

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
COUNTY OF SOMERSET  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2018

BOROUGH OF BOUND BROOK SCHOOL DISTRICTS  
COUNTY OF SOMERSET  
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2018  
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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, 2018, and have issued our report thereon dated January 18, 2019.

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 January 18, 2019, 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.

January 18, 2019  
Mount Arlington, New Jersey

NISIVOCCIA LLP

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Certified Public Accountant

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2018

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>
Michael Steinmetz	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  
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FISCAL YEAR ENDED JUNE 30, 2018

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.

Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (E.S.S.A.)

The E.S.E.A. 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 Elementary and Secondary Education Act as amended and reauthorized.

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.

Finding:

A review was completed by the State of New Jersey Department of Education, Office of Fiscal Accountability and compliance for the N.C.L.B. grant programs for the period July 1, 2015 through June 30, 2016. The District received the consolidated monitoring report in January 2018, which yielded the following findings:

- a) Adequate documentation was not provided which demonstrates expenditures totaling \$16,360.27 were incurred and charged to the FY 2015-2016 Title I, Part A program and which represent allowable costs.
- b) Title I funded personnel did not prepare detailed time and activity reports in a manner consistent with the requirements of UGG, 2 C.F.R. § 200.430(i) and department guidelines.
- c) Certain records were not maintained in accordance with departmental and federal guidelines. The District did not maintain a log evidencing equipment items charged to federal programs, and did not properly label items as belonging to the federal program.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2018

Other Special Federal and/or State Projects (Cont'd)

Finding: (Cont'd)

The District submitted a corrective action plan to the New Jersey Department of Education on March 14, 2018, which was reviewed and found to be acceptable, except in relation to the allowable costs of \$16,360.27. Since the District remitted the recoveries for these disallowed costs to the New Jersey Department of Education, the corrective action plan was accepted in its entirety and did not require to be revised. The District submitted the following management responses in its corrective action plan:

During the course of the audit, we ensured that the District had adhered to the NJ DOE's requirement of time and activity reports. We also reviewed capital assets and found that the District is now tracking all equipment and is in the process of tagging all of capital assets. No recommendations are judged to be warranted.

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.

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, 2018. 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

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2018

School Purchasing Programs (Cont'd)

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

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.

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 \$19,000.

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.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2018

School Food Service

The school food service program was not selected as a major federal and/or state program. We inquired of school management, or the appropriate school food service personnel, as to whether the SFA had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. 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.

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 13, 2017 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.

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2017-2018 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.

Testing for Lead of All Drinking Water in Educational Facilities

The District did submit the annual Statement of Assurance to the NJ Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).



BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2018

Management Suggestion:

Many school districts contract with service providers to perform functions such as the processing of payroll and provision of food service management services. In conjunction with these services, the service provider will engage an auditor to perform a SOC 1 (System and Organization Controls) engagement which results in a SOC 1 report. There are two different types of SOC 1 reports - a Type 1 and a Type 2 report. Both report on the fairness of the presentation of management's description of the service organization's system and the design of the controls to achieve the related control objectives. The Type 1 report is through a specific period. The Type 2 report also reviews the operating effectiveness of the controls included in the description throughout a specified period. Included in the Type 2 report will be the individual controls, what was tested and the results of the testing.

We suggest that the District review these SOC 1 reports to determine if there are any exceptions noted in the opinion in the Independent Auditors' Report. Additionally, for SOC 1 Type 2 reports we suggest that the District review the test results related to the individual control testing to determine if there were any exceptions noted. If exceptions are noted in the report the District should contact the service provider and inquire what steps the service provider is taking to address these exceptions.

Status of Prior Year's Findings/Recommendations

There were no prior year recommendations.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
SCHEDULE OF AUDITED ENROLLMENTS  
ENROLLMENT AS OF OCTOBER 13, 2017

	2018-2019 Application for State School Aid						Sample for Verification					
	Reported on		Reported on		Errors		Sample		Verified per		Errors per	
	A.S.A. On Roll		Workpapers On Roll		Full Shared		Selected from Workpapers		Registers On Roll		Registers On Roll	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool	87		87				87		87			
Full Day Kindergarten	135		135				135		135			
Grade One	123		123				123		123			
Grade Two	119		119				119		119			
Grade Three	138		138				138		138			
Grade Four	119		119				119		119			
Grade Five	110		110				110		110			
Grade Six	107		107				107		107			
Grade Seven	124		124				124		124			
Grade Eight	101		101				101		101			
Grade Nine	167	2	167	2			167	2	167	2		
Grade Ten	122	5	122	5			122	5	122	5		
Grade Eleven	111	6	111	6			111	6	111	6		
Grade Twelve	110	1	110	1			110	1	110	1		
Subtotal	1,673	14	1,673	14			1,673	14	1,673	14		
Special Ed - Elementary	94		94				9		9			
Special Ed - Middle School	40		40				4		4			
Special Ed - High School	67	4	67	4			7		7			
Subtotal	201	4	201	4			20		20			
Totals	1,874	18	1,874	18	-0-	-0-	1,693	14	1,693	14	-0-	-0-
Percentage Error					0.00%	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 13, 2017

