

**BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP  
AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2018**

**Prepared by**

**Gerard Stankiewicz, CPA, PSA**

**Of the Firm  
SAMUEL KLEIN AND COMPANY  
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## TABLE OF CONTENTS

	<u>Page</u>
Report of Independent Auditors .....	1
Administrative Findings – Financial Compliance and Performance	
Scope of Audit .....	2
Administrative Practices and Procedures:	
Insurance .....	2
Officials' Bonds .....	2
Financial Planning, Accounting and Reporting:	
Examination of Claims .....	2
Payroll Account .....	3
Tuition Charges (Revenue) .....	3
Reserve for Encumbrances and Accounts Payable .....	3
Classification of Expenditures .....	3
Student Body Activities Funds .....	4
Board Secretary/School Business Administrator's Records .....	4
Treasurer's Records .....	4
Elementary and Secondary Education Act of 1965 (ESEA) as Amended by	
Every Student Succeeds Act (ESSA) .....	4
AS Amended by Every Student Succeeds Act .....	4
Other Special Federal and/or State Projects .....	4-5
T.P.A.F. Reimbursement .....	5
Expendable and Nonexpendable Trust Funds .....	5
School Purchasing Programs:	
Contracts and Agreements Requiring Advertisement for Bids .....	5-6
Enterprise Fund:	
School Food Service .....	6-7
Testing for Lead of All Drinking Water in Educational Facilities .....	8
Application for State School Aid .....	8
Pupil Transportation .....	8
Recommendations .....	9
Follow-up on Prior Year's Findings .....	9
Acknowledgment .....	9
Schedule of Meal Count Activity .....	10
Schedule of Audited Enrollments .....	11-14
Excess Surplus Calculation .....	15-17
Net Cash Resource Schedule .....	18
Audit Recommendations Summary .....	19

# SAMUEL KLEIN AND COMPANY

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## REPORT OF INDEPENDENT AUDITORS

Honorable President and Members  
of the Board of Education  
North Brunswick Township School District  
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 North Brunswick Township School District in the County of Middlesex for the year ended June 30, 2018 and have issued our report thereon dated February 7, 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 North Brunswick Township 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 7, 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 Section (J-20) of the District's CAFR.

**Officials' Bonds**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Brian Falkowski	Interim Business Administrator	\$ 200,000 (A)
Alex Benanti	Assistant Business Administrator/ Board Secretary	\$ 200,000 (A)
Gerald Seneski	Treasurer of School Monies	\$ 400,000 (A)

(A) Selective Insurance. There is a Public Employees Faithful Performance Blanket Position Bond in the amount of \$1,000,000.

**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 and filed alphabetically. All claims approved for payment are listed by fund total in the Minutes.

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

**Financial Planning, Accounting and Reporting (Continued)**

**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.

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.

**Tuition Charges (Revenue)**

The Board made a proper adjustment to the billings to the sending district for the charge in per pupil costs in accordance with N.J.A.C. 6A:23-3.1 (f)3.

**Reserve for Encumbrances and Accounts Payable**

A review of outstanding issued purchase orders was made as of June 30, 2018 for proper classification of orders as reserved for encumbrances and accounts payable. The reserve for encumbrances and accounts payable have been determined to be proper.

**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 classification 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)**

**Student Body Activities Funds**

**High School, Middle School and Elementary 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 records.

**Board Secretary/School Business Administrator's Records**

Our review of the financial and accounting records of the Board Secretary/School Business Administrator 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.

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

**Elementary and Secondary Education Act of 1965 (ESEA.) as Amended by Every Student Succeeds Act (ESSA)**

The ESEA 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 Titles I, II-A, II-D, III of the ESSA as amended.

**Other Special Federal and/or State Projects**

The study of compliance for the Special Project Fund IDEA Program indicated that there were no areas of non-compliance.

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.

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

**Financial Planning, Accounting and Reporting (Continued)**

**Other Special Federal and/or State Projects (Continued)**

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. No exceptions were noted.

**Expendable and Nonexpendable Trust Funds**

The accounts within this fund have been properly administered.

**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 \$26,000 and \$18,800, respectively. N.J.S.A.40A:113a permits an increase in the bid threshold up to \$40,000 if a Qualified Purchasing Agent ("QPA") is appointed as well as granted the authorization to negotiate and award such contracts below the bid threshold. N.J.A.C. 5:34-5 et. Seq. establishes the criteria for qualifying as a Qualified Purchasing Agent. The Board of Education has designated the Business Administrator, Brian Falkowski and Michael Falkowski, as the QPAs on December 16, 2015

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.

