

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
COUNTY OF SOMERSET
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017

BOROUGH OF BOUND BROOK SCHOOL DISTRICTS
COUNTY OF SOMERSET
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017
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October 16, 2017

The Honorable President and Members
of the Board of Education
Borough of Bound Brook School District
County of Somerset, New Jersey

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 financial statements of the Board of Education of the Borough of Bound Brook School District in the County of Somerset for the fiscal year ended June 30, 2017, and have issued our report thereon dated October 16, 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 letter does not affect our report dated October 16, 2017, on the financial statements of the Board.

We will review the status of the comments during our next audit engagement. We have already discussed these comments and suggestions with various management personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations, if any.

This report is intended for the information of the Borough of Bound Brook School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

October 16, 2017
Mount Arlington, New Jersey

NISIVOCCIA LLP

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Licensed Public School Accountant #2526
Certified Public Accountant

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer, 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

Multi-peril insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the district's CAFR.

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Danielle Mancuso	Business Administrator/Board Secretary	\$ 350,000
Thomas Venanzi	Treasurer of School Moneys	350,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The Board made a proper adjustment to the billings to sending districts in accordance with N.J.A.C.6A:23A-3.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid on a test basis, during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation. Based on the results of our testing, we have no comments.

Payroll Account and Position Control Roster

The net salaries of 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 tested were approved by the Chief School Administrator and certified by the President of the Board and the School Business Administrator and the Chief School Administrator.

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

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendent, and business administrator) to the NJ Department of Treasury was filed in a timely manner.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made on a test basis as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017

Classification of Expenditures – General and Administrative

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. In addition to randomly selecting a test sample, we reviewed administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. As a result of the procedures performed, no significant transaction errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Board Secretary's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based upon these procedures, we have no comments.

Treasurer's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Treasurer's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

No Child Left Behind (N.C.L.B.)

The N.C.L.B. financial exhibits are contained herein within the Special Revenue Section of the District's CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I, Title II and Title III of the No Child Left Behind Act. The study of compliance for the N.C.L.B. did not indicate any area of noncompliance.

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.

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.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The T.P.A.F. Reimbursement to the State for Federal Salary Expenditures was remitted to the State of New Jersey prior to the required deadline of October 1, 2017. The reimbursement form was reviewed and no exceptions were noted.

Travel Expenses

Travel regulations require each District to adopt a formal policy and procedure pertaining to travel and expense reimbursement for its employees and board members. The regulations include requirements for the District to establish a maximum travel amount for the year and to ensure that the maximum amount is not exceeded. The regulations also require that all travel must be preapproved by the Board of Education and Superintendent and that a brief report detailing the key issues addressed at the travel event must be submitted after the travel event has occurred. Overall compliance was noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 states:

a. "When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefore, except that the Board of Education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c. 198 the Board of Education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Commencing in the fifth year after the year in which P.L.1999, c. 440 takes effect and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made"

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the Board of Education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law"

Effective July 1, 2015 and thereafter the bid thresholds in accordance with *N.J.S.A.* 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (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 currently \$18,800.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017

School Purchasing Programs (Cont'd)

Contracts and Agreements Requiring Advertisement for Bids (Cont'd)

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 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 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. General compliance was noted.

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.

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.

School Food Service

The financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. No exceptions were noted.

Cash receipts and bank records were reviewed for timely deposit. No exceptions were noted.

The District utilizes a food service management company (FMSC) 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 FMSC contract/addendum were reviewed and audited. The FMSC contract includes an operating results provision which guarantees that the food service program will provide a no cost of operation for the LEA for 2016-2017. The operating results provision has been met. No exceptions were noted.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified on a test basis. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used. No exceptions were noted.

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 nonprofit status of the School Food Service Fund. No exceptions were noted.

Net cash resources did not exceed three months average expenditures.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017

School Food Service (Cont'd)

There were no food service employees authorized by the Board of Education.

The number of meals claimed for reimbursement was compared to sales and meal count records on a test basis. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner. 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 was compared to the number of valid applications/or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and milk (modify as needed) policy was reviewed for uniform administration throughout the school district. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions were noted.

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

Non-program foods were purchased, prepared or offered for sale. The Statement of Revenue, Expenses and Changes in Net Position in the CAFR Schedule B-5 does separate program and non-program revenue and program and non-program cost of goods sold.

