



**EAST BRUNSWICK PUBLIC SCHOOLS
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS –
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2018**

**AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS –
FINANCIAL, COMPLIANCE AND PERFORMANCE
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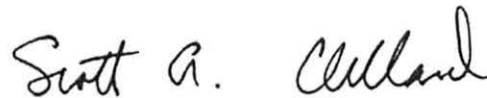
INDEPENDENT AUDITORS' REPORT

Honorable President and Members
of the Board of Education
East Brunswick Public Schools
County of Middlesex, New Jersey

We have audited, in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of East Brunswick Public Schools, County of Middlesex as of and for the year ended June 30, 2018, and have issued our report thereon dated February 21, 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 report is intended solely for the information and use of East Brunswick Public Schools' management and Board members, and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.



Scott A. Clelland
Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

Livingston, New Jersey
February 21, 2019

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.

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on J-20, Insurance Schedule contained in the District’s CAFR.

Official Bonds *N.J.S.A. 18A:17-26, 18A:17-32, & 18A:13-13*

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Bernardo Giuliani	Business Administrator	\$ 100,000
L. Mason Neely	Treasurer of School Moneys	750,000

There is an Employee Dishonesty Blanket Position Bond covering all other employees with multiple coverage of \$1,000,000 per loss.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The District made a proper adjustment to the billings to sending Districts for the increase or decrease in per pupil costs in accordance with *N.J.A.C. 6A:23A-17.1(f)3*.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period did not indicate any discrepancies with respect to signatures, certification or supporting documentation and no discrepancies or exceptions were noted.

Payroll Account and Position Control Roster

The net salaries of all employees of the Board were deposited in the payroll account. Employees’ payroll deductions and employer’s share of fringe benefits were deposited in the payroll agency account.

All payrolls tested were approved by the Superintendent and were certified by the President of the Board, the Board Secretary/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.

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

Our review of the payroll accounts revealed no exceptions.

Employee Position Control Roster

An inquiry and subsequent review of the Position Control Roster did not identify any inconsistencies between the payroll records, employee benefit records, the general ledger accounts to where wages are posted, and the Position Control Roster.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable and no exceptions were noted.

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 our randomly selected test samples, 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% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

Our review of the financial and accounting records maintained by the Board Secretary disclosed no exceptions.

Treasurer's Records

Our review of the financial and accounting records maintained by the Treasurer disclosed no exceptions.

Unemployment Compensation Insurance Trust Fund

The District has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. The financial transactions of this fund are reported in the Fiduciary Fund. No exceptions were noted.

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

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. indicated no instances of noncompliance and/or questionable costs.

Other Special Federal and/or State Projects

The District's special projects were approved as listed on Schedules A (K-3) and B (K-4) 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. We noted the following during our testing:

Finding 2018-001:

The District's Special Education Department is responsible for preparing and submitting the extraordinary aid application to the New Jersey Department of Education. During our audit of the Extraordinary Aid Program, we identified the District submitted costs for two students that were inaccurate. Costs were submitted for one student for an aide, of which the student did not receive the services of an aide and costs were submitted for one student based on multiple disabilities, when the student should have had costs submitted for Autism. In addition, we noted the Medicaid SEMI revenue for some students was not deducted from the cost for a child for extraordinary aid purposes in the application. It should be noted that the ultimate award of extraordinary aid is based on a formula determined by the New Jersey Department of Education, in which a school district is reimbursed for a percentage of cost in excess of certain thresholds, as well as, available funding from the State budget.

Recommendation:

We suggest that the District improve the current process in place to review the extraordinary aid application for accuracy prior to submission in order to maximize the state aid that is available to the District utilizing accurate cost information.

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.

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

Nonpublic State Aid

Our review of the Nonpublic State Aid completion reports disclosed no exceptions.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with *N.J.S.A. 18A:18A-2* and *18A:18A-3(a)* are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school transportation contracts under *N.J.S.A. 18A:39-3* is \$19,000 for 2017-18.

The District 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 Solicitor's opinion should be sought before a commitment is made.

