



**EAST BRUNSWICK PUBLIC SCHOOLS
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS –
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2019**

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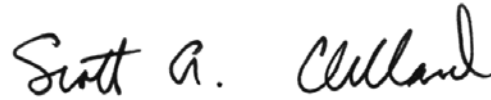
INDEPENDENT AUDITORS' REPORT

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, 2019, and have issued our report thereon dated December 17, 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
December 17, 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 (Through December 31, 2018)	\$ 100,000
Bernardo Giuliani	Business Administrator (Effective January 1, 2019)	750,000
L. Mason Neely	Treasurer of School Moneys (Through December 31, 2018)	750,000

There is an Employee Dishonesty Blanket Position Bond covering all other employees with multiple coverage of \$1,000,000 per loss. Additionally, the District abolished the Treasurer of School Moneys position effective January 1, 2019, as allowed by New Jersey State Statutes.

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 did not identify any 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 through December 31, 2018 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.

The study of compliance for the special projects indicated no instances of noncompliance.

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 2018-19.

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 \$130,000. The operating results provision was met for the year ended June 30, 2019.

Expenses 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 expenses 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 expense 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 Position (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 15, 2018 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 2018-2019 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. 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 2019 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.

EAST BRUNSWICK PUBLIC SCHOOLS
SCHEDULE OF MEAL COUNT ACTIVITY

FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -Federal
ENTERPRISE FUND
YEAR ENDED JUNE 30, 2019

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE (a)	(OVER) UNDER CLAIM (b)
National School Lunch (Regular Rate)	Paid	384,228	384,228	384,228	-	\$0.31	-
National School Lunch (Regular Rate)	Reduced	40,810	40,810	40,810	-	2.91	-
National School Lunch (Regular Rate)	Free	138,963	138,963	138,963	-	3.31	-
	TOTAL	<u>564,001</u>	<u>564,001</u>	<u>564,001</u>	-		<u>-</u>
National School Lunch	HHFKA - PB Lunch Only	<u>564,001</u>	<u>564,001</u>	<u>564,001</u>	-	\$0.06	-
School Breakfast (Regular Rate)	Paid	27,515	27,515	27,515	-	\$0.31	-
	Reduced	9,941	9,941	9,941	-	1.49	-
	Free	46,396	46,396	46,396	-	1.79	-
	TOTAL	<u>83,852</u>	<u>83,852</u>	<u>83,852</u>	-		<u>-</u>
School Breakfast (Severe Rate)	Paid	3,256	3,256	3,256	-	\$0.31	-
	Reduced	1,134	1,134	1,134	-	1.84	-
	Free	4,038	4,038	4,038	-	2.14	-
	TOTAL	<u>8,428</u>	<u>8,428</u>	<u>8,428</u>	-		<u>-</u>
Total Net (Overclaim) Underclaim							<u><u>-</u></u>

EAST BRUNSWICK PUBLIC SCHOOLS
SCHEDULE OF MEAL COUNT ACTIVITY

FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -STATE
ENTERPRISE FUND
YEAR ENDED JUNE 30, 2019

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE (a)	(OVER) UNDER CLAIM (b)
State Reimbursement - National School Lunch (Regular Rate)	Paid	384,228	384,228	384,228	-	\$0.050	-
State Reimbursement - National School Lunch (Regular Rate)	Reduced	40,810	40,810	40,810	-	0.055	-
State Reimbursement - National School Lunch (Regular Rate)	Free	138,963	138,963	138,963	-	0.055	-
	TOTAL	<u>564,001</u>	<u>564,001</u>	<u>564,001</u>	<u>-</u>		<u>-</u>
Total Net (Overclaim) Underclaim							<u><u>-</u></u>

**EAST BRUNSWICK PUBLIC SCHOOLS
NET CASH RESOURCE SCHEDULE**

**Net cash resources did/did not exceed three months of expenditures
Enterprise Fund - Food Service
June 30, 2019**

<u>Net Cash Resources:</u>			<u>Food Service B - 4/5</u>	
CAFR	*	Current Assets		
B-4		Cash & Cash Equiv.	\$ 1,099,041	
B-4		Due from Other Gov'ts	10,116	
B-4		Accounts Receivable	163,052	
CAFR		Current Liabilities		
B-4		Less Accounts Payable	(412,997)	
B-4		Less Accruals	(27,329)	
B-4		Less Due to Other Funds		
B-4		Less Unearned Revenue	(155,913)	
		Net Cash Resources	<u><u>\$ 675,970</u></u>	(A)

Net Adj. Total Operating Expense:

B-5		Tot. Operating Exp.	3,216,486	
B-5		Less Depreciation	(145,907)	
		Adj. Tot. Oper. Exp.	<u><u>\$ 3,070,579</u></u>	(B)

Average Monthly Operating Expense:

		B / 10	<u><u>\$ 307,058</u></u>	(C)
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Three times monthly Average:

		3 X C	<u><u>\$ 921,174</u></u>	(D)
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TOTAL IN BOX A		\$ 675,970	
LESS TOTAL IN BOX D		921,174	
NET		<u><u>\$ (245,204)</u></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.

