



**EAST WINDSOR REGIONAL SCHOOL DISTRICT**

**Hightstown, New Jersey  
County of Mercer**

**AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

**JUNE 30, 2019**

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## REPORT OF INDEPENDENT AUDITORS

Honorable President and Members  
of the Board of Education  
East Windsor Regional School District  
County of Mercer  
Hightstown, 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 the Board of Education of the East Windsor Regional School District, County of Mercer as of and for the year ended June 30, 2019, and have issued our report thereon dated OPEN, 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 East Windsor Regional School District's management, Board of Education 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  
November 26, 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

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>
Paul Todd	Business Administrator	\$ 400,000
John Calavano	Treasurer	400,000

### 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.

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

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium withholding due to the general fund.

Payrolls were delivered to the Secretary of the Board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

No exceptions were noted during our testing of payroll.

#### 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. 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 randomly selecting a test sample, we also selected a sample of 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% 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 did not identify any exceptions.

#### Treasurer's Records

No exceptions were noted during our review of the financial and accounting records maintained by the Treasurer.

#### Elementary and Secondary Education Act (ESEA) as amended by the Every Student Succeeds Act (ESSA)

The ESEA financial exhibits are contained within the Special Revenue Section of the Comprehensive Annual Financial Report (CAFR). This section of the CAFR documents the financial position pertaining to the projects under Title I and Title IV of the Elementary and Secondary Education act as amended and reauthorized.

The study of compliance for E.S.E.A. indicated no areas 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 that are required to be reported in accordance with the Uniform Guidance or State OMB Circular 15-08.

#### T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursement forms filed with the Department of Education for District employees who are members of the Teacher's Pension and Annuity Fund. No exceptions were noted.

#### T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Reports 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.

#### Non-Public State Aid

Our review of 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 student transportation contracts under *N.J.S.A.* 18A:39-3 is \$19,000 for 2018-19.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

Based on the results of my examination, I did not note any individual payments, contracts, or agreements 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.

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

## **School Food Service**

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. Cash receipts and bank records were reviewed on a test basis for timely deposit.

The District utilizes a food service management company (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. Provisions of the FSMC Cost Reimbursable contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees the food service program will return a profit of at least \$100,000. The operating results provision has been met. All vendor discounts, rebates, and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

Expenditures should be separately recorded as food, labor and other costs. Vendor invoices were reviewed, and costs verified on a test basis. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

Net cash resources did exceed three months average expenditures.

### Finding 2019-001

#### *Finding:*

The Department of Agriculture requires school districts to limit net cash resources to an amount that does not exceed 3 months average expenditures. The District was not in compliance with this requirement.

#### *Recommendation:*

We suggest the District utilize available cash resources to purchase equipment that is in need of repair or replacement, improve food quality or take other appropriate actions to reduce the excess net cash resources.

Time sheets were reviewed, and labor costs verified on a test basis. Payroll records were maintained on all School Food Service employees authorized by the board of education. No exceptions were noted.

The number of meals claimed for reimbursement was compared to the 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.

Application for free and reduced price meals were reviewed for completeness and accuracy on a test basis. The number of free and reduced price meals claimed as served was compared to the number of valid applications 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 and free milk policy was reviewed for uniform administration 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.

USDA Food Donation 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 Statement of Revenues, Expenses, and Changes in 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 Proprietary Funds, Section B of the CAFR.

### **Student Body Activities**

During our review of the student activity funds' cash receipts, no exceptions were noted.

### **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 workpapers as identified in the Schedule of Audited Enrollments, with minor differences.

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 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 with exceptions as identified in the Schedule of Audited Enrollments. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

### **Facilities and Capital Assets**

Our procedures included a review of New Jersey Schools Development Authority ("NJSDA") grant agreements for consistency with recording the NJSDA revenue, transfer of local funds from the General Fund or from the capital reserve, and awarding of contracts for eligible facilities construction. No exceptions were noted.



