

**BOROUGH OF JAMESBURG
BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2018**

Prepared by

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of the Firm

**SAMUEL KLEIN AND COMPANY
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REPORT OF INDEPENDENT AUDITORS

Honorable President and Members
of the Board of Education
Borough of Jamesburg
Board of Education
County of Middlesex, 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 basic financial statements of the Board of Education of the Borough of Jamesburg School District in the County of Middlesex for the year ended June 30, 2018, and have issued our report thereon dated February 26, 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 of the Borough of Jamesburg 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.



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
February 26, 2019

**ADMINISTRATIVE FINDINGS - FINANCIAL
COMPLIANCE AND PERFORMANCE
JUNE 30, 2018**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the Treasurer of School Monies, the activities of the Board of Education and the records of the various funds under the auspices of the Board of Education. This report is filed in conjunction with the District's Comprehensive Annual Financial Report (CAFR).

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on the Insurance Schedule contained in the Statistical Tables (Section) – Exhibit J-20, of the District's CAFR.

Officials' Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Nick Mackres	Board Secretary	\$ 250,000.00
Scott Frueh	Treasurer of School Monies	200,000.00

The surety bond coverage for the Treasurer of School Monies and Board Secretary exceeded the minimum requirement as promulgated by the Department of Education.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under audit was made as to affidavit or signed declaration, proper itemization and proper authorization by officials. The Board's voucher system is in accordance with R.S. 18:6-34, which requires a signed declaration by the vendor in place of an affidavit. In addition, all vouchers are signed by the Board Secretary. The actual signature for receipt of goods or services rendered is on the receiving copy of the purchase order set, which is attached to the purchase order filed by appropriation number. All claims approved for payment are listed by fund total in the Minutes.

Payroll Account

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 were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/School Business Administrator.

**ADMINISTRATIVE FINDINGS - FINANCIAL
COMPLIANCE AND PERFORMANCE (CONTINUED)**
JUNE 30, 2018

Financial Planning, Accounting and Reporting (Continued)

Payroll Account (Continued)

Compensation records were tested, and for those individuals examined; it was determined that salaries paid were in accordance with the amounts authorized by the Board.

Salary withholdings were promptly remitted to the proper agencies, including required health insurance withholdings.

The Board utilizes a payroll service bureau for all of its payroll transactions, inclusive of the net pay and the payroll agency (withholdings) fund. The payroll service bureau has provided the required report on their internal controls on Internal Control of Service Organizations in accordance with the AICPA Statement on Standards for Attesting Engagements Number 16 (SSAE#16).

Unemployment Compensation Insurance Trust Fund

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, 2018 for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders existed for proper classification of orders as reserved 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:23-2.2(g) as part of our test of transactions of randomly selected expenditure items. We also examined 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-2.4. As a result of the procedures performed, no transaction error rate was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

**ADMINISTRATIVE FINDINGS - FINANCIAL
COMPLIANCE AND PERFORMANCE (CONTINUED)**
JUNE 30, 2018

Financial Planning, Accounting and Reporting (Continued)

Travel Expenditures

Travel expenditures were tested and found to be in compliance with N.J.A.C. 6A:23A-7.1.

Student Body Activities Funds

High School and Middle School

Cash receipts and cash disbursements records were maintained in satisfactory condition.

All receipts were promptly deposited in the bank.

A test check of bills and invoices was made to the cash disbursements record, no exceptions were noted.

Board Secretary/School Business Administrator's Records

Our review of the financial and accounting records maintained by the Board Secretary revealed that the records were maintained properly.

Acknowledgment of the Board's receipt of the Board Secretary's report was included in the minutes.

Treasurer's Records

The Treasurer's records were found to be maintained properly.