The results of our examination, performed on a test basis, indicated that no individual payments, contracts, or agreements were made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of *N.J.S.A. 18A:18A-4*, amended.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per *N.J.S.A. 18A:18A-5*.

No exceptions were noted.

School Food Service

The financial transactions and statistical records of the school food service fund were reviewed on a test basis and are maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. No exceptions were noted.

The cash receipts and bank records were reviewed on a test basis for timely deposits without exception.

The District utilizes a food service management company for management of its food service program (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. The Board also employs non-managerial food service workers. 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 return a profit of at least \$105,000. The operating results provision was met for the year ended June 30, 2018.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified on a test check basis. Inventory records on food supply items were currently being 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 District deposited and expended program monies in accordance with *N.J.S.A. 18A:17-34*, and 19-1 through 19-4.1. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

Net cash resources did not exceed three months average expenditures.

Time sheets were reviewed and labor costs verified on a test basis. Payroll records were maintained for all School Food Services employees, except FSMC management, authorized by the Board of Education. No exceptions were noted.

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 on a test check basis. The number of free and reduced price meals claimed as served was compared to the number of valid applications and/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 policy is uniformly administered throughout the school system. 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.

USDA Food donation program commodities were received and a single inventory was maintained on a first-in, first-out basis. No exceptions noted. The District maintains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

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

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

Student Body Activities

During our audit of the student activity funds, we did not identify any exceptions.

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 handicapped, low-income and bilingual. 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 work papers without exception. The information that was included on the work papers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained work papers 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 District did not purchase any buses during the 2017-2018 school year. We noted no exceptions in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

Our procedures included a review of the New Jersey Schools Development Authority (“NJSDA”) grant agreements for consistency with recording NJSDA revenue, transfer of local funds from the general fund

or from the capital reserve account, and awarding of contracts for eligible facilities construction. No exceptions were noted.

Testing for Lead of All Drinking Water in Educational Facilities

The District adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

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

Follow-up on Prior Year's Findings

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year's recommendations. Corrective action has been taken on the prior year finding.

There were no audit reports issued by the Office of Fiscal Accountability and Compliance (OFAC) during the 2018 fiscal year.

Acknowledgment

We received the complete cooperation of all the officials of the School District and we greatly appreciate the courtesies extended to the members of the audit team.

School Food Service

SCHEDULE OF MEAL COUNT ACTIVITY

EAST BRUNSWICK PUBLIC SCHOOLS
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -Federal
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE (a)	(OVER) UNDER CLAIM (b)
National School Lunch (Regular Rate)	Paid	381,595	381,595	381,595	-	\$0.31	-
National School Lunch (Regular Rate)	Reduced	40,773	40,773	40,773	-	2.83	-
National School Lunch (Regular Rate)	Free	132,587	132,587	132,587	-	3.23	-
	TOTAL	554,955	554,955	554,955	-		-
National School Lunch	HHFKA - PB Lunch Only	554,955	554,955	554,955	-	\$0.06	-
School Breakfast (Regular Rate)	Paid	26,838	26,838	26,838	-	\$0.30	-
	Reduced	9,244	9,244	9,244	-	1.45	-
	Free	36,388	36,388	36,388	-	1.75	-
	TOTAL	72,470	72,470	72,470	-		-
School Breakfast (Severe Rate)	Paid	5,051	5,051	5,051	-	\$0.30	-
	Reduced	2,067	2,067	2,067	-	1.79	-
	Free	10,214	10,214	10,214	-	2.09	-
	TOTAL	17,332	17,332	17,332	-		-
Total Net (Overclaim) Underclaim							-

School Food Service

SCHEDULE OF MEAL COUNT ACTIVITY

EAST BRUNSWICK PUBLIC SCHOOLS

FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -STATE

ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE (a)	(OVER) UNDER CLAIM (b)
State Reimbursement - National School Lunch (Regular Rate)	Paid	381,595	381,595	381,595	-	0.050	-
State Reimbursement - National School Lunch (Regular Rate)	Reduced	40,773	40,773	40,773	-	0.055	-
State Reimbursement - National School Lunch (Regular Rate)	Free	132,587	132,587	132,587	-	0.055	-
	TOTAL	<u>554,955</u>	<u>554,955</u>	<u>554,955</u>	<u>-</u>		<u>-</u>