## **Miscellaneous**

### 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.

The school 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 recommendations including findings. Corrective action has been taken on all prior year findings with the exception of the following, which is repeated in this year's recommendations. This comment has been repeated and is not considered material or to be of a substantive nature.

- The net cash resources in the food service enterprise fund exceeded the three months average expenditures.

During the 2019 fiscal year, the New Jersey Division of Food and Nutrition completed a review of the District's Child Nutrition Program. The District completed and submitted the required corrective action plan, which was accepted by the Division. The District also posted all reports on its website as required.

### **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 WINDSOR REGIONAL SCHOOL DISTRICT

SCHEDULE OF MEAL COUNT ACTIVITY

PROPRIETARY FUNDS - FOOD SERVICE  
NUMBER OF MEALS SERVED - FEDERAL  
YEAR ENDED JUNE 30, 2019

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
National School Lunch (Regular Rate)	Paid	195,332	195,332	195,332	-	\$ 0.31	\$ -
National School Lunch (Regular Rate)	Reduced	55,946	55,946	55,946	-	2.91	-
National School Lunch (Regular Rate)	Free	199,868	199,868	199,868	-	3.31	-
	<b>TOTAL</b>	<b>451,146</b>	<b>451,146</b>	<b>451,146</b>			<b>-</b>
National School Lunch	HHFKA	451,146	451,146	451,146	-	\$ 0.06	\$ -
School Breakfast (Severe Needs Rate)	Paid	20,608	20,608	20,608	-	\$ 0.31	\$ -
	Reduced	9,138	9,138	9,138	-	1.84	-
	Free	53,780	53,780	53,780	-	2.14	-
	<b>TOTAL</b>	<b>83,526</b>	<b>83,526</b>	<b>83,526</b>			<b>-</b>
Special Milk Prg. - Free	Free	-	-	-		\$ 0.22	\$ -
Special Milk Prg. - Paid	Paid	-	-	-		\$ 0.20	\$ -
	<b>Total Net Underclaim</b>						<b>\$ -</b>

EAST WINDSOR REGIONAL SCHOOL DISTRICT

SCHEDULE OF MEAL COUNT ACTIVITY

PROPRIETARY FUNDS - FOOD SERVICE

NUMBER OF MEALS SERVED - STATE

YEAR ENDED JUNE 30, 2019

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
State Reimbursement - National School Lunch (Regular Rate)	Paid	195,332	195,332	195,332	-	\$ 0.05	\$ -
State Reimbursement - National School Lunch (Regular Rate)	Reduced	55,946	55,946	55,946	-	0.055	-
State Reimbursement - National School Lunch (Regular Rate)	Free	199,868	199,868	199,868	-	0.055	-
	<b>TOTAL</b>	<u>451,146</u>	<u>451,146</u>	<u>451,146</u>			<u>-</u>

**Total Net Underclaim**

\$ -

**EAST WINDSOR REGIONAL SCHOOL DISTRICT**

**NET CASH RESOURCE SCHEDULE**

**Net cash resources exceeded three months of expenditures  
Proprietary Funds - Food Service  
Year ended June 30, 2019**

<u>Net Cash Resources:</u>		<u>Food Service B - 4/5</u>	
<b>CAFR</b>	*	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	\$ 1,149,036
B-4		Accounts Receivable - State	2,249
B-4		Accounts Receivable - Federal	84,568
B-4		Accounts Receivable - Other	3,707
<b>CAFR</b>		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	(1,516)
B-4		Less Unearned Revenue	(23,537)
		<b>Net Cash Resources</b>	<b><u>\$ 1,214,507</u></b> (A)
 <u>Net Adj. Total Operating Expense:</u>			
B-5		Tot. Operating Exp.	1,850,931
B-5		Less Depreciation	(34,724)
		<b>Adj. Tot. Oper. Exp.</b>	<b><u>\$ 1,816,207</u></b> (B)
 <u>Average Monthly Operating Expense:</u>			
		B / 10	<b><u>\$ 181,621</u></b> (C)
 <u>Three times monthly Average:</u>			
		3 X C	<b><u>\$ 544,862</u></b> (D)

TOTAL IN BOX A	\$ 1,214,507
LESS TOTAL IN BOX D	\$ 544,862
<b>NET</b>	<b><u>\$ 669,645</u></b>
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.

