

**NEW BRUNSWICK BOARD OF EDUCATION  
COUNTY OF MIDDLESEX  
NEW JERSEY**

**AUDITOR'S MANAGEMENT REPORT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED  
JUNE 30, 2016**

**PREPARED BY  
SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS**

**NEW BRUNSWICK BOARD OF EDUCATION  
COUNTY OF MIDDLESEX  
NEW JERSEY**

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

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**Tax ID #22-6002128**

**SAMUEL KLEIN AND COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR  
NEWARK, N.J. 07102-9969  
PHONE (973) 624-6100  
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303  
FREEHOLD, N.J. 07728-2291  
PHONE (732) 780-2600  
FAX (732) 780-1030

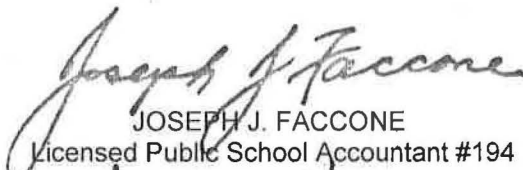

**REPORT OF INDEPENDENT AUDITORS**

Honorable President and Members  
of the Board of Education  
New Brunswick School District  
County of Middlesex, New Jersey 08903

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the New Brunswick Board of Education in the County of Middlesex, for the year ended June 30, 2016, and have issued our report thereon dated November 23, 2016.

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 New Brunswick 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.

  
JOSEPH J. FACCONI  
Licensed Public School Accountant #194  
  
SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey  
November 23, 2016

**NEW BRUNSWICK BOARD OF EDUCATION**

**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, and the records of the various funds under the auspices of the Board of Education. Our audit scope was increased to include a detail examination of the operations related to the awarding, processing and paying of claims by the School District.

**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

<u>Name</u>	<u>Position</u>	<u>Amount of Bond</u>
Richard D. Jannarone	Board Secretary/Business Administrator	\$500,000.00
Bernardo Guiliana	Treasurer of School Moneys Until March 1, 2016	475,000.00

There is a Public Employees' Faithful Performance Blanket Position Bond with the Zurich American Insurance Company covering all other employees with multiple coverage of \$250,000.00.

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 change in per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f)3.

**Financial Planning, Accounting and Reporting**

In verifying expenditures, computations were tested on claims approved and paid. No attempt was made in this connection to establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

Examination of Claims

An examination of claims paid during the period under review revealed no discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account and Position Control Roster

The following procedures were followed with respect to payrolls:

Net salaries of all employees were deposited in the Payroll Bank Account.

### Payroll Account and Position Control Roster (Continued)

All payroll deductions with Withholding Tax, Social Security, Employees' Pension Funds, Hospitalization Premiums and other items as well as the Board's Payroll Contributions, were deposited to the Payroll Agency Bank Account.

All payrolls were approved by the Superintendent of Schools and certified by the President and the Secretary of the Board of Education.

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

The propriety of deductions from individual salaries for Pensions, Social Security, Withholding Tax and other purposes was not verified as part of this examination.

### Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30<sup>th</sup> for proper classification or orders as reserve for encumbrances and accounts payable.

### Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. As a result of the procedures performed, a transaction error rate of 0.0% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

### Board Secretary's Records

The financial records and books of accounts maintained by the Board Secretary were in satisfactory condition. The prescribed contractual order system was followed.

District funds were provided and expended in the proper GAAP account codes based upon audit testing of transactions.

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

The School District's double entry system of accounting records was maintained in accordance with the Department of Education's prescribed GAAP Technical System Manual, pursuant to N.J.S.A. 18A:4-14 and N.J.A.C. 6:20-2A.

### Treasurer's Records

The School District terminated the position of Treasurer of School Moneys effective March 1, 2016. All reconciliations are now being prepared by the Business Office.

The financial records were examined and found to be in agreement with records of the Board Secretary for the period of July 1, 2015 to February 28, 2016.

The Treasurer's cash balance for the general operating account was in agreement with the reconciled cash balance for the period of July 1, 2015 to February 28, 2016.

Elementary and Secondary Education Act (ESEA)/Improving America's Schools Act (IASA) as Reauthorized by the No Child Left Behind (NCLB) Act of 2001

The ESEA/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 Title I and Title VI of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for ESEA did not indicate any areas of noncompliance.