As a result of our audit, it was determined that there were reconciling items in the Payroll Agency, Payroll Net, and General Fund Bank Accounts that needed to be written off in order to present correct cash balances in those funds. The reconciliations contained items that were either old and/or inaccurate and may have been the result of carryover conditions that existed from prior years. It was necessary to adjust the miscellaneous revenue of the District in order to reflect the proper cash balance and related fund balance of the District. It is suggested that the bank reconciliations as revised by us be reviewed by the Business Administrator in conjunction with the Treasurer of School Monies. Similar conditions existed last year with regards to the Payroll Agency Fund and the General Fund.

Acknowledgment of the Board's receipt of the Treasurer's report was included in the minutes.

**ADMINISTRATIVE FINDINGS - FINANCIAL
COMPLIANCE AND PERFORMANCE (CONTINUED)
JUNE 30, 2018**

Financial Planning, Accounting and Reporting (Continued)

**Elementary and Secondary Education Act of 1965 (E.S.E.A.) as Reauthorized by the
Every Student Succeeds Act (E.S.S.A.) of 2017**

The 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 project under Title I, II and III of the Elementary and Secondary Education Act.

The study of compliance for ESSA indicated no matters of noncompliance and/or questioned costs.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on the Schedules of Federal and State Financial Assistance 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 semi-monthly reimbursement forms filed with the Department of Education for District employees who are members of the Teachers Pension and Annuity Fund.

Expendable and Nonexpendable Trust Fund

The accounts within this fund appear to have been properly administered.

**ADMINISTRATIVE FINDINGS – FINANCIAL
COMPLIANCE AND PERFORMANCE (CONTINUED)
JUNE 30, 2018**

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2015 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-3 and 18A:39-3 are \$29,000.00 and \$18,800.00, respectively.

The board of education has elected to utilize the Qualified Purchasing Agent (QPA) higher bid threshold of \$40,000.00 since the School Business Administrator/Board Secretary is a qualified as such.

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 Attorney's opinion should be sought before a commitment is made.

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

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 of 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 minutes indicate that bids were advertised for the following:

New Toilet Rooms	Upgrade to Security Vestibule
Interior Renovations at GMB	Cyber Café Classroom and Conversion
JFK Bathrooms for Preschool	Bathroom Renovation

**ADMINISTRATIVE FINDINGS - FINANCIAL
COMPLIANCE AND PERFORMANCE (CONTINUED)
JUNE 30, 2018**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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 the following purchases were made through the use of State contracts.

Instructional supplies
Playground Resurfacing

Replacement playground parts

*Other purchases were also made under co-op agreements

In as much 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 provisions of N.J.S.A. 18A:18A-4, as amended.

Purchasing was also under various cooperative purchasing arrangements in conjunction with other school districts as well as under state contract.

School Food Service

The financial transactions and statistical records of the school food services were maintained in satisfactory condition. The financial accounts, meal count record and eligibility applications were reviewed on a test-check basis. 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 did not exceed the number of valid applications on file, times the number of operating days, on a school by school basis. The free and reduced price meals and free milk policy is uniformly administered throughout the School System. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions were noted.

The Board employs Pomptonian, a management company ("the Management Company"), to handle their food service program. We examined, on a test basis, their expenditures for separate recording of food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used. Provisions of the management company contract were reviewed and audited.

ADMINISTRATIVE FINDINGS - FINANCIAL
COMPLIANCE AND PERFORMANCE (CONTINUED)
JUNE 30, 2018

School Food Service (Continued)

All employees of the Cafeteria are hired by the Management Company and paid by them.

Exhibits reflecting child nutrition program operations are included in Section G of the CAFR.

The food service company has provided the required study of their internal controls in accordance with the Report on Internal Control of Service Organizations in accordance with the AICPA Statement on Standards for Attesting Engagements Number 16 (SSAE#16).

The District is depositing and expending 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.

All vendor discounts, rebates and credits vendors and/or the Management Company were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

Net cash resources did not exceed three months average expenditures. Cash receipts for special functions and "pay for it" were deposited into the bank account but not properly entered into the record of the District. This matter was resolved by audit journal entry.