Inasmuch as the system of records is not designed to 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.

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

**School Purchasing Programs (Continued)**

**Contracts and Agreements Requiring Advertisement for Bids (Continued)**

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:

Roof Replacement	Construction of a New Middle School
Excavating of New Middle School Site	

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.

Computer Equipment and Hardware	Vehicle Repairs
Custodial Supplies	General School Supplies
Maintenance Supplies	Office Supplies
Building Repairs	

Purchase of supplies were also made through Educational Data Services Inc. and the New Jersey Educational Services Commission authorized purchasing and bidding cooperative.

**Enterprise Fund**

**School Food Service**

The financial transactions and statistical records of the school food services were maintained properly. 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. The number of meals/milk for reimbursement was compared to sales and meal count records. No exceptions were noted. Cash receipts and bank records were reviewed for timely deposit.



**ADMINISTRATIVE FINDINGS - FINANCIAL**  
**COMPLIANCE AND PERFORMANCE (CONTINUED)**  
**JUNE 30, 2019**

**Enterprise Fund (Continued)**

**School Food Service (Continued)**

The Board employs a management company, Chartwells Food Services Inc. to handle its 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. 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 food service management company contract were reviewed and audited. 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. Provision of NJSA 18A:17-34, 19-1 and 19-4.1 were complied with.

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 maintains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

All employees of the cafeteria are hired and paid by Chartwells.

Exhibits reflecting child nutrition program operations are included in Section B (B-4, B-5 and B-6) of the CAFR.

The food service company has provided the required Report on Controls of Service Organizations in accordance with the Statement on Statements for Attestation Engagements (SSAEE) No. 16. Cash receipts and bank records were reviewed for timely deposit.

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. Net cash resources did not exceed three months average expenditures.

Food Distribution Program commodities were received during the period of audit. Inventory records on commodities are being maintained on a first in first out basis. The value of U.S.D.A. Commodities received during 2017-2018 was \$293,457.

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.

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

**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.

**Application for State School Aid (ASSA)**

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 information that was included on the workpapers was verified. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed state forms or their equivalent.

The District has adequate written procedures for the recording of student enrollment data.

**Pupil Transportation**

Our audit procedures included a test of on-roll status reported in the 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. The results of our procedures are presented in the Schedule of Audited Enrollments. The amount of students reported on the DRTRS by the Department of Education was in agreement with the amount claimed by the District on its summary report.

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 lease/purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

**RECOMMENDATIONS**  
**JUNE 30, 2018**

None.

**FOLLOW-UP ON PRIOR YEAR'S FINDINGS**

None.

**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,

A handwritten signature in black ink, appearing to read "G. Stankiewicz". The signature is fluid and cursive, with the first letter of the first name being a large, stylized "G".

Gerard Stankiewicz  
Certified Public Accountant  
Public School Accountant #912

For The Firm  
SAMUEL KLEIN AND COMPANY

**BOARD OF EDUCATION  
 NORTH BRUNSWICK TOWNSHIP, COUNTY OF MIDDLESEX  
 SCHEDULE OF MEAL COUNT ACTIVITY  
 NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM  
 ENTERPRISE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>Over (Under)-Claim</u>
National School Lunch (Regular Rate)	Paid	235,709	235,709	235,709	-	0.360	
	Reduced	44,147	44,147	44,147	-	2.885	
	Free	313,739	313,739	313,739	-	3.285	
	<b>Total</b>	<u>593,595</u>	<u>593,595</u>	<u>593,595</u>	<u>-</u>		
School Breakfast (Regular Rate)	Paid	-	-	-	-	0.29	
	Reduced	-	-	-	-	1.41	
	Free	-	-	-	-	1.71	
	<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		
School Breakfast (Severe Need Rate)	Paid	8,520	8,520	8,520	-	0.3	
	Reduced	27,193	27,193	27,193	-	1.79	
	Free	193,128	193,128	193,128	-	2.09	
	<b>Total</b>	<u>228,841</u>	<u>228,841</u>	<u>228,841</u>	<u>-</u>		
After School Snack	Paid	28,186	28,186	28,186	-	0.08	
	Reduced	2,804	2,804	2,804	-	0.44	
	Free	8,082	8,082	8,082	-	0.88	
	<b>Total</b>	<u>39,072</u>	<u>39,072</u>	<u>39,072</u>	<u>-</u>		