The school district provided the detailed revenue and expenditure information necessary in order to execute the U.S.D.A. mandated Non-program Food Revenue tool at least annually. No exceptions were noted.

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

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the records of the Student Activities Fund for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted herein.

Application for State School Aid

Our audit procedures included a test of information reported in the October 14, 2016 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low income students and bilingual education. 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 exceptions. The information that was included on the workpapers was verified on a test basis without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District did maintain workpapers on the prescribed State forms or their equivalent. The District has adequate written procedures for the recording of student enrollment data.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2016-2017 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

There are no active SDA grant projects.

Management Suggestions:

Governmental Accounting Standards Board Statements:

The next Governmental Accounting Standards Board ("GASB") statement which will have a significant impact on the District will be GASB#75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, will be effective for the fiscal year ending June 30, 2018. This standard replaces GASB#45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. It is similar to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in that successful implementation of this standard will require the provision of certain key financial and non-financial information from the New Jersey Division of Pensions.

Student Activities

It has recently been determined that School District personnel may not be completely aware of the limitations and restrictions on the use of Student Activity Funds. We believe it is important that the District be aware that any pupil organization which is part of the activity program of the School District, places at least indirect responsibility for supervision and control of that organization with the Board of Education. We suggest that the Board formally approve each school club or activity. As directed by the New Jersey Department of Education, collections related to fund raising for outside organizations should not be maintained in the District's Student Activity Funds.

Additionally, the District should ensure that District-wide standard policies and procedures are implemented for all Student Activity Funds. These policies should indicate the student activities funds are to be utilized for the benefit of the student activity or club and not to be utilized for enhancement of instructional programs or school facilities. The District should at least at a minimum communicate to school personnel on an annual basis the District's policies and procedures regarding Student Activity Funds. We suggest that these policies include guidance regarding timely deposits of funds and the safeguarding of funds prior to deposit as well as the appropriate purchasing guidelines for student activities disbursements.

Status of Prior Year's Findings/Recommendations

The prior year recommendation regarding District employees complete the required post travel reports has been resolved in the current year.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
SCHEDULE OF MEAL COUNT ACTIVITY
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) CLAIM
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(MEMORANDUM ONLY)

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - FEDERAL

<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 (Severe Rate)	Paid	46,791	13,980	13,980	-0-	\$ 0.32	\$ -0-
	Reduced	29,291	8,395	8,395	-0-	2.78	-0-
	Free	169,582	48,983	48,983	-0-	3.18	-0-
Total		<u>245,664</u>	<u>71,358</u>	<u>71,358</u>			<u>-0-</u>
National School Lunch (HHFKA)	PB Lunch	<u>245,664</u>	<u>71,358</u>	<u>71,358</u>	-0-	0.06	<u>-0-</u>
School Breakfast (Severe Rate)	Paid	75,691	22,876	22,876	-0-	0.29	-0-
	Reduced	31,135	9,059	9,059	-0-	1.74	-0-
	Free	167,685	49,565	49,565	-0-	2.04	-0-
Total		<u>274,511</u>	<u>81,500</u>	<u>81,500</u>			<u>-0-</u>
After School Snack (Severe Rate)	Paid	-0-	-0-	-0-	-0-	0.07	-0-
	Reduced	-0-	-0-	-0-	-0-	0.43	-0-
	Free	3,312	1,026	1,026	-0-	0.86	-0-
Total		<u>274,511</u>	<u>81,500</u>	<u>81,500</u>			<u>-0-</u>
Total Net Overclaim							<u>\$ -0-</u>

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - STATE

<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 (Severe Rate)	Paid	46,791	13,980	13,980	-0-	\$ 0.040	\$ -0-
	Reduced	29,291	8,395	8,395	-0-	0.055	-0-
	Free	169,582	48,983	48,983	-0-	0.055	-0-
Total		<u>245,664</u>	<u>71,358</u>	<u>71,358</u>			<u>-0-</u>
Total Net Overclaim							<u>\$ -0-</u>

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
SCHEDULE OF NET CASH RESOURCES
FOOD SERVICE FUND
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(MEMORANDUM ONLY)