Total Net (Overclaim) Underclaim

-

NET CASH RESOURCE SCHEDULE

Net cash resources did/did not exceed three months of expenditures Enterprise Fund - Food Service June 30, 2018

<u>Net Cash Resources:</u>	Food Service B - 4/5	
CAFR * Current Assets		
B-4 Cash & Cash Equiv.	\$ 815,354	
B-4 Due from Other Gov'ts	53,878	
B-4 Accounts Receivable	8,603	
B-4 Investments	-	
 CAFR Current Liabilities		
B-4 Less Accounts Payable	(387,068)	
B-4 Less Accruals		
B-4 Less Due to Other Funds		
B-4 Less Unearned Revenue		
Net Cash Resources	\$ 490,767	(A)
 <u>Net Adj. Total Operating Expense:</u>		
B-5 Tot. Operating Exp.	3,010,836	
B-5 Less Depreciation	(121,322)	
Adj. Tot. Oper. Exp.	\$ 2,889,514	(B)
 <u>Average Monthly Operating Expense:</u>		
B / 10	\$ 288,951	(C)
 <u>Three times monthly Average:</u>		
3 X C	\$ 866,854	(D)

TOTAL IN BOX A	\$	490,767	
LESS TOTAL IN BOX D		866,854	
NET	\$	(376,087)	
 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.

EAST BRUNSWICK PUBLIC SCHOOLS

SCHEDULE OF AUDITED ENROLLMENTS

**APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017**

	2018-2019 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verification	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool	65		65					33		33						
Full Day Kindergarten	446		446					51		51						
One	455		455					52		52						
Two	480		480					49		49						
Three	495		495					46		46						
Four	527		527					34		34						
Five	511		511					34		34						
Six	512		512					16		16						
Seven	509		509					9		9						
Eight	571		571					16		16						
Nine	572	2	572	2				15		15						
Ten	585	2	585	2				11		11						
Eleven	637	1	637	1				11		11						
Twelve	594	2	594	2				8		8						
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	6,959	7	6,959	7	-	-	385	-	385	-	-	-	-	-	-	-
CSSD																
Special Ed - Elementary	430		430				20		20				5	4	4	
Special Ed - Middle School	255	8	255	8									6	5	5	
Special Ed - High School	334	12	334	12			5		5				27	24	24	
Subtotal	1,019	20	1,019	20	-	-	25	-	25	-	-	-	38	33	33	-
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	7,978	27	7,978	27	-	-	410	-	410	-	-	-	38	33	33	-
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%

SCHEDULE OF AUDITED ENROLLMENTS

**EAST BRUNSWICK PUBLIC SCHOOLS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017**

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A S S A. as Low Income</u>	<u>Reported on Workpapers as Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>	<u>Reported on A S S A. as LEP low Income</u>	<u>Reported on Workpapers as LEP low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Test Score and Register</u>	<u>Sample Errors</u>
Charter School												
Full Day Kindergarten	71.0	71.0		25	25		15	15		8	8	
One	81.0	81.0		28	28		19	19		11	11	
Two	82.0	82.0		29	29		17	17		10	10	
Three	74.0	74.0		28	28		18	18		11	11	
Four	76.0	76.0		26	26		9	9		7	7	
Five	79.0	79.0		31	31		5	5		2	2	
Six	80.0	80.0		10	10		6	6		4	4	
Seven	69.0	69.0		5	5		4	4		3	3	
Eight	79.0	79.0		11	11		3	3		3	3	
Nine	77.0	77.0		12	12		4	4		2	2	
Ten	106.0	106.0		6	6		2	2		1	1	
Eleven	100.5	100.5		6	6		6	6		4	4	
Twelve	72.0	72.0		5	5		6	6		2	2	
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	<u>1,046.5</u>	<u>1,046.5</u>	<u>-</u>	<u>222</u>	<u>222</u>	<u>-</u>	<u>114</u>	<u>114</u>	<u>-</u>	<u>68</u>	<u>68</u>	<u>-</u>
Special Ed - Elementary	118.0	118.0		33	33		10	10		2	2	
Special Ed - Middle	55.5	55.5		4	4		2	2				
Special Ed - High	68.0	68.0		5	5		1	1		1	1	
Subtotal	<u>241.5</u>	<u>241.5</u>	<u>-</u>	<u>42</u>	<u>42</u>	<u>-</u>	<u>13</u>	<u>13</u>	<u>-</u>	<u>3</u>	<u>3</u>	<u>-</u>
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	<u>1,288.0</u>	<u>1,288.0</u>	<u>-</u>	<u>264</u>	<u>264</u>	<u>-</u>	<u>127</u>	<u>127</u>	<u>-</u>	<u>71</u>	<u>71</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