**SCHEDULE OF AUDITED ENROLLMENTS**

**EAST WINDSOR REGIONAL SCHOOL DISTRICT**  
**APPLICATION FOR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 15, 2018**

	2019-2020 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				
3 Preschool	8.0	-	8.0	-	-	-	8.0	-	8.0	-	-	-	-	-	-	-
4 Preschool	10.0	-	10.0	-	-	-	10.0	-	10.0	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	337.0	-	337.0	-	-	-	167.0	-	167.0	-	-	-	-	-	-	-
One	315.0	-	315.0	-	-	-	162.0	-	162.0	-	-	-	-	-	-	-
Two	312.0	-	312.0	-	-	-	149.0	-	149.0	-	-	-	-	-	-	-
Three	316.0	-	316.0	-	-	-	173.0	-	173.0	-	-	-	-	-	-	-
Four	332.0	-	332.0	-	-	-	172.0	-	172.0	-	-	-	-	-	-	-
Five	345.0	-	345.0	-	-	-	174.0	-	174.0	-	-	-	-	-	-	-
Six	366.0	-	366.0	-	-	-	366.0	-	366.0	-	-	-	-	-	-	-
Seven	351.0	-	351.0	-	-	-	351.0	-	351.0	-	-	-	-	-	-	-
Eight	365.0	-	365.0	-	-	-	365.0	-	365.0	-	-	-	-	-	-	-
Nine	368.0	-	368.0	-	-	-	368.0	-	368.0	-	-	-	-	-	-	-
Ten	407.0	-	407.0	-	-	-	407.0	-	407.0	-	-	-	-	-	-	-
Eleven	308.0	46.0	308.0	46.0	-	-	308.0	46.0	308.0	46.0	-	-	-	-	-	-
Twelve	338.0	32.0	338.0	32.0	-	-	338.0	32.0	338.0	32.0	-	-	-	-	-	-
Post-Graduate Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	4,478.0	78.0	4,478.0	78.0	-	-	3,518.0	78.0	3,518.0	78.0	-	-	-	-	-	-
Special Ed - Elementary	261.0	-	261.0	-	-	-	45.0	-	45.0	-	-	-	7.0	7.0	7.0	-
Special Ed - Middle School	146.0	-	146.0	-	-	-	146.0	-	146.0	-	-	-	4.0	4.0	4.0	-
Special Ed - High School	134.0	39.0	134.0	39.0	-	-	134.0	39	134.0	39	-	-	16.0	13.0	13.0	-
Subtotal	541.0	39.0	541.0	39.0	-	-	325.0	39	325.0	39	-	-	27.0	24.0	24.0	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	5,019.0	117.0	5,019.0	117.0	-	-	3,843.0	117.0	3,843.0	117.0	-	-	27.0	24.0	24.0	-
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%