EAST BRUNSWICK PUBLIC SCHOOLS

SCHEDULE OF AUDITED ENROLLMENTS

APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 15, 2018

	<u>2019-2020 Application for State School Aid</u>						<u>Sample for Verification</u>						<u>Private Schools for Disabled</u>			
	<u>Reported on</u>		<u>Reported on</u>		<u>Errors</u>		<u>Sample</u>		<u>Verified per</u>		<u>Errors per</u>		<u>Reported on</u>	<u>Sample</u>	<u>Sample</u>	<u>Sample</u>
	<u>A.S.S.A.</u>		<u>Workpapers</u>				<u>Selected from</u>		<u>Registers</u>		<u>Registers</u>		<u>A.S.S.A. as</u>	<u>for</u>		
	<u>On Roll</u>		<u>On Roll</u>		<u>Full</u>	<u>Shared</u>	<u>Full</u>	<u>Shared</u>	<u>Full</u>	<u>Shared</u>	<u>Full</u>	<u>Shared</u>	<u>Private</u>	<u>Verifi-</u>	<u>Verified</u>	<u>Errors</u>
<u>Full</u>	<u>Shared</u>	<u>Full</u>	<u>Shared</u>	<u>Full</u>	<u>Shared</u>	<u>Full</u>	<u>Shared</u>	<u>Full</u>	<u>Shared</u>	<u>Full</u>	<u>Shared</u>	<u>Schools</u>	<u>cation</u>	<u>Verified</u>	<u>Errors</u>	
Half Day Preschool	53		53					13		13						
Full Day Preschool	1		1													
Full Day Kindergarten	478		478					37		37						
One	491		491					47		47						
Two	504		504					50		50						
Three	502		502					44		44						
Four	522		522					44		44						
Five	555		555					40		40						
Six	561		561					17		17						
Seven	527		527					14		14						
Eight	512		512					20		20						
Nine	589	2	589	2				15		15						
Ten	588	2	588	2				14		14						
Eleven	586	1	586	1				21		21						
Twelve	630	1	630	1				11		11						
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	<u>7,099</u>	<u>6</u>	<u>7,099</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>387</u>	<u>-</u>	<u>387</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CSSD																
Special Ed - Elementary	442		442					15		15			6	4	4	
Special Ed - Middle School	275	6	275	6				3		3			3	2	2	
Special Ed - High School	367	9	367	9				7		7			28	26	26	
Subtotal	<u>1,084</u>	<u>15</u>	<u>1,084</u>	<u>15</u>	<u>-</u>	<u>-</u>	<u>25</u>	<u>-</u>	<u>25</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37</u>	<u>32</u>	<u>32</u>	<u>-</u>
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	<u>8,183</u>	<u>21</u>	<u>8,183</u>	<u>21</u>	<u>-</u>	<u>-</u>	<u>412</u>	<u>-</u>	<u>412</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37</u>	<u>32</u>	<u>32</u>	<u>-</u>
Percentage Error					<u>0.00%</u>	<u>0.00%</u>						<u>0.00%</u>	<u>0.00%</u>			<u>0.00%</u>

SCHEDULE OF AUDITED ENROLLMENTS

**EAST BRUNSWICK PUBLIC SCHOOLS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018**

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	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
Charter School												
Full Day Kindergarten	82.0	82.0		21	21		11	11		6	6	
One	86.0	86.0		27	27		17	17		9	9	
Two	87.0	87.0		31	31		14	14		9	9	
Three	93.0	93.0		28	28		17	17		11	11	
Four	80.0	80.0		27	27		14	14		10	10	
Five	79.0	79.0		33	33		6	6		4	4	
Six	89.0	89.0		13	13		3	3		2	2	
Seven	82.0	82.0		8	8		5	5		3	3	
Eight	70.0	70.0		14	14		3	3		3	3	
Nine	91.0	91.0		12	12		2	2		2	2	
Ten	83.0	83.0		6	6		9	9		6	6	
Eleven	110.0	110.0		16	16		7	7		4	4	
Twelve	108.5	108.5		6	6		9	9		5	5	
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	<u>1,140.5</u>	<u>1,140.5</u>	<u>-</u>	<u>242</u>	<u>242</u>	<u>-</u>	<u>117</u>	<u>117</u>	<u>-</u>	<u>74</u>	<u>74</u>	<u>-</u>
Special Ed - Elementary	118.0	118.0		22	22		14	14		5	5	
Special Ed - Middle	69.0	69.0					3	3				
Special Ed - High	79.0	79.0										
Subtotal	<u>266.0</u>	<u>266.0</u>	<u>-</u>	<u>22</u>	<u>22</u>	<u>-</u>	<u>17</u>	<u>17</u>	<u>-</u>	<u>5</u>	<u>5</u>	<u>-</u>
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	<u><u>1,406.5</u></u>	<u><u>1,406.5</u></u>	<u><u>-</u></u>	<u><u>264</u></u>	<u><u>264</u></u>	<u><u>-</u></u>	<u><u>134</u></u>	<u><u>134</u></u>	<u><u>-</u></u>	<u><u>79</u></u>	<u><u>79</u></u>	<u><u>-</u></u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