Current Assets: *	
Cash and Cash Equivalents	\$ 145,448
Intergovernmental Accounts Receivable	59,288
Other Accounts Receivable	15,554
Inventories	14,714
	235,004
Current Liabilities: *	
Accounts Payable	(14,416)
Unearned Revenue	(5,652)
	(20,068)
Net Cash Resources	\$ 214,936 (A)
<u>Net Adjusted Total Operating Expense:</u>	
Total Operating Expenses	\$ 1,323,394
Less: Depreciation Expense	(27,368)
	(27,368)
Adjusted Total Operating Expenses	\$ 1,296,026 (B)
<u>Average Monthly Operating Expenses:</u>	
(B) / 10	\$ 129,603 (C)
<u>Three Times Monthly Average Operating Expenses:</u>	
3 x (C)	\$ 388,809 (D)
Net Cash Resources	\$ 214,936 (A)
Less: Three Times Monthly Average Operating Expenses	(388,809) (D)
Exceed / (Does not Exceed)	\$ (173,873) **

* Inventories and unearned revenue related to donated commodities are not included in net cash resources.

** Net cash resources does not exceed three times monthly average operating expenses.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 14, 2016

	2017-2018 Application for State School Aid						Sample for Verification					
	Reported on		Reported on		Errors		Sample		Verified per		Errors per	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool	84		84				84		84			
Full Day Kindergarten	138		138				138		138			
Grade One	133		133				133		133			
Grade Two	141		141				141		141			
Grade Three	122		122				122		122			
Grade Four	110		110				110		110			
Grade Five	105		105				105		105			
Grade Six	114		114				114		114			
Grade Seven	107		107				107		107			
Grade Eight	102		102				102		102			
Grade Nine	149	7	149	7			149	7	149	7		
Grade Ten	128	6	128	6			128	6	128	6		
Grade Eleven	112	2	112	2			112	2	112	2		
Grade Twelve	125	3	125	3			125	3	125	3		
Subtotal	1,670	18	1,670	18			1,670	18	1,670	18		
Special Ed - Elementary	95	5	95	5			8	5	8	5		
Special Ed - Middle School	44	4	44	4			3	4	3	4		
Special Ed - High School	69	2	69	2			5	2	5	2		
Subtotal	208	11	208	11			16	11	16	11		
Totals	1,878	29	1,878	29	-0-	-0-	1,686	29	1,686	29	-0-	-0-

Percentage Error

0.00%

0.00%

0.00%

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 SCHEDULE OF AUDITED ENROLLMENTS
 ENROLLMENT AS OF OCTOBER 14, 2016

	Private Schools for Disabled				Resident Low Income				
	Reported on A.S.S.A. as Private Schools	Reported on Workpapers as Private Schools	Sample for Verification	Sample Verified	Sample Errors	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Sample Selected from Workpapers	Sample Errors
Full Day Kindergarten									
Grade One						105	105	2	2
Grade Two						109	109	2	2
Grade Three						104	104	2	2
Grade Four						96	96	2	2
Grade Five						90	90	2	2
Grade Six						82	82	2	2
Grade Seven						87	87	2	2
Grade Eight						89	89	2	2
Grade Nine						79	79	2	2
Grade Ten						83	83	2	2
Grade Eleven						76	76	2	2
Grade Twelve						65	65	2	2
Subtotal						1,137	1,137	25	25
Special Ed - Elementary	5	5	1	1		81	81	8	8
Special Ed - Middle School	4	4	1	1		43	43	4	4
Special Ed - High School	9	9	2	2		53	53	5	5
Subtotal	18	18	4	4		177	177	17	17
Totals	18	18	4	4	-0-	1,314	1,314	42	42
Percentage Error					0.00%			0.00%	0.00%

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 14, 2016

	Resident LEP Low Income					
	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Errors
Full Day Kindergarten	30	30		3	3	
Grade One	36	36		3	3	
Grade Two	31	31		3	3	
Grade Three	30	30		3	3	
Grade Four	7	7		1	1	
Grade Five	7	7		1	1	
Grade Six	3	3		1	1	
Grade Seven	8	8		1	1	
Grade Eight	10	10		1	1	
Grade Nine	22	22		2	2	
Grade Ten	18	18		1	1	
Grade Eleven	9	9		1	1	
Grade Twelve	4	4		1	1	
Subtotal	215	215		22	22	
Special Ed - Elementary	3	3		1	1	
Special Ed - High School	1	1		1	1	
Subtotal	4	4		2	2	
Totals	219	219	-0-	24	24	-0-