**Board of Education**  
**North Brunswick Township School District**  
**County of Middlesex**  
**Schedule of Audited Enrollment**  
**Application for State School Aid Summary**  
**Enrollment as of October 13, 2017**

- 11 -

	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 Veri- fication	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool - 3 Year	31		31					2		2						
Half Day Preschool - 4 Year	46		46					3		3						
Full Day Preschool																
Half Day Kindergarten																
Full Day Kindergarten	389		389					21		21						
One	394		394					21		21						
Two	415		415					22		22						
Three	437		437					23		23						
Four	382		382					20		20						
Five	422		422					22		22						
Six	394		394					21		21						
Seven	408		408					22		22						
Eight	416		416					22		22						
Nine	395		395					21		21						
Ten	410		410					22		22						
Eleven	363		363					19		19						
Twelve	397		397					21		21						
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	5,299		5,299					282		282						
Special Ed - Elementary	320		320					18		18			4	4	4	
Special Ed - Middle School	147		147					8		8			2	2	2	
Special Ed - High School	220	2	220	2				14		14			16	16	16	
Subtotal	687	2 #	687	2				40		40			22	22	22	
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	5,986	2	5,986	2				322	0	322	0	0	22	22	22	0
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%

Board of Education  
North Brunswick Township School District  
County of Middlesex  
Schedule of Audited Enrollment  
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>
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten	145	145		18	18		18	18		10	10	
One	152	152		19	19		21	21		12	12	
Two	172	172		21	21		26	26		15	15	
Three	216	216		26	26		24	24		13	13	
Four	152	152		19	19		17	17		10	10	
Five	184	184		22	22		16	16		9	9	
Six	169	169		20	20		9	9		5	5	
Seven	164	164		20	20		15	15		9	9	
Eight	173	173		21	21		11	11		6	6	
Nine	148	148		18	18		11	11		6	6	
Ten	180	180		22	22		23	23		13	13	
Eleven	142	142		17	17		14	14		8	8	
Twelve	138	138		17	17		13	13		8	8	
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	<u>2,135</u>	<u>2,135</u>		<u>260</u>	<u>260</u>		<u>218</u>	<u>218</u>		<u>124</u>	<u>124</u>	
Special Ed - Elementary	140	140		17	17		5	3		5	3	
Special Ed - Middle	70	70		9	9							
Special Ed - High	<u>122.5</u>	<u>122.5</u>		<u>15</u>	<u>15</u>		<u>1</u>	<u>1</u>		<u>1</u>	<u>1</u>	
Subtotal	<u>332.5</u>	<u>332.5</u>		<u>41</u>	<u>41</u>		<u>6</u>	<u>4</u>		<u>6</u>	<u>4</u>	
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	<u><u>2,467.5</u></u>	<u><u>2,467.5</u></u>		<u><u>301</u></u>	<u><u>301</u></u>		<u><u>224</u></u>	<u><u>222</u></u>		<u><u>130</u></u>	<u><u>128</u></u>	
Percentage Error			<u>0.00%</u>						<u>0.00%</u>			<u>0.00%</u>

Board of Education  
North Brunswick Township School District  
County of Middlesex  
Schedule of Audited Enrollment  
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 Application and Register</u>	<u>Sample Errors</u>
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten	18	18		14	14	
One	11	11		9	9	
Two	5	5		4	4	
Three	5	5		4	4	
Four	13	13		11	11	
Five	6	6		4	4	
Six	4	4		3	3	
Seven	2	2		2	2	
Eight	4	4		3	3	
Nine	8	8		6	6	
Ten	4	4		3	3	
Eleven	2	2		2	2	
Twelve	9	9		7	7	
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	<u>91</u>	<u>91</u>		<u>72</u>	<u>72</u>	
Special Ed - Elementary	2	2		2	2	
Special Ed - Middle	1	1		1	1	
Special Ed - High						
Subtotal	<u>3</u>	<u>3</u>		<u>3</u>	<u>3</u>	<u>0</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>94</u>	<u>94</u>		<u>75</u>	<u>75</u>	<u>0</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**Board of Education**  
**North Brunswick Township School District**  
**County of Middlesex**  
**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	1,914	183	183	
Vocational School Students	67	7	7	
Transported Charter School Students	201	20	20	
ALL Charter School Students	30	3	3	
Transported Non-Public and Other School Students	191	19	19	
ALL Non-Public and Other School Students	191	19	19	
Special Education Public School Students	218	21	21	
Special Education Charter School Students				
Private School for Students with Disabilities and Other School Students				
Subtotal	2,812	272	272	
With Special Transportation Needs:				
Public School Students	244	23	23	
Private School for Students with Disabilities	21	3	3	
Out-of-district Public School Students	10	2	2	
Out-of-district Charter School Students	1	1	1	
With Special Transportation Needs:				
Private School for Students with Disabilities				
Subtotal	276	29	29	0
Totals	3,088	301	301	0
Percentage Error				0.00%