Other Special Federal and State Projects

The District's Special Projects were approved as listed on Schedule A and Schedule B reflected 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.

TPAF 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 is \$40,000.00 with a Qualified Purchasing Agent. The law regulating bidding for public school transportation contracts under N.J.S.A. 18A:39-3 is \$18,800.00 for 2015-16.

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.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, 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 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 provision of N.J.S.A. 18A:18A-4, as amended.

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. Our examination did reveal however, that purchases were made through the use of state contracts.

## **Student Activity Funds**

### *Finding 2016-1:*

It was noted that during our review of the Student Activity Funds that numerous schools are not maintaining proper records as it relates to field trips. Records should be maintained to show a list of students who went on the field trip along with a notation that the child paid for the trip. This would be used to track back deposits to the bank.

### *Recommendation:*

That all schools maintain better records as it relates to class trips.

### *Finding 2016-2:*

During October 2015, the Lord Stirling School opened up an account which is called Office Account. The sum of \$640.00 was deposited and we are unsure of where the deposits originated from. Among the expenditures, we noted that \$45.00 was used to buy a plant for a sick employee and \$84.56 was used for expenses related to "Teacher Appreciation Week." This account should be reviewed to determine if it qualifies as a student activity account.

### *Recommendation:*

That the Lord Stirling School Office Account be reviewed to determine if the purpose of the account is student related.

## **School Food Service**

The financial transactions and statistical records of the School Food Service Fund 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 deposits.

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/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will break even. The operating results provision has been met.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to 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 and free milk policy is uniformly administered throughout the School System. Sites approved to participate in provisions complied with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review.

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 not maintained in order to substantiate the nonprofit status of the School Food Service.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Service employees authorized by the Board of Education.

## **School Food Service (Continued)**

### *Finding 2016-3:*

Net cash resources did exceed three months average expenditures.

### *Recommendation:*

That a review be made of the Food Service Fund to formulate a plan to reduce net cash resources to be in compliance with the State Department of Education's requirements.

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

Food Distribution Program Commodities were received and a separate inventory was maintained on a first-in, first-out basis.

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

## **Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2015 Application for State School Aid (ASSA) 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 ASSA was compared to the District workpapers without exception. The information included as part of 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.

## **Pupil Transportation**

Our audit procedures included a test of on-roll status reported in the 2015-2016 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.

## **Follow-Up on Prior Year's Finding**

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.



## **RECOMMENDATIONS**

### **Student Activity Funds**

That all schools maintain better records as it relates to class trips.

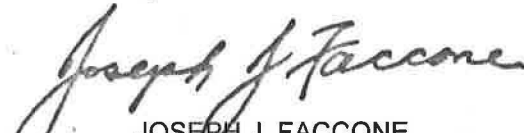
That the Lord Stirling School Office Account be reviewed to determine if the purpose of the account is student related.

### **School Food Service**

That a review be made of the Food Service Fund to formulate a plan to reduce net cash resources to be in compliance with the State Department of Education's requirements.

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.

  
JOSEPH J. FACCONI  
Licensed Public School Accountant #194

  
SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey  
November 23, 2016

**NEW BRUNSWICK BOARD OF EDUCATION**  
**ENTERPRISE FUND - FOOD SERVICE FUND**  
**SCHEDULE OF MEAL COUNT ACTIVITY**  
**NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - FEDERAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE</u>	<u>(OVER)/ UNDER- CLAIM</u>
National School Lunch (Regular Rate)	Paid	36,719	36,719	36,719	None	\$ 0.31	None
National School Lunch (Regular Rate)	Free	1,269,786	1,269,786	1,269,786	None	3.09	None
	<b>TOTAL</b>	<u>1,306,505</u>	<u>1,306,505</u>	<u>1,306,505</u>			<u>None</u>
School Breakfast (Severe Rate)	Paid	27,266	27,266	27,266	None	0.29	None
School Breakfast (Severe Rate)	Free	1,080,707	1,080,707	1,080,707	None	1.99	None
	<b>TOTAL</b>	<u>1,107,973</u>	<u>1,107,973</u>	<u>1,107,973</u>			<u>None</u>
After School Snacks	Free (Area Eligible)	192,935	192,935	192,935	None	0.84	None
	<b>TOTAL</b>	<u>192,935</u>	<u>192,935</u>	<u>192,935</u>			<u>None</u>
<b>Total Net (Over)/Underclaim</b>							<u>\$ -</u>

