Four | 87.0 | 87.0 | - | 2.0 | 3.0 | 1.0 |
| Five | 92.0 | 92.0 | - | 2.0 | 2.0 | - |
| Six | 98.0 | 99.0 | 1.0 | 1.0 | 2.0 | 1.0 |
| Seven | 96.0 | 96.0 | - | 4.0 | 6.0 | 2.0 |
| Eight | 110.0 | 110.0 | - | 1.0 | 1.0 | - |
| Subtotal | 769.0 | 770.0 | 1.0 | 14.0 | 19.0 | 5.0 |
| Spec Educ Elementary | 85.0 | 84.0 | (1.0) | 8.0 | 5.0 | (3.0) |
| Spec Educ Middle | 65.0 | 65.0 | - | 8.0 | 9.0 | 1.0 |
| Subtotal | 150.0 | 149.0 | (1.0) | 16.0 | 14.0 | (2.0) |
| State Facilities | | | - | | | - |
| Totals | 919.0 | 919.0 | - | 30.0 | 33.0 | 3.0 |

| Grades | Resident LEP Low Income | | | Resident LEP Not Low Income | | |
|----------------------|-------------------------|----------|------------|-----------------------------|----------|------------|
| | Reported | Verified | Difference | Reported | Verified | Difference |
| Full Kindergarten | | | - | | | - |
| One | | | - | 1.0 | 1.0 | - |
| Two | 1.0 | 1.0 | - | | | - |
| Three | | | - | | | - |
| Four | 1.0 | 2.0 | 1.0 | 1.0 | 1.0 | - |
| Five | | - | - | | | - |
| Six | | | - | | - | - |
| Seven | 1.0 | 1.0 | - | | - | - |
| Eight | 1.0 | 2.0 | 1.0 | 2.0 | 2.0 | - |
| Subtotal | 4.0 | 6.0 | 2.0 | 4.0 | 4.0 | - |
| Spec Educ Elementary | 2.0 | 1.0 | (1.0) | 1.0 | 1.0 | - |
| Spec Educ Middle | 5.0 | 4.0 | (1.0) | - | - | - |
| Subtotal | 7.0 | 5.0 | (2.0) | 1.0 | 1.0 | - |
| State Facilities | | | - | | | - |
| Totals | 11.0 | 11.0 | - | 5.0 | 5.0 | - |

Colts Neck Twp Board of Education
District Report of Transported Resident Students
As of October 15, 2015

TRANSPORTED REGULAR STUDENTS

| | Reported | Verified | Difference |
|-------------------------------|----------|----------|------------|
| Students - Grade PK | 0.0 | 0.0 | - |
| Regular Public | 553.0 | 552.0 | (1.0) |
| Vocational School Students | 0.0 | 0.0 | - |
| Regular Charter | 0.0 | 0.0 | - |
| CSSP Charter | 0.0 | 0.0 | - |
| Transported Non-Public | 203.0 | 201.0 | (2.0) |
| Aid in Lieu of Transportation | 43.0 | 36.0 | (7.0) |
| Regular Special Education | 34.0 | 97.0 | 63.0 |
| Charter Special Education | 0.0 | 0.0 | - |
| Private School Disabled | 0.0 | 0.0 | - |
| Total Students | 833.0 | 886.0 | 53.0 |
| Total Mileage | 3,838.1 | 4,021.1 | 183.0 |
| Average Mileage | 4.6 | 4.5 | (0.1) |
| Total Mileage excluding PK | 3,838.1 | 4,021.1 | 183.0 |
| Average mileage excluding PK | 4.6 | 4.5 | (0.1) |

TRANSPORTED SPECIAL NEEDS STUDENTS

| | Reported | Verified | Difference |
|------------------------------------------------|----------|----------|------------|
| Special Needs Public Schools | 108.0 | 8.0 | (100.0) |
| Special Needs Charter Schools | 0.0 | 0.0 | - |
| Special Needs Private Schools for the Disabled | 3.0 | 2.0 | (1.0) |
| Total Students Special Needs | 111.0 | 10.0 | (101.0) |
| Total Mileage | 357.2 | 72.8 | (284.4) |
| Out of District No Sp. Needs | 0.0 | 0.0 | - |
| Out Of District Charter No Sp. Needs | 0.0 | 0.0 | - |
| Out Of Dist. Private Schools No Sp. Needs | 0.0 | 1.0 | 1.0 |
| Total Students No Sp. Needs | 0.0 | 1.0 | 1.0 |
| Total Mileage | 0.0 | 5.6 | 5.6 |
| Total Special Education Students | 111.0 | 11.0 | (100.0) |
| Total All Special Ed Mileage | 357.2 | 78.4 | (278.8) |
| Average Mileage | 3.2 | 7.1 | 3.9 |