	<u>Transportation</u>								
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors	Reported	Recalculated	
Reg. - Public Schools, col. 1	3,082	3,082		223	223		Reg Avg.(Mileage) = Regular Including Grade PK students	3.3	3.3
Reg -SpEd, col. 4	648	648		47	47		Reg Avg.(Mileage) = Regular Excluding Grade PK students	3.3	3.3
Transported - AIL, col.2 & Non-Public, col. 3	106	106		7	7		Spec Avg. = Special Ed with Special Needs	4.4	4.4
Special Ed Spec, col. 6	359	359		26	26				
Totals	<u>4,195</u>	<u>4,195</u>	<u>-</u>	<u>303</u>	<u>303</u>	<u>-</u>			
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			

SCHEDULE OF AUDITED ENROLLMENTS

EAST BRUNSWICK PUBLIC SCHOOLS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018

	<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	19	19		10	10	
One	17	17		11	11	
Two	15	15		10	10	
Three	11	11		5	5	
Four	11	11		7	7	
Five	3	3		3	3	
Six	4	4		2	2	
Seven	5	5		3	3	
Eight	6	6		3	3	
Nine	4	4		1	1	
Ten	3	3		2	2	
Eleven	3	3		1	1	
Twelve						
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	<u>101</u>	<u>101</u>	<u>-</u>	<u>58</u>	<u>58</u>	<u>-</u>
Special Ed - Elementary	6	6		1	1	
Special Ed - Middle	1	1				
Special Ed - High						
Subtotal	<u>7</u>	<u>7</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>108</u>	<u>108</u>	<u>-</u>	<u>59</u>	<u>59</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

EAST BRUNSWICK PUBLIC SCHOOLS

EXCESS SURPLUS CALCULATION

JUNE 30, 2019

SECTION 1

A. 2% Calculation of Excess Surplus

2018-19 Total General Fund Expenditures per the CAFR, Ex. C-1	<u>\$ 173,954,846</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>\$ 22,285,700</u>	(B2a)
Assets Acquired Under Capital Leases	<u>\$ -</u>	(B2b)
Adjusted 2018-19 General Fund Expenditures [(B) + (B1s) - (B2s)]	<u>\$ 151,669,146</u>	(B3)
2% of Adjusted 2018-19 General Fund Expenditures [(B3) times .02]	<u>\$ 3,033,383</u>	(B4)
Enter Greater of (B4) or \$250,000	<u>\$ 3,033,383</u>	(B5)
Increased by: Allowable Adjustment*	<u>\$ 1,137,408</u>	(K)
Maximum Unassigned/Undesignated - Unreserved Fund Balance [(B5) + (K)]	<u>\$ 4,170,791</u>	(M)

SECTION 2

Total General Fund - Fund Balances at 6-30-19 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 24,575,816</u>	(C)
Decreased by:		
Assigned Year End Encumbrances	<u>\$ 3,013,885</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>\$ 8,691,140</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, 2019 - August 1, 2019	<u>\$ -</u>	(C6)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	<u>\$ 8,520,791</u>	(U1)

EAST BRUNSWICK PUBLIC SCHOOLS

EXCESS SURPLUS CALCULATION

JUNE 30, 2019

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, 2019

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 \$ 1,108,698 (J1)
Additional Nonpublic School Transportation Aid \$ 28,710 (J2)
Current Year School Bus Advertising Revenue Recognized \$ _____ - (J3)
Family Crisis Transportation Aid \$ _____ - (J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)] \$ 1,137,408 (K)

** This amount represents the June 30, 2018 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amount must agree to the June 30, 2019 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, 2019

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$	-
Sale/lease-back reserve	\$	-
Capital reserve	\$	8,691,140
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	\$	8,691,140 (C4)

East Brunswick Public Schools
Audit Recommendations Summary

June 30, 2019

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**
Prior year findings were corrected.