**NEW BRUNSWICK BOARD OF EDUCATION**  
**ENTERPRISE FUND - FOOD SERVICE FUND**  
**SCHEDULE OF MEAL COUNT ACTIVITY**  
**NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - STATE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE</u>	<u>(OVER)/ UNDER- CLAIM</u>
State Reimbursement - National School Lunch (Regular Rate)	Paid	36,719	36,719	36,719	None	\$0.040	None
State Reimbursement - National School Lunch (Regular Rate)	Free	<u>1,269,786</u>	<u>1,269,786</u>	<u>1,269,786</u>	None	0.055	<u>None</u>
	TOTAL	<u>1,306,505</u>	<u>1,306,505</u>	<u>1,306,505</u>			<u>\$ -</u>

# NEW BRUNSWICK BOARD OF EDUCATION NET CASH RESOURCE SCHEDULE

## Net Cash Resources Did Exceed Three Months of Expenditures Proprietary Funds - Food Service FYE 2016

<u>Net Cash Resources:</u>		Food Service B - 4/5	
<b>CAFR</b>	*	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	\$ 2,345,921.67
B-4		Due from Other Gov'ts	567,737.74
B-4		Accounts Receivable	
B-4		Investments	
<b>CAFR</b>		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	
B-4		Less Accruals	
B-4		Less Due to Other Funds	(491,247.95)
B-4		Less Deferred Revenue	
		<b>Net Cash Resources</b>	<b><u>\$ 2,422,411.46</u></b> (A)

Net Adj. Total Operating Expense:

B-5		Tot. Operating Exp.	6,411,552.26
B-5		Less Depreciation	<u>(26,681.93)</u>
		Adj. Tot. Oper. Exp.	<b><u>\$ 6,384,870.33</u></b> (B)

Average Monthly Operating Expense:

		B / 10	<b><u>\$ 638,487.03</u></b> (C)
--	--	--------	---------------------------------

Three times monthly Average:

		3 X C	<b><u>\$ 1,915,461.10</u></b> (D)
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TOTAL IN BOX A	<u>\$ 2,422,411.46</u>
LESS TOTAL IN BOX D	<u>\$ 1,915,461.10</u>
NET	<b><u>\$ 506,950.36</u></b>

From above:

**A is greater than D, cash exceeds 3 X average monthly operating expenses.  
D is greater than A, cash does not exceed 3 X average monthly operating expenses.**

\* Inventories are not to be included in total current assets.

SOURCE - USDA resource management comprehensive review form

**SCHEDULE OF AUDITED ENROLLMENTS**

**NEW BRUNSWICK BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015**

	2016-2017 Application for State School Aid						Sample for Verification						Private Schools for Handicapped			
	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 Verification	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Full Day Preschool 3 Years Old	197.0		197.0		-	-	4.0		4.0		-	-				
Full Day Preschool 4 Years Old	173.0		173.0		-	-	5.0		5.0		-	-				
Half Day Kindergarten					-	-					-	-				
Full Day Kindergarten	757.0		757.0		-	-	29.0		29.0		-	-				
One	856.0		856.0		-	-	29.0		29.0		-	-				
Two	743.0		743.0		-	-	26.0		26.0		-	-				
Three	732.0		732.0		-	-	24.0		24.0		-	-				
Four	618.0		618.0		-	-	23.0		23.0		-	-				
Five	601.0		601.0		-	-	20.0		20.0		-	-				
Six	535.0		535.0		-	-	19.0		19.0		-	-				
Seven	514.0		514.0		-	-	16.0		16.0		-	-				
Eight	459.0		459.0		-	-	17.0		17.0		-	-				
Nine	572.0		572.0		-	-	20.0		20.0		-	-				
Ten	404.0		404.0		-	-	13.0		13.0		-	-				
Eleven	334.0		334.0		-	-	13.0		13.0		-	-				
Twelve	347.0		347.0		-	-	13.0		13.0		-	-				
Adult High (15+ Credits)	1.0		1.0		-	-	1.0		1.0		-	-				
Adult High (1-14 Credits)					-	-					-	-				
Subtotal	7,843.0		7,843.0		-	-	272.0		272.0		-	-				
Special Ed - Elementary	614.0		614.0		-	-	19.0		19.0		-	-	13.0	11.0	11.0	-
Special Ed - Middle	349.0	4.0	349.0	4.0	-	-	11.0	1.0	11.0	1.0	-	-	11.0	9.0	9.0	-
Special Ed - High	257.0	2.0	257.0	2.0	-	-	10.0	1.0	10.0	1.0	-	-	48.0	35.0	35.0	-
Sub-Total	1,220.0	6.0	1,220.0	6.0	-	-	40.0	2.0	40.0	2.0	-	-	72.0	55.0	55.0	-
Totals	9,063.0	6.0	9,063.0	6.0	-	-	312.0	2.0	312.0	2.0	-	-	72.0	55.0	55.0	-
Percentage Error																