	<u>Transportation</u>					
	<u>Reported on DRTRS by DOE/county</u>	<u>Reported on DRTRS by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>
Reg - Public Schools, col. 1	3,079	3,079		219	219	
Reg - SpEd, col. 4	560	560		40	40	
Transported - AIL, col. 2 & Non-Public, col. 3	218	218		16	16	
Special Ed Spec, col. 6	386	386		28	28	
Totals	<u>4,243</u>	<u>4,243</u>	<u>-</u>	<u>303</u>	<u>303</u>	<u>-</u>
Percentage Error					<u>0.00%</u>	

	<u>Reported</u>	<u>Recalculated</u>
Reg Avg (Mileage) = Regular Including Grade PK students	3.5	3.5
Reg Avg (Mileage) = Regular Excluding Grade PK students	3.5	3.5
Spec Avg. = Special Ed with Special Needs	4.2	4.2

SCHEDULE OF AUDITED ENROLLMENTS

EAST BRUNSWICK PUBLIC SCHOOLS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as NOT Low Income</u>	<u>Reported on Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Test Score and Register</u>	<u>Sample Errors</u>
Full Day Kindergarten	20	20		18	18	
One	20	20		13	13	
Two	14	14		10	10	
Three	13	13		7	7	
Four	4	4		1	1	
Five	5	5		1	1	
Six	3	3		2	2	
Seven	5	5		1	1	
Eight	4	4		2	2	
Nine	4	4		1	1	
Ten	5	5		4	4	
Eleven	2	2		1	1	
Twelve	2	2		1	1	
Post-Graduate Adult H.S. (15+CR.) Adult H.S. (1-14 CR.)						
Subtotal	<u>101</u>	<u>101</u>	<u>-</u>	<u>62</u>	<u>62</u>	<u>-</u>
Special Ed - Elementary	8	8		2	2	
Special Ed - Middle						
Special Ed - High						
Subtotal	<u>8</u>	<u>8</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>
Co. Voc. - Regular Co. Voc. Ft. Post Sec.						
Totals	<u>109</u>	<u>109</u>	<u>-</u>	<u>64</u>	<u>64</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

EAST BRUNSWICK PUBLIC SCHOOLS

EXCESS SURPLUS CALCULATION

JUNE 30, 2018

SECTION 1

A. 2% Calculation of Excess Surplus

2017-18 Total General Fund Expenditures per the CAFR, Ex. C-1	<u>\$ 164,154,250</u>	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -</u>	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ -</u>	(B1b)
Transfer from General Fund to SRF for PreK-Regular	<u>\$ -</u>	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	<u>\$ -</u>	(B1d)
Decreased by:		
On-Behalf TPAF Pension, PRM, LTD and Social Security	<u>\$ 19,524,419</u>	(B2a)
Assets Acquired Under Capital Leases	<u>\$ -</u>	(B2b)
Adjusted 2017-18 General Fund Expenditures [(B) + (B1s) - (B2s)]	<u>\$ 144,629,831</u>	(B3)
2% of Adjusted 2017-18 General Fund Expenditures [(B3) times .02]	<u>\$ 2,892,597</u>	(B4)
Enter Greater of (B4) or \$250,000	<u>\$ 2,892,597</u>	(B5)
Increased by: Allowable Adjustment*	<u>\$ 1,170,500</u>	(K)
Maximum Unassigned/Undesignated - Unreserved Fund Balance [(B5) + (K)]	<u>\$ 4,063,097</u>	(M)