Food Distribution Program commodities were received during the period of audit. Inventory records on commodities are being maintained. The value of U.S.D.A. Commodities received during 2017-2018 was \$23,665.40.

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

The school district project remains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

Childcare High Five – The Childcare *High Five* program had experienced growth in participation over the last few years. The growth has caused additional administrative and accounting requirements. As a result, the Board Secretary/Business Administrator (BS/BA) of record for 2017-2018 had undertaken control of the program and performed review in order to ascertain if procedures were followed. As a result of the review and with our audit inquiry, it was determined there were minor billing discrepancies, the magnitude of which is not significant. Prior to year-end, there was a change in personnel and it is anticipated that in the current year with BS/BA oversight will result in no further problems. This condition should be monitored on an ongoing basis. There was similar comments noted in the last year audit.

Testing for Lead of All Drinking Water in Educational Facilities

The school 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.

ADMINISTRATIVE FINDINGS - FINANCIAL
COMPLIANCE AND PERFORMANCE (CONTINUED)
JUNE 30, 2018

Application for State School Aid

Our audit procedures included a test of information reported in the October 13, 2017 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. 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 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. 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. No exceptions were noted in our review of transportation related purchases of goods and services.

Capital Projects Fund

The Capital Projects Fund reflects an overdraft of Cash and Cash Equivalents and offsetting deficit in fund balance in the amount of \$208,034.53. The amount was reduced from the prior year by \$67,779.47 since it was determined that there may be ineligible costs. A charge to the General Fund fund balance was made in order to reflect a more accurate receivable from the state. This condition is the result of Capital Expenditures incurred in prior year that had grant funding for which we have been advised by the current School Business Administrator that the documents were never submitted for reimbursement by the District. The current School Business Administrator during 2017-2018 took action to obtain the funds is in the process of obtaining the documents for submission.

Capital Assets

For the school year ended June 30, 2018 the District had engaged an outside firm to prepare an inventory listing of Capital Assets which was a significant improvement from past years.

ADMINISTRATIVE FINDINGS - FINANCIAL
COMPLIANCE AND PERFORMANCE (CONTINUED)
JUNE 30, 2018

Internal Control Procedures

The School District is continuing the process of documenting its internal controls. This course of action is commendable and will also serve the purpose of meeting certain requirements as set forth by the Statement on Auditing Standards 112. We suggest the School District continue its process and also consider utilizing the framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) for its documentation, which includes the five components of internal controls as follows: Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring. In addition, we suggest the documentation should also include the internal controls that exist over grant compliance. While the process of internal control documentation can be arduous, it can serve to mitigate the loss of institutional knowledge that often accompanies changes in managerial personnel, as existing policies, procedures and responsibilities are clearly defined for replacement staff.

RECOMMENDATIONS
JUNE 30, 2018

None.

FOLLOW-UP ON PRIOR YEAR'S FINDINGS

Recommendations

2017-9 Miscellaneous – That all matters referred to in this report that have commenced implementation subsequent to yearend by the current School Business Administrator be monitored for full implementation as soon as possible but prior to June 30, 2018

Status: Significant progress was made and, where required, corrective action was taken.

ACKNOWLEDGMENT

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

Respectfully submitted,



Gerard Stankiewicz
Certified Public Accountant
Public School Accountant #912

For The Firm
SAMUEL KLEIN AND COMPANY

BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MONMOUTH
SCHEDULE OF MEAL COUNT ACTIVITY
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS - FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(MEMORANDUM ONLY)

<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 (High Rate)	Paid	26,344	26,344	26,344	None	0.360	None
	Reduced	7,758	7,758	7,758	None	2.885	None
	Free	<u>49,987</u>	<u>49,987</u>	<u>49,987</u>	<u>None</u>	3.235	<u>None</u>
	Total	<u>84,089</u>	<u>84,089</u>	<u>84,089</u>	<u>None</u>		<u>None</u>
School Breakfast (Severe Needs Rate)	Paid	2,230	2,230	2,230	None	0.300	None
	Reduced	1,458	1,458	1,458	None	1.790	None
	Free	<u>22,901</u>	<u>22,901</u>	<u>22,901</u>	<u>None</u>	2.090	<u>None</u>
	Total	<u>26,589</u>	<u>26,589</u>	<u>26,589</u>	<u>None</u>		<u>None</u>
Total Net (Over)/Under Claim							<u><u>None</u></u>