**SCHEDULE OF AUDITED ENROLLMENTS**

**NEW BRUNSWICK BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015**

	Low Income						Sample for Verification											
	Free Reported on A.S.S.A as Low Income	Free Reported on A.S.S.A as Low Income S/T	Reduced Reported on A.S.S.A as Low Income	Free Reported on Workpapers as Low Income	Free Reported on Workpapers as Low Income S/T	Reduced Reported on Workpapers as Low Income	Free Errors	Free Errors S/T	Reduced Errors	Free Sample Selected from Workpapers	Free Sample Selected from Workpapers S/T	Reduced Sample Selected from Workpapers	Free Verified to Application and Register	Free Verified to Application and Register S/T	Reduced Verified to Application and Register	Free Sample Errors	Free Sample Errors S/T	Reduced Sample Errors
Full Day Preschool 3 Years Old																		
Full Day Preschool 4 Years Old																		
Half Day Kindergarten																		
Full Day Kindergarten	637.0		42.0	637.0		42.0	-	-	-	28.0		15.0	28.0		15.0	-	-	-
One	730.0		41.0	730.0		41.0	-	-	-	32.0		13.0	32.0		13.0	-	-	-
Two	643.0		40.0	643.0		40.0	-	-	-	28.0		19.0	28.0		19.0	-	-	-
Three	623.0		32.0	623.0		32.0	-	-	-	26.0		19.0	26.0		19.0	-	-	-
Four	528.0		36.0	528.0		36.0	-	-	-	26.0		15.0	26.0		15.0	-	-	-
Five	517.0		31.0	517.0		31.0	-	-	-	22.0		15.0	22.0		15.0	-	-	-
Six	430.0		38.0	430.0		38.0	-	-	-	20.0		11.0	20.0		11.0	-	-	-
Seven	391.0		43.0	391.0		43.0	-	-	-	18.0		11.0	18.0		11.0	-	-	-
Eight	352.0		28.0	352.0		28.0	-	-	-	17.0		10.0	17.0		10.0	-	-	-
Nine	488.0		40.0	488.0		40.0	-	-	-	18.0		11.0	18.0		11.0	-	-	-
Ten	319.0		40.0	319.0		40.0	-	-	-	13.0		15.0	13.0		15.0	-	-	-
Eleven	268.0		33.0	268.0		33.0	-	-	-	12.0		11.0	12.0		11.0	-	-	-
Twelve	262.0		33.0	262.0		33.0	-	-	-	11.0		10.0	11.0		10.0	-	-	-
Sub-Total	6,188.0	-	477.0	6,188.0	-	477.0	-	-	-	271.0	-	175.0	271.0	-	175.0	-	-	-
Special Ed - Elementary	534.0		22.0	534.0		22.0	-	-	-	20.0		12.0	20.0		12.0	-	-	-
Special Ed - Middle	287.0	2.0	20.0	287.0	2.0	20.0	-	-	-	11.0	1.0	5.0	11.0	1.0	5.0	-	-	-
Special Ed - High	203.0	1.0	18.0	203.0	1.0	18.0	-	-	-	10.0	1.0	5.0	10.0	1.0	5.0	-	-	-
Sub-Total	1,024.0	3.0	60.0	1,024.0	3.0	60.0	-	-	-	41.0	2.0	22.0	41.0	2.0	22.0	-	-	-
Totals	7,212.0	3.0	537.0	7,212.0	3.0	537.0	-	-	-	312.0	2.0	197.0	312.0	2.0	197.0	-	-	-
Percentage Error																		