**SCHEDULE OF AUDITED ENROLLMENTS**

**EAST WINDSOR REGIONAL SCHOOL DISTRICT  
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
	3 Preschool	1.0	1.0	-	1.0	1.0	-	-	-	-	-	-
4 Preschool	1.0	1.0	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	107.0	107.0	-	27.0	27.0	-	42.0	42.0	-	14.0	14.0	-
One	123.0	123.0	-	46.0	46.0	-	72.0	72.0	-	29.0	29.0	-
Two	120.0	120.0	-	37.0	37.0	-	52.0	52.0	-	23.0	23.0	-
Three	137.0	137.0	-	31.0	31.0	-	47.0	47.0	-	21.0	21.0	-
Four	135.0	135.0	-	28.0	28.0	-	37.0	31.0	6.0	14.0	14.0	-
Five	136.0	136.0	-	17.0	17.0	-	17.0	17.0	-	7.0	7.0	-
Six	153.0	153.0	-	10.0	10.0	-	14.0	15.0	(1.0)	5.0	5.0	-
Seven	129.0	129.0	-	10.0	10.0	-	15.0	15.0	-	4.0	4.0	-
Eight	142.0	142.0	-	14.0	14.0	-	19.0	19.0	-	8.0	8.0	-
Nine	132.0	132.0	-	19.0	19.0	-	14.0	13.0	1.0	5.0	5.0	-
Ten	143.0	143.0	-	10.0	10.0	-	31.0	31.0	-	10.0	10.0	-
Eleven	108.5	108.5	-	5.0	5.0	-	18.0	18.0	-	5.0	5.0	-
Twelve	109.5	109.5	-	6.0	6.0	-	19.0	19.0	-	6.0	6.0	-
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	1,677.0	1,677.0	-	261.0	261.0	-	397.0	391.0	6	151.0	151.0	-
Special Ed - Elementary	135.0	135.0	-	16.0	16.0	-	14.0	14.0	-	4.0	4.0	-
Special Ed - Middle	79.0	79.0	-	6.0	5.0	1.0	8.0	8.0	-	4.0	4.0	-
Special Ed - High	64.5	64.5	-	1.0	1.0	-	3.0	3.0	-	1.0	1.0	-
Subtotal	278.5	278.5	-	23.0	22.0	1.0	25.0	25.0	-	9.0	9.0	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	1,955.5	1,955.5	-	284.0	283.0	1.0	422.0	416.0	6	160.0	160.0	-
Percentage Error			0.00%			0.35%			1.42%			0.00%

**Transportation**

	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors	Reported	Recalculated
	Regular - Public	2,559.0						
Transported Non-Public	114.0	114.0	-	11	11	-	4.5	4.5
AIL - Non Public	100.0	100.0	-	9	9	-	14.9	16.0
Special Education - Public	187.0	187.0	-	18	11	7		
Special Education Need	89.0	89.0	-	9	9	-		
Totals	3,049.0	3,049.0	-	295	288	7		
Percentage Error						2.37%		

Reg Avg.(Mileage) = Regular Including Grade PK students  
 Reg Avg.(Mileage) = Regular Excluding Grade PK students  
 Spec Avg. = Special Ed with Special Needs

**SCHEDULE OF AUDITED ENROLLMENTS**

**EAST WINDSOR REGIONAL SCHOOL DISTRICT**  
**APPLICATION FOR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 15, 2018**

	<b>Resident LEP NOT Low Income</b>			<b>Sample for Verification</b>		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
3 Preschool	-	-	-	-	-	-
4 Preschool	-	-	-	-	-	-
Full Day Kindergarten	26.0	26.0	-	8.0	8.0	-
One	19.0	19.0	-	6.0	6.0	-
Two	16.0	16.0	-	5.0	5.0	-
Three	9.0	9.0	-	3.0	3.0	-
Four	10.0	10.0	-	2.0	2.0	-
Five	5.0	5.0	-	2.0	2.0	-
Six	2.0	2.0	-	-	-	-
Seven	5.0	5.0	-	1.0	1.0	-
Eight	6.0	6.0	-	1.0	1.0	-
Nine	5.0	5.0	-	1.0	1.0	-
Ten	6.0	6.0	-	1.0	1.0	-
Eleven	10.0	10.0	-	2.0	2.0	-
Twelve	14.0	14.0	-	4.0	4.0	-
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	<u>133.0</u>	<u>133.0</u>	<u>-</u>	<u>36.0</u>	<u>36.0</u>	<u>-</u>
Special Ed - Elementary	2.0	2.0	-	1	1	-
Special Ed - Middle	-	-	-	-	-	-
Special Ed - High	-	-	-	-	-	-
Subtotal	<u>2.0</u>	<u>2.0</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Co. Voc. - Regular	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-
Totals	<u>135.0</u>	<u>135.0</u>	<u>-</u>	<u>37.0</u>	<u>37.0</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