**JAMESBURG SCHOOL DISTRICT
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 Verifi- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool 3	32		32					14		14						
Half Day Preschool 4	41		41					18		18						
Full Day Preschool																
Half Day Kindergarten																
Full Day Kindergarten	61		61					27		27						
One	59		59					27		27						
Two	70		70					31		31						
Three	63		63					28		28						
Four	57		57					26		26						
Five	55		55					25		25						
Six	75		75					34		34						
Seven	38		38					17		17						
Eight	59		59					27		27						
Nine																
Ten																
Eleven																
Twelve																
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	610		610					274		274						
Special Ed - Elementary	55		55					25		25			1	1		
Special Ed - Middle School	29		29					13		13			1	1		
Special Ed - High School													2	2		
Subtotal	84		84					38		38			4	4	0	
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals																
Percentage Error					0.00%	0.00%						0.00%	0.00%			0.00%

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

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool												
Full Day Preschool												
Half Day Kindegarten												
Full Day Kindegarten	37	37		17	17		26	26		12	12	
One	32	32		14	14		13	13		6	6	
Two	44	44		20	20		19	19		9	9	
Three	43	43		19	19		22	22		10	10	
Four	36	36		16	16		4	4		2	2	
Five	35	35		16	16		12	12		5	5	
Six	48	48		22	22		10	10		5	5	
Seven	23	23		10	10		1	1		0	0	
Eight	23	23		10	10		2	2		1	1	
Nine												
Ten												
Eleven												
Twelve												
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	<u>321</u>	<u>321</u>		<u>144</u>	<u>144</u>		<u>109</u>	<u>109</u>		<u>49</u>	<u>49</u>	
Special Ed - Elementary	36	36		16	16		6	6		6	6	
Special Ed - Middle	13	13		6	6		1	1		1	1	
Special Ed - High					0							
Subtotal	<u>49</u>	<u>49</u>		<u>22</u>	<u>22</u>		<u>7</u>	<u>7</u>		<u>7</u>	<u>7</u>	
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	<u><u>370</u></u>	<u><u>370</u></u>	<u>0</u>	<u><u>166</u></u>	<u><u>166</u></u>	<u>0</u>	<u><u>116</u></u>	<u><u>116</u></u>	<u>0</u>	<u><u>56</u></u>	<u><u>56</u></u>	<u>0</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

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

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool						
Full Day Preschool						
Half Day Kindegarten						
Full Day Kindergarten	6	6		3	3	
One						
Two	1	1		1	1	
Three	2	2		1	1	
Four	1	1		1	1	
Five						
Six	1	1		1	1	
Seven						
Eight	1	1		1	1	
Nine						
Ten						
Eleven						
Twelve						
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	<u>12</u>	<u>12</u>	<u></u>	<u>8</u>	<u>8</u>	<u></u>
Special Ed - Elementary						
Special Ed - Middle						
Special Ed - High						
Subtotal	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>12</u>	<u>12</u>	<u>0</u>	<u>8</u>	<u>8</u>	<u>0</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**JAMESBURG SCHOOL DISTRICT
DISTRICT REPORT OF TRANSPORTED RESIDENT STUDENTS
ENROLLMENT AS OF OCTOBER 13, 2017**