	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	Verified to Application and Register	Sample Errors
Full Day Kindergarten										
Grade One						105	105	2	2	
Grade Two						95	95	2	2	
Grade Three						95	95	2	2	
Grade Four						100	100	2	2	
Grade Five						96	96	2	2	
Grade Six						89	89	2	2	
Grade Seven						86	86	2	2	
Grade Eight						99	99	2	2	
Grade Nine						85	85	2	2	
Grade Ten						107.5	107.5	2	2	
Grade Eleven						65.5	65.5	2	2	
Grade Twelve						60.5	60.5	2	2	
Subtotal						58	58	1	1	
						1,141.5	1,141.5	25	25	
Special Ed - Elementary	5	5	1	1		75	75	7	7	
Special Ed - Middle School	3	3	1	1		36	36	4	4	
Special Ed - High School	14	14	3	3		55	55	5	5	
Subtotal	22	22	5	5		166	166	16	16	
Totals	22	22	5	5	-0-	1,307.5	1,307.5	41	41	-0-
Percentage Error			0.00%		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 13, 2017

	Resident LEP Low Income					
	Reported on	Reported on	Sample	Verified to	Sample	Sample
	A.S.S.A. as LEP Low Income	Workpapers LEP Low Income	Selected from Workpapers	Test Scores, Application and Register	Errors	Errors
Full Day Kindergarten	26	26	3	3		
Grade One	31	31	3	3		
Grade Two	30	30	3	3		
Grade Three	32	32	3	3		
Grade Four	12	12	1	1		
Grade Five	7	7	1	1		
Grade Six	10	10	1	1		
Grade Seven	9	9	1	1		
Grade Eight	11	11	1	1		
Grade Nine	23	23	3	3		
Grade Ten	19	19	2	2		
Grade Eleven	7	7	1	1		
Grade Twelve	9	9	1	1		
Subtotal	226	226	24	24		
Special Ed - Elementary	2	2	1	1		
Special Ed - Middle School	1	1				
Special Ed - High School	1	1	1	1		
Subtotal	4	4	2	2		
Totals	230	230	26	26	-0-	-0-
Percentage Error			0.00%			0.00%

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
SCHEDULE OF AUDITED ENROLLMENTS  
ENROLLMENT AS OF OCTOBER 13, 2017

	Resident LEP Not Low Income					
	Reported on A.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	3	3		1	1	
Grade One	3	3		1	1	
Grade Two	3	3		1	1	
Grade Four	1	1		1	1	
Grade Six	1	1				
Grade Seven	1	1				
Grade Eight	1	1		1	1	
Grade Nine	2	2		1	1	
Grade Ten	1	1				
Grade Eleven	1	1		1	1	
Subtotal	17	17		7	7	
Totals	17	17	-0-	7	7	-0-
Percentage Error			0.00%			0.00%

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 13, 2017

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	54	54		4	4	
Regular - Special Education	4.5	4.5		1	1	
Special Needs Public	15.5	15.5		2	2	
Special Needs Private	14	14		2	2	
<b>Totals</b>	<b>88</b>	<b>88</b>	<b>-0-</b>	<b>9</b>	<b>9</b>	<b>-0-</b>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	5.9	5.9
Average Mileage - Regular Excluding Grade PK Students	5.9	5.9
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, 2018

**EXCESS SURPLUS CALCULATION**

**Section 1 - REGULAR DISTRICT**

2017-2018 Total General Fund Expenditures per the CAFR	<u>\$ 27,176,895</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)
Decreased by:		
On-Behalf TPAF Pension and Social Security	<u>\$ 3,655,098</u>	(B2a)
Assets Acquired Under Capital Leases	<u>                    </u>	(B2b)
Adjusted 2017-2018 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 23,521,797</u>	(B3)
2% of Adjusted 2017-2018 General Fund Expenditures [(B5) times .02]	<u>\$ 470,436</u>	(B4)
Enter Greater of (B4) or \$250,000	<u>\$ 470,436</u>	(B5)
Increased by: Allowable Adjustment	<u>\$ -0-</u>	(K)
Maximum Unassigned Fund Balance [(B5)+(K)]		<u>\$ 470,436</u> (M)

**Section 2**

Total General Fund - Fund Balances @ 6/30/2018 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 4,632,273</u>	(C)
Decreased by:		
Year-End Encumbrances	<u>\$ 58,055</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>\$ 350,000</u>	(C3)
Other Restricted Fund Balances	<u>\$ 3,106,552</u>	(C4)
Assigned - Designated for Subsequent Year's Expenditures		
Designated For Subsequent Year's Expenditures	<u>\$ -0-</u>	(C5)
Additional Assigned Fund Balance - Unreserved -		
Designated For Subsequent Year's Expenditures 7/1/18-8/1/18	<u>\$ -0-</u>	(C6)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]		<u>\$ 1,117,666</u> (U1)

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FISCAL YEAR ENDED JUNE 30, 2018

Restricted Fund Balance-Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0- \$ 647,230 (E)

**Recapitulation of Excess Surplus as of June 30, 2018**

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures \$ 350,000 (C3)

Restricted Excess Surplus [(E)] \$ 647,230 (E)

Total [(C3)+(E)+(F)] \$ 997,230 (D)

**Detail of Allowable Adjustments**

Impact Aid \$ -0- (H)

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

Extraordinary Aid \$ -0- (J1)

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

Total Adjustments [(H)+(I)+(J1)+(J2)] \$ -0- (K)

**Detail of Other Restricted Fund Balance**

Statutory Restrictions \$ -0-

Approved Unspent Separate Proposal \$ -0-

Sale/Lease-Back Reserve \$ -0-

Capital Reserve \$ 1,706,332

Emergency Reserve \$ 250,000

Maintenance Reserve \$ 1,150,220

Tuition Reserve \$ -0-

Other State/Governmental Mandated Reserve \$ -0-

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

Total Other Restricted Fund Balance \$ 3,106,552



BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
SUMMARY OF RECOMMENDATIONS  
FISCAL YEAR ENDED JUNE 30, 2018

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  
There were no prior year recommendations.