EAST WINDSOR REGIONAL SCHOOL DISTRICT

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	\$ 103,732,955	(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 PreK-Regular	\$ -	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$ -	(B1d)
Decreased by:		
On-Behalf TPAF Pension, PRM, LTD and Social Security	\$ 13,393,654	(B2a)
Assets Acquired Under Capital Leases	\$ -	(B2b)
Adjusted 2018-19 General Fund Expenditures [(B) + (B1s) - (B2s)]	\$ 90,339,301	(B3)
2% of Adjusted 2018-19 General Fund Expenditures [(B3) times .02]	\$ 1,806,786	(B4)
Enter Greater of (B4) or \$250,000	\$ 1,806,786	(B5)
Increased by: Allowable Adjustment*	\$ 261,889	(K)
Maximum Unassigned/Undesignated - Unreserved Fund Balance [(B5) + (K)]	\$ 2,068,675	(M)

**SECTION 2**

Total General Fund - Fund Balances at 6-30-19 (Per CAFR Budgetary Comparison Schedule C-1)	\$ 16,214,113	(C)
Decreased by:		
Assigned Year End Encumbrances	\$ 3,420,505	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ -	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ 804,922	(C3)
Other Restricted Fund Balances*****	\$ 9,039,933	(C4)
Assigned Fund Balance-Unreserved- Designated for Subsequent Year's Expenditures	\$ 72,176	(C5)
Additional Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures July 1, 2019 - August 1, 2019	\$ -	(C6)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	\$ 2,876,577	(U1)



EAST WINDSOR REGIONAL SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2019

SECTION 3

Restricted Fund Balance - Excess Surplus \*\*\*

[(U1)-(M)] IF NEGATIVE ENTER -0- \$ 807,902 (E)

Recapitulation of Excess Surplus as of June 30, 2019

Reserved Excess Surplus - Designated for Subsequent Year's

Expenditures \*\* \$ 804,922 (C3)

Reserved Excess Surplus \*\*\* [(E)] \$ 807,902 (E)

Total Excess Surplus [(C3)+(E)] \$ 1,612,824 (D)

Detail of Allowable Adjustments

Impact Aid \$ - (H)

Sales & Lease-back \$ - (I)

Extraordinary Aid \$ 225,269 (J1)

Additional Nonpublic School Transportation Aid \$ 36,620 (J2)

Current Year School Bus Advertising Revenue Recognized \$ - (J3)

Family Crisis Transportation Aid \$ - (J4)

Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)] \$ 261,889 (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 WINDSOR REGIONAL SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2019

Detail of Other Restricted Fund Balance

**Statutory restrictions:**

Approved unspent separate proposal	\$	-
Sale/lease-back reserve	\$	-
Capital reserve	\$	5,993,934
Emergency reserve	\$	-
Maintenance reserve	\$	3,045,999
Tuition reserve	\$	-
School Bus Advertising 50% Fuel Offset-current year	\$	-
School Bus Advertising 50% Fuel Offset-prior year	\$	-
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$	-
Impact Aid General Fund Reserve (Sections 8007 and 8008)	\$	-
Other State / government madated reserve	\$	-
[Other Restricted Fund Balance not noted above]****	\$	-
Total Other Restricted Fund Balance	\$	9,039,933 (C4)

East Windsor Regional School District  
Audit Recommendations Summary  
June 30, 2019

We suggest the following:

**Administrative Practices and Procedures**

None

**Financial Planning, Accounting and Reporting**

None

**School Purchasing Programs**

None

**School Food Service**

2019-001 - The District utilize available cash resources to purchase equipment that is in need of repair or replacement, improve food quality or take other appropriate actions to reduce the excess net cash resources.

**Student Body Activities**

None

**Application for State School Aid**

None

**Pupil Transportation**

None

**Facilities and Capital Assets**

None

**Miscellaneous**

None

**Status of Prior Year Findings**

All prior year findings were corrected, except for finding 2019-001.