	<u>Sample for Verification</u>			Sample Errors
	Reported on D.R.T.R.S.	Sample Selected from Workpapers	Verified to Register	
Students - Grade PK*				
Public School Students excl. Voc. Students	20	10	10	
Vocational School Students	12	6	6	
Transported Charter School Students				
AIL Charter School Students	9	4	4	
Transported Non-Public and Other School Students	2	1	1	
AIL Non-Public and Other School Students	50	24	24	
Special Education Public School Students				
Special Education Charter School Students				
Private School for Students with Disabilities and Other School Students				
Subtotal	<u>93</u>	<u>45</u>	<u>45</u>	
With Special Transportation Needs:				
Public School Students	2	1	1	
Charter School Students				
Private School for Students with Disabilities				
Out-of-district Public School Students	5	2	2	
Out-of-district Charter School Students				
With Special Transportation Needs:				
Private School for Students with Disabilities	2	1	1	
Subtotal	<u>9</u>	<u>4</u>	<u>4</u>	
Courtesy Students - Elementary				
Courtesy Students - Secondary	255	122	122	
Transported Nonpublic School Students 201-30 Miles				
Totals	<u>357</u>	<u>171</u>	<u>171</u>	
Percentage Error				<u>0.00%</u>

*Includes Public, Charter and Early Childhood Community Provider (ECCP)

	<u>Reported</u>	<u>Recalculated</u>
Avg. Home to School (Mileage) = Regular Including Grade PK students	6.6	6.6
Avg. Home to School (Mileage) = Regular Excluding Grade PK students	6.6	6.6
Avg. Home to School (Mileage) = Special Ed with Special Needs	8.9	8.9

BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX
FISCAL YEAR ENDED JUNE 30, 2018
(UNAUDITED)

EXCESS SURPLUS CALCULATION
REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2017-18 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>14,625,163.36</u> (B)	
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$ _____ (B1a)	
Transfer from Capital Reserve to Capital Projects Fund	\$ _____ (B1b)	
Transfer from General Fund to SRF for PerK-Regular	\$ _____ (B1c)	
Transfer from General Fund to SRF for PerK-Inclusion	\$ _____ (B1d)	
Decreased by:		
On-Behalf TPAF Pension & Social Security	\$ <u>1,180,344.14</u> (B2a)	
Assets Acquired Under Capital Leases	\$ _____ (B2b)	
Adjusted 2017-18 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ <u>13,444,819.22</u> (B3)	
2% of Adjusted 2017-18 General Fund Expenditures [(B3) times .02]	\$ <u>268,896.38</u> (B4)	
Enter Greater of (B4) or \$250,000	\$ <u>268,896.38</u> (B5)	
Increased by: Allowable Adjustment*	\$ <u>67,751.00</u> (K)	
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]	\$ <u>336,647.38</u> (M)	

SECTION 2

Total General Fund - Fund Balances @ 6-30-2018 (Per CAFR Budgetary Comparison Schedule-C1)	\$ <u>2,690,020.48</u> (C)	
Decreased by:		
Year-end Encumbrances	\$ <u>187,347.54</u> (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ _____ (C2)	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>736,466.12</u> (C3)	
Other Restricted Fund Balances ****	\$ <u>1,295,682.36</u> (C4)	
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ <u>44,428.88</u> (C5)	
Additional Assigned Fund Balance - Unreserved - Designated for subsequent Year's Expenditures July 1, 2018 - August 1, 2018	\$ _____ (C6) *****	
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	\$ <u>426,095.58</u> (U1)	

BOARD OF EDUCATION
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SECTION 3

Restricted Fund Balance - Excess Surplus***[(U1)-(M)] IF NEGATIVE ENTER -0- \$ 89,448.20 (E)

Recapitulation of Excess Surplus as of June 30, 2018

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>736,466.12</u> (C3)
Reserved Excess Surplus***[(E)]	\$ <u>89,448.20</u> (E)
Total Excess Surplus [(C3) + (E)]	\$ <u>825,914.32</u> (D)

Footnotes:

* Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:

- (H) Federal Impact Aid. The passage of P.L. 2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, effective for the year ending June 30, 2016 the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve - General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
- (I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);
- (J1) Extraordinary Aid;
- (J2) Additional Nonpublic School Transportation Aid;
- (J3) Recognized current year School Bus Advertising Revenue; and
- (J4) Family Crisis Transportation Aid.