SECTION 2

Total General Fund - Fund Balances at 6-30-18 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 25,183,475</u>	(C)
Decreased by:		
Assigned Year End Encumbrances	<u>\$ 2,765,172</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -</u>	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	<u>\$ 4,350,000</u>	(C3)
Other Restricted Fund Balances****	<u>\$ 9,655,206</u>	(C4)
Assigned Fund Balance-Unreserved- Designated for Subsequent Year's Expenditures	<u>\$ -</u>	(C5)
Additional Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures July 1, 2018 - August 1, 2018	<u>\$ -</u>	(C6)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	<u>\$ 8,413,097</u>	(U1)

EAST BRUNSWICK PUBLIC SCHOOLS

EXCESS SURPLUS CALCULATION

JUNE 30, 2018

SECTION 3

Restricted Fund Balance - Excess Surplus ***

[(U1)-(M)] IF NEGATIVE ENTER -0-

\$ 4,350,000 (E)

Recapitulation of Excess Surplus as of June 30, 2018

Reserved Excess Surplus - Designated for Subsequent Year's
Expenditures **

\$ 4,350,000 (C3)

Reserved Excess Surplus *** [(E)]

\$ 4,350,000 (E)

Total Excess Surplus [(C3)+(E)]

\$ 8,700,000 (D)

Detail of Allowable Adjustments

Impact Aid

\$ _____ - (H)

Sales & Lease-back

\$ _____ - (I)

Extraordinary Aid

\$ 1,113,635 (J1)

Additional Nonpublic School Transportation Aid

\$ 56,865 (J2)

Current Year School Bus Advertising Revenue Recognized

\$ _____ - (J3)

Family Crisis Transportation Aid

\$ _____ - (J4)

Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]

\$ 1,170,500 (K)

** This amount represents the June 30, 2017 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amount must agree to the June 30, 2018 CAFR and must agree to Audit Summary Line 90030.

Amount for Other Restricted Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by another type of government, such as the judicial branch of government, must have departmental approval. District requests

*** should be submitted to the Division of Administration and Finance prior to September 30.

EAST BRUNSWICK PUBLIC SCHOOLS

EXCESS SURPLUS CALCULATION

JUNE 30, 2018

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$	-
Sale/lease-back reserve	\$	-
Capital reserve	\$	9,655,206
Emergency reserve	\$	-
Maintenance reserve	\$	-
Tuition reserve	\$	-
School Bus Advertising 50% Fuel Offset-current year	\$	-
School Bus Advertising 50% Fuel Offset-prior year	\$	-
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$	-
Impact Aid General Fund Reserve (Sections 8007 and 8008)	\$	-
Other State / government madated reserve	\$	-
[Other Restricted Fund Balance not noted above]****	\$	-
 Total Other Restricted Fund Balance	\$	9,655,206 (C4)

East Brunswick Public Schools
Audit Recommendations Summary

June 30, 2018

Recommendations:

1. **Administrative Practices and Procedures**

None

2. **Financial Planning, Accounting and Reporting**

Finding 2018-001 - We suggest that the District improve the current process in place to review the extraordinary aid application for accuracy prior to submission in order to maximize the state aid that is available to the District utilizing accurate cost information.

3. **School Purchasing Programs**

None

4. **School Food Service**

None

5. **Student Body Activities**

None

6. **Application for State School Aid**

None

7. **Pupil Transportation**

None

8. **Facilities and Capital Assets**

None

9. **Miscellaneous**

None

10. **Status of Prior Year Audit Findings/Recommendations**

Prior year findings were corrected.