\*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	4.9	4.9
Avg. Home to School (Mileage) = Regular Excluding Grade PK students	4.9	4.9
Avg. Home to School (Mileage) = Special Ed with Special Needs	5.3	5.3



**BOARD OF EDUCATION**  
**NORTH BRUNSWICK TOWNSHIP 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>109,907,989.00</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>12,755,953.00</u> (B2a)	
Assets Acquired Under Capital Leases	\$ _____ (B2b)	
Adjusted 2017-18 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ <u>97,152,036.00</u> (B3)	
2% of Adjusted 2017-18 General Fund Expenditures [(B3) times .02]	\$ <u>1,943,040.72</u> (B4)	
Enter Greater of (B4) or \$250,000	\$ <u>1,943,040.72</u> (B5)	
Increased by: Allowable Adjustment*	\$ <u>400,000.00</u> (K)	
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]		\$ <u>2,343,040.72</u> (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-2018 (Per CAFR Budgetary Comparison Schedule-C1)	\$ <u>7,354,151.00</u> (C)	
Decreased by:		
Year-end Encumbrances	\$ <u>350,199.28</u> (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ _____ (C2)	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ _____ (C3)	
Other Restricted Fund Balances ****	\$ <u>4,660,911.00</u> (C4)	
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ _____ (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>2,343,040.72</u> (U1)

**BOARD OF EDUCATION**  
**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**FISCAL YEAR ENDED JUNE 30, 2018**  
**(UNAUDITED)**

**SECTION 3**

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

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

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

**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>400,000.00</u> (J1)
Additional Nonpublic School Transportation Aid	\$ _____ (J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____ (J3)
Family Crisis Transportation Aid	\$ _____ (J4)
<b>Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]</b>	<b>\$ <u>400,000.00</u> (K)</b>

\*\* 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.

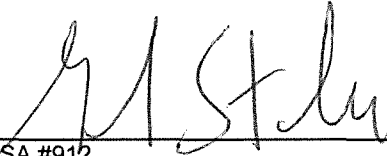
\*\*\*\* Amount for Other Restricted Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by an other type of government, such as the judicial branch of government, must have departmental approval. 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**  
**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**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	\$ <u>3,160,911.00</u>
Maintenance reserve	\$ <u>1,500,000.00</u>
Emergency reserve	\$ _____
Tuition reserve	\$ _____
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	 \$ <u>4,660,911.00 (C4)</u>



GERARD STANKIEWICZ, CPA, PSA #912

Date: February 7, 2019

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX, 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>		<b>Food Service B - 4/5</b>	
<b>CAFR</b>	*	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	\$ 68,134
B-4		Due from Other Gov'ts	139,607
B-4		Accounts Receivable	27,370
B-4		Investments	
<b>CAFR</b>		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	
B-4		Less Accruals	
B-4		Less Due to Other Funds	
B-4		Less Deferred Revenue	25,226
		<b>Net Cash Resources</b>	<b>\$ 209,885 (A)</b>
 <b><u>Net Adj. Total Operating Expense:</u></b>			
B-5		Total Operating Expense	3,413,001
B-5		Less Depreciation	6,868
		<b>Adj. Total Operating Expense</b>	<b>\$ 3,406,133 (B)</b>
 <b><u>Average Monthly Operating Expense:</u></b>			
		B / 10	<b>\$ 340,613 (C)</b>
 <b><u>Three Times Monthly Average:</u></b>			
		3 X C	<b>\$ 1,021,840 (D)</b>

TOTAL IN BOX A	\$	209,885	
LESS TOTAL IN BOX D	\$	1,021,840	
NET	\$	(811,955)	
 From above:			
<b>A is greater than D, cash exceeds 3 X average monthly operating expenses.</b>			
<b>D is greater than A, cash does not exceed 3 X average monthly operating expenses.</b>			

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

SOURCE - USDA resource management comprehensive review form

**BOARD OF EDUCATION**  
**NORTH BRUNSWICK TOWNSHIP 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

10. Status of Prior Year Audit Findings/Recommendations

There were no prior year audit findings/recommendations.