	Transportation						Reported	Recalculated	
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors			
Reg - Public Schools	1,115.0	1,115.0	-	200.0	200.0		Average Mileage - Regular Including Grade PK Students	4.7	4.7
Trans Nonpublic	96.0	96.0	-	15.0	15.0		Average Mileage - Regular Special Education	5.3	5.3
Reg - Special Education Nonpublic Schools (AIL)	283.0	283.0	-	25.0	25.0		Average Mileage - Special Ed with Special Needs	13.1	13.1
Spec - Special Needs	64.0	64.0	-	12.0	12.0				
Totals	1,727.0	1,727.0	-	272	272				
Percentage Error									

**SCHEDULE OF AUDITED ENROLLMENTS**

**NEW BRUNSWICK BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015**

	Resident LEP NOT Low Income			Sample for Verification			Bilingual Education Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Full Day Kindergarten	11.0	11.0	-	5.0	5.0	-	135.0	135.0	-	35.0	35.0	-
One	29.0	29.0	-	16.0	16.0	-	198.0	198.0	-	40.0	40.0	-
Two	16.0	16.0	-	1.0	1.0	-	168.0	168.0	-	32.0	32.0	-
Three	31.0	31.0	-	18.0	18.0	-	172.0	172.0	-	32.0	32.0	-
Four	11.0	11.0	-	5.0	5.0	-	52.0	52.0	-	24.0	24.0	-
Five	2.0	2.0	-	1.0	1.0	-	35.0	35.0	-	14.0	14.0	-
Six	12.0	12.0	-	9.0	9.0	-	28.0	28.0	-	11.0	11.0	-
Seven	11.0	11.0	-	10.0	10.0	-	33.0	33.0	-	12.0	12.0	-
Eight	19.0	19.0	-	15.0	15.0	-	37.0	37.0	-	13.0	13.0	-
Nine	16.0	16.0	-	15.0	15.0	-	78.0	78.0	-	14.0	14.0	-
Ten	7.0	7.0	-	5.0	5.0	-	58.0	58.0	-	3.0	3.0	-
Eleven	1.0	1.0	-	1.0	1.0	-	32.0	32.0	-	6.0	6.0	-
Twelve	6.0	6.0	-	4.0	4.0	-	19.0	19.0	-	6.0	6.0	-
Sub-Total	172.0	172.0	-	105.0	105.0	-	1,045.0	1,045.0	-	242.0	242.0	-
Special Ed - Elementary	5.0	5.0	-	1.0	1.0	-	61.0	61.0	-	10.0	10.0	-
Special Ed - Middle	1.0	1.0	-	1.0	1.0	-	5.0	5.0	-	1.0	1.0	-
Special Ed - High	-	-	-	-	-	-	4.0	4.0	-	1.0	1.0	-
Sub-Total	6.0	6.0	-	2.0	2.0	-	70.0	70.0	-	12.0	12.0	-
Totals	178.0	178.0	-	107.0	107.0	-	Bilingual Students 1,115.0	1,115.0	-	254.0	254.0	-
Percentage Error												



**NEW BRUNSWICK BOARD OF EDUCATION**  
**COUNTY OF MIDDLESEX**  
**FISCAL YEAR ENDED JUNE 30, 2016**

**EXCESS SURPLUS CALCULATION**

**SCHOOL BASED BUDGET DISTRICT**

**SECTION 1**

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

2015-16 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>176,014,672.73</u> (A)	
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$ _____ (A1a)	
Transfer from Capital Reserve to Capital Projects Fund	\$ _____ (A1a)	
Less: Expenditures Allocated to Restricted Federal Resources as Reported on Exhibit D-2	\$ _____ (A1b)	
Decreased by:		
On-Behalf TPAF Pension and Social Security	\$ <u>15,450,144.35</u> (A4)	
Assets Acquired Under Capital Leases in Fund 15	\$ _____ (A5)	
 Adjusted 2015-16 General Fund Expenditures	 \$ <u>160,564,528.38</u> (A9)	
 2% of Adjusted 2015-16 General Fund Expenditures [(A9) times .02]	 \$ <u>3,211,290.57</u> (A10)	
Enter Greater of (A10) or \$250,000	\$ <u>3,211,290.57</u> (A11)	
Increased by: Allowable Adjustment *	\$ <u>346,672.00</u> (K)	
 Maximum Unassigned Fund Balance [(A11)+(K)]		 \$ <u>3,557,962.57</u> (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-16 <i>(Per CAFR Budgetary Comparison Schedule C-1)</i>	\$ <u>21,435,218.24</u> (C)	
Decreased by:		
Year ended Encumbrances	\$ <u>3,725,353.32</u> (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ <u>14,152,231.00</u> (C2)	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ _____ (C3)	
Other Restricted Fund Balances ****	\$ <u>75.00</u> (C4)	
Assigned - Fund Balance - Designated for Subsequent Year's Expenditures	\$ _____ (C5)	
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		 \$ <u>3,557,558.92</u> (U1)