Notes to auditor: Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid, and Additional Nonpublic School Transportation Aid.

Detail of Allowable Adjustments

Impact Aid	\$ _____ (H)
Sale & Lease-back	\$ _____ (I)
Extraordinary Aid	\$ <u>52,997.00</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>14,754.00</u> (J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____ (J3)
Family Crisis Transportation Aid	\$ _____ (J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	\$ <u>67,751.00</u> (K)

** This amount represents the June 30, 2018 Excess Surplus (C3 above) and must be included in the Audit Summary 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 an other 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.

***** Increase in Assigned Fund Balance - Unreserved - Designated for Subsequent Year's expenditures July 1, 2018 to August 1, 2018 resulting from decrease in state aid after adoption of 2018-19 district budget. Refer to Commissioner's Broadcast and to page I-4.2 of this Audit Program.

BOARD OF EDUCATION
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COUNTY OF MIDDLESEX
FISCAL YEAR ENDED JUNE 30, 2018
(UNAUDITED)

Detail of Other Restricted Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	\$ _____
Sale/lease-back reserve	\$ _____
Capital reserve	\$ 834,785.33
Maintenance reserve	\$ 255,815.00
Emergency reserve	\$ 5,082.03
Tuition reserve	\$ 200,000.00
School Bus Advertising 50% Fuel Offset Reserve - current year	\$ _____
School Bus Advertising 50% Fuel Offset Reserve - prior year	\$ _____
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ _____
Impact Aid General Fund Reserve (Sections 8007 and 8008)	\$ _____
Other state/government mandated reserve	\$ _____
[Other Reserved Fund Balance not noted above]****	\$ _____
 Total Other Restricted Fund Balance	 \$ 1,295,682.36 (C4)



 GERARD STANKIEWICZ, CPA, PSA #912

Date: February 26, 2019

JAMESBURG BOROUGH SCHOOL DISTRICT
COUNTY OF MONMOUTH, NEW JERSEY

NET CASH RESOURCE SCHEDULE

Net Cash Resources Did Not Exceed Three Months of Expenditures
Proprietary Funds - Food Service
FYE 2018

<u>Net Cash Resources:</u>		Food Service	
		B - 4/5	
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 58,643
B-4		Due from Other Gov'ts	25,107
B-4		Accounts Receivable	-
B-4		Security Deposit	
CAFR		Current Liabilities	
B-4		Less Accounts Payable	13,447
B-4		Less Accruals	
B-4		Less Due to Other Funds	
B-4		Less Deferred Revenue	<u>2,188</u>
		Net Cash Resources	<u>\$ 68,115</u> (A)
 <u>Net Adj. Total Operating Expense:</u>			
B-5		Total Operating Expense	399,392
B-5		Add Depreciation	<u>(4,934)</u>
		Adj. Total Operating Expense	<u>\$ 394,458</u> (B)
 <u>Average Monthly Operating Expense:</u>			
		B / 10	<u>\$ 39,446</u> (C)
 <u>Three Times Monthly Average:</u>			
		3 X C	<u>\$ 118,337</u> (D)

TOTAL IN BOX A	\$ 68,115
LESS TOTAL IN BOX D	\$ 118,337
NET	<u>(50,222)</u>
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

BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT

AUDIT RECOMMENDATIONS SUMMARY
For the Fiscal Year Ended June 30, 2018

Recommendations:

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
None.
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

BOARD OF EDUCATION
BOROUGH OF JAMESBURG SCHOOL DISTRICT

AUDIT RECOMMENDATIONS SUMMARY
For the Fiscal Year Ended June 30, 2018
(Continued)

10. Status of Prior Year Audit Findings/Recommendations

2017-9 Miscellaneous – That all matters referred to in this report that have commenced implementation subsequent to yearend by the current School Business Administrator be monitored for full implementation as soon as possible but prior to June 30, 2018

Status: Progress was made.