TRANSPORTED COURTESY STUDENTS

| | Reported | Verified | Difference |
|---------------------------|----------|----------|------------|
| Total Elementary Students | 229.0 | 267.0 | 38.0 |
| Total Secondary Students | 0.0 | 0.0 | - |
| Total Courtesy Students | 229.0 | 267.0 | 38.0 |
| Total Mileage | 321.0 | 370.0 | 49.0 |
| Average Mileage | 1.4 | 1.4 | (0.0) |

State of New Jersey
Department of Education
Office of Fiscal Accountability and Compliance

PROCEDURES FOR LEA/AGENCY RESPONSE
CORRECTIVE ACTION PLAN AND APPEAL PROCESS

Board of Education Response:

Pursuant to N.J.A.C. 6A:23A-5.6, the following actions shall occur:

- (a) Any school district or county vocational school district that has been subject to an audit or investigation by the Department of Education, Office of Fiscal Accountability and Compliance (OFAC) shall discuss the findings of the audit or investigation at a public meeting of the district board of education no later than 30 days after receipt of the findings.
- (b) Within 30 days of the public meeting required in (a) above, the district board of education shall adopt a resolution certifying that the findings were discussed in a public board meeting and approving a corrective action plan to address the issues raised in the findings. The resolution shall be submitted to the OFAC within 10 days of adoption by the board of education.
- (c) The findings of the OFAC audit or investigation and the board of education's corrective action plan shall be posted on the district's web site, if one exists.

If the board of education disputes any of the findings of the audit or investigation, it may file a written appeal with the OFAC of any disputed finding(s) within 10 days of adoption of the resolution. Seeking an appeal of the findings does not preclude adherence to the provisions of (a), (b), and (c) listed above.

Corrective Action Plan:

The corrective action plan is to be used when the LEA/Agency is in agreement with any of the findings. To contest a finding, the appeal process must be used. After the appeal is settled, a corrective action plan must be filed for any finding upheld during the appeal process.

The corrective action plan must be prepared by completing the attached form. The LEA/Agency must submit the following information:

- Recommendation number
- Corrective action (approved by the board)
- Method of implementation
- Person responsible for implementation
- Completion date of implementation

If the corrective action plan is acceptable, a letter will be sent to the LEA/Agency indicating that it has been accepted.

If the corrective action plan is not acceptable, a letter will be sent to the LEA/Agency indicating whether further clarification is required or further action is necessary.

Appeal Process:

The appeal process is used to contest disputed findings.

Within 10 days of the board's adoption of the resolution approving an appeal of the findings of the audit or investigation, a written request by the LEA/Agency to review the disputed finding(s), recommendation(s), or questioned costs must be submitted to the OFAC Director. The Request for Appeal must indicate the finding(s) in question.

The Request for Appeal must be in writing and the LEA/Agency must present any supporting documentation for the appeal. Subsequent to the submission of the Request for Appeal, the OFAC Director will issue a written decision.

If the final determination made by the Director, is still unsatisfactory to the LEA/Agency, the LEA/Agency may file a Petition of Appeal pursuant to N.J.A.C. 6A:3-1.3.

NEW JERSEY DEPARTMENT OF EDUCATION
OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE
CORRECTIVE ACTION PLAN

NAME OF SCHOOL DISTRICT COLTS NECK TOWNSHIP BOARD OF EDUCATION
COUNTY MONMOUTH

AUDIT REVIEWS OF 10/15/15 APPLICATION FOR STATE SCHOOL AID- DISTRICT REPORT OF TRANSPORTED
RESIDENT STUDENTS AND FY 2016-2016 EXAID

DATE OF BOARD MEETING _____

CONTACT PERSON _____

TELEPHONE NUMBER _____

| RECOMMENDATION NUMBER | CORRECTIVE ACTION APPROVED BY THE BOARD | METHOD OF IMPLEMENTATION | PERSON RESPONSIBLE FOR IMPLEMENTATION | COMPLETION DATE OF IMPLEMENTATION |
|--------------------------|-----------------------------------------------|-----------------------------|---------------------------------------------|-----------------------------------------|
|--------------------------|-----------------------------------------------|-----------------------------|---------------------------------------------|-----------------------------------------|

CHIEF SCHOOL ADMINISTRATOR _____ DATE _____ BOARD SECRETARY/SCHOOL BUSINESS ADMINISTRATOR _____ DATE _____