**NEW BRUNSWICK BOARD OF EDUCATION**  
**COUNTY OF MIDDLESEX**  
**FISCAL YEAR ENDED JUNE 30, 2016**

**SECTION 3**

Restricted Fund Balance - Excess Surplus\*\*\*[(U2)-(M)] IF NEGATIVE ENTER -0- \$ 0.00 (E)

**Recapitulation of Excess Surplus as of June 30, 2016**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>0.00</u> (C3)
Reserved Excess Surplus***[(E)]	\$ <u>0.00</u> (E)
<b>Total [(C3) + (E)]</b>	<b>\$ <u>0.00</u> (D)</b>

\* This adjustment line (line (K) as detailed below) is to be utilized for Impact Aid, Sale, Lease-back, Extraordinary Aid, Additional Nonpublic School Transportation Aid, and recognized current year School Bus Advertising Revenue, if applicable. Extraordinary Aid and Additional Nonpublic School Transportation Aid for 2015-16 received after June 30 is limited to the amount of revenue recognized in the audit year that was not appropriated.

**Detail of Allowable Adjustments**

Impact Aid	\$ _____ (H)
Sale and Lease-Back	\$ _____ (I)
Extraordinary Aid	\$ <u>327,641.00</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>19,031.00</u> (J2)
<b>Total Adjustments [(H)+(I)+(J1)+(J2)]</b>	<b>\$ <u>346,672.00</u> (K)</b>

\*\* This amount represents the June 30, 2015 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

\*\*\* Amount entered must agree to the June 30, 2016 CAFR and Audit Summary Worksheet Line 90030.

\*\*\*\* Amount for Other Restricted/Reserved Fund Balance must be detailed for each source and request for approval to use amounts other than state imposed legal restrictions in the excess surplus calculation must be submitted to the Assistant Commissioner - Field Services prior to September 30.

**Detail of Other Restricted Fund Balance**

Statutory restrictions:	
Approved unspent separate proposal	\$ _____
Sale/lease-back reserve	\$ _____
Capital reserve	\$ <u>75.00</u>
Maintenance reserve	\$ _____
Tuition reserve	\$ _____
Other state/government mandated reserve	\$ _____
<b>[Other Restricted Fund Balance not noted above] ****</b>	<b>\$ _____</b>
<b>Total Other Restricted Fund Balance</b>	<b>\$ <u>75.00</u> (C4)</b>

**NEW BRUNSWICK BOARD OF EDUCATION**  
**ENCUMBRANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Encumbrances June 30, 2016

\$ 3,725,353.32

<u>Description</u>	<u>Total by Category</u>	<u>Amount Properly Encumbered</u>	<u>Encumbrances Cancelled Through Audit Adjustments</u>
Purchased Professional and Technical	\$ 72,656.75	\$ 72,656.75	\$
Purchased Professional Education Services	28,285.00	28,285.00	
Other Purchased Professional Services	1,392.09	1,392.09	
Legal	5,564.86	5,564.86	
Cleaning, Repairs and Maintenance Services	494,998.16	494,998.16	
Construction Services		-	
Tuition	746,025.31	746,025.31	
Other Purchased Services	201,806.26	201,806.26	
Electricity	581,733.06	581,733.06	
Natural Gas	356,801.00	356,801.00	
Supplies and Material	390,350.45	390,350.45	
Security	6,814.60	6,814.60	
Transportation	2,967.06	2,967.06	
General Supplies	585,591.35	585,591.35	
Equipment	80,895.26	80,895.26	
Other Objects	169,472.11	169,472.11	
	<u>3,725,353.32</u>	<u>3,725,353.32</u>	<u>-</u>
 Total Encumbrances Cancelled During the Audit			<u>-</u>
 Fund Balance Reserved for Encumbrances in the CAFR			<u>\$ 3,725,353.32</u>