Percentage Error

0.00%

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 14, 2016

	Resident LEP Not Low Income					
	Reported on A.S.S.A. as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Full Day Kindergarten						
Grade One	7	7		3	3	
Grade Two	2	2		1	1	
Grade Six	1	1		1	1	
Grade Seven	2	2				
Grade Eight	1	1		1	1	
Grade Nine	4	4		1	1	
Grade Ten	2	2		1	1	
Grade Eleven	1	1				
Subtotal	21	21		9	9	
Totals	21	21	-0-	9	9	-0-
Percentage Error			0.00%			0.00%

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2016

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	41	41		5	5	
Regular - Special Education	3	3		1	1	
AIL - Non Public	6	6		2	2	
Special Needs Public	20	20		2	2	
Special Needs Private	17	17		2	2	
Totals	87	87	-0-	12	12	-0-
Percentage Error			0.00%			0.00%

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	5.6	5.6
Average Mileage - Regular Excluding Grade PK Students	5.6	5.6
Average Mileage - Special Education with Special Needs	8.7	8.7

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2017

EXCESS SURPLUS CALCULATION

Section 1 - REGULAR DISTRICT

2016-2017 Total General Fund Expenditures per the CAFR	<u>\$ 26,605,380</u>	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -0-</u>	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ -0-</u>	(B1b)
Transfer from General Fund to Special Revenue Fund for Pre K - Regular	<u>\$ -0-</u>	(B1c)
Transfer from General Fund to Special Revenue Fund for Pre K - Inclusion	<u>\$ -0-</u>	(B1d)
Decreased by:		
On-Behalf TPAF Pension and Social Security	<u>\$ 3,105,636</u>	(B2a)
Assets Acquired Under Capital Leases	<u></u>	(B2b)
 Adjusted 2016-2017 General Fund Expenditures [(B)+(B1's)-(B2's)]	 <u>\$ 23,499,744</u>	 (B3)
 2% of Adjusted 2016-2017 General Fund Expenditures [(B5) times .02]	 <u>\$ 470,269</u>	 (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 470,269</u>	(B5)
Increased by: Allowable Adjustment	<u>\$ 60,827</u>	(K)
 Maximum Unassigned Fund Balance [(B5)+(K)]		 <u>\$ 531,096</u> (M)

Section 2

Total General Fund - Fund Balances @ 6/30/2017 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 3,519,244</u>	(C)
Decreased by:		
Year-End Encumbrances	<u>\$ 95,268</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u>	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 40,332</u>	(C3)
Other Restricted Fund Balances	<u>\$ 1,692,880</u>	(C4)
Assigned - Designated for Subsequent Year's Expenditures Designated For Subsequent Year's Expenditures	<u>\$ 809,668</u>	(C5)
Additional Assigned Fund Balance - Unreserved - Designated For Subsequent Year's Expenditures 7/1/17-8/1/17	<u>\$ -0-</u>	(C6)
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]		 <u>\$ 881,096</u> (U1)

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2017

Restricted Fund Balance-Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0- \$ 350,000 (E)

Recapitulation of Excess Surplus as of June 30, 2017

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures \$ 40,332 (C3)

Restricted Excess Surplus [(E)] \$ 350,000 (E)

Total [(C3)+(E)+(F)] \$ 390,332 (D)

Detail of Allowable Adjustments

Impact Aid \$ -0- (H)

Sale and Lease Back \$ -0- (I)

Extraordinary Aid \$ 60,827 (J1)

Additional Nonpublic School Transportation Aid \$ -0- (J2)

Total Adjustments [(H)+(I)+(J1)+(J2)] \$ 60,827 (K)

Detail of Other Restricted Fund Balance

Statutory Restrictions \$ -0-

Approved Unspent Separate Proposal \$ -0-

Capital Outlay for a District with a Capital Outlay SGLA \$ -0-

Sale/Lease-Back Reserve \$ -0-

Capital Reserve \$ 967,660

Emergency Reserve \$ -0-

Maintenance Reserve \$ 725,220

Tuition Reserve \$ -0-

Other State/Governmental Mandated Reserve \$ -0-

Other Restricted Fund Balance not Noted Above \$ -0-

Total Other Restricted Fund Balance \$ 1,692,880

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2017

It is recommended that:

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
None
3. School Purchasing Program
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. Travel Expenses
None
10. Miscellaneous
None
11. Status of Prior Year's Findings/Recommendations

The prior year recommendation regarding District employees complete the required post travel reports has been resolved in the current year.