

Auditor's Management Report

for the

*Borough of Garwood
School District*

in the

*County of Union
New Jersey*

for the

*Fiscal Year Ended
June 30, 2019*

**AUDITOR'S MANAGEMENT REPORT OF ADMINISTRATIVE
FINDINGS-FINANCIAL AND COMPLIANCE**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Scope of Audit	2
Administrative Practices and Procedures	
Insurance	2
Official Bonds	2
Financial Planning, Accounting and Reporting	
Examination of Claims	3
Payroll Account	3
Position Control Roster	4
Reserve for Encumbrances Liability (Current) and Accounts Payable	4
Unemployment Compensation Insurance Trust Fund	4
Classification of Expenditures	4
Board Secretary's Records	5
Treasurer's Records	5
Elementary and Secondary Education Act (E.S.E.A.) as amended by Every Student Succeeds Act (ESSA)	5
Other Special Federal and State Projects	6
T.P.A.F. Reimbursement	6
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids	6-8
School Food Service Fund	8-9
Student Body Activities	10
Application for State School Aid	10
Pupil Transportation	10
Facilities and Capital Assets	11
Testing for Lead of all Drinking Water in Educational Facilities	11
Follow-Up on Prior Year's Findings	11
Recommendations	12-13
Schedule of Audited Enrollments	14-16
Excess Surplus Calculation	17



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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Borough of Garwood School District
County of Union
Garwood, New Jersey 07027

We have audited, in accordance with U.S. generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Borough of Garwood School District in the County of Union for the year ended June 30, 2019, and have issued our report dated November 11, 2019.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information of the Borough of Garwood School District, County of Union, New Jersey, the New Jersey Department of Education and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 948

November 11, 2019

Independent Auditor's Management Report of Administrative Findings - Financial and Compliance

SCOPE OF AUDIT

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, the activities of the Borough of Garwood Board of Education, and the records of the various funds under the auspices of the Board of Education.

ADMINISTRATIVE PRACTICES AND PROCEDURES

Insurance (N.J.S.A. 18A:17-26, 18A: 17-32)

Insurance coverage was carried in the amounts as detailed in the District's CAFR (See Exhibit "J-20").

Official Bonds

<u>NAME</u>	<u>POSITION</u>	<u>AMOUNT OF BONDS</u>
Debi LeBrun	Board Secretary/Business Administrator	\$190,000.00
Raymond Krov	Treasurer of School Monies	190,000.00
Blanket Bond	All Employees	400,000.00

Adequacy of insurance coverage is the responsibility of the Board of Education.

Our audit of the districts practices and procedures also included:

2019-01 Finding: That the district improve controls over monitoring cumulative transfers and properly submit applicable transfers for county approval in accordance with N.J.A.C. 6A:23A-13.3(f).

2019-01 Recommendation: That the district improve controls over monitoring cumulative transfers and properly submit applicable transfers for county approval in accordance with N.J.A.C. 6A:23A-13.3(f).

Independent Auditor's Management Report of Administrative Findings - Financial and Compliance

FINANCIAL PLANNING, ACCOUNTING AND REPORTING

Examination of Claims

An examination of claims paid during the period under review indicated the following discrepancies with respect to signatures, certification or supporting documentation:

2019-02 Finding: The testing performed on the sample selected revealed there were 6 missing purchase order packages, 7 missing invoice/support documentation, 9 missing receiving signatures, and 2 confirming orders.

2019-02 Recommendation: That the District improve procedures and controls to ensure the proper processing of purchase orders.

Payroll Account

The gross salaries of all employees of the Board and the Board's required payroll contributions were deposited in the Payroll 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 withholdings due to the general fund.

Our audit of the district's payroll accounts and payroll processing functions also revealed:

2019-03 Finding: There is no evidence the district is in compliance with N.J.A.C. 5:30-17 in that there appears to be no board authorization to utilize the R&L payroll service and its tax and direct deposit service subcontractors, there is no approval designating an approval officer responsible for authorizing and supervising the activities of the payroll provider, and no evidence of a contract with R&L on file. Also no evidence of risk mitigating procedures occurring such as the business office using federal and state websites to verify the tax withholdings were received by the appropriate entities.

2019-03 Recommendation: That the district take the required steps to comply with the provisions of N.J.A.C. 5:30-17 for the utilization of 3rd party payroll services.

Independent Auditor's Management Report of Administrative Findings - Financial and Compliance

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (CONTINUED)

Position Control Roster

The Position Control Roster was reviewed and compared to payroll records, employee benefit records and charges made to the general ledger to ensure proper and consistent financial reporting and that employee benefits are only offered to current employees.

Reserve for Encumbrances, Liability (Current) for Accounts Payable

A review of outstanding purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable, which revealed the following:

2019-04 Finding: Our examination found numerous instances of inaccuracy with the detailed accounts payable and encumbrance ledgers. This occurred for various reasons including improper dating of actual disbursements, including expenses in the incorrect period, and not closing out remaining amounts in blanket orders.

2019-04 Recommendation: That the District improve procedures and controls over the accounting for encumbrances and accounts payable.

Unemployment Compensation Insurance Trust Fund

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

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, our sample 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, the following was revealed:

2019-05 Finding: We noted numerous instances of incorrect expenditure classification including expenditures intended to be charged to federal programs coded to the operating budget totaling \$125,282.92, payment of lease purchase agreement coded to an invalid line for \$26,280.00, and transportation expenses totaling \$23,868.66 charged to tuition line items.

2019-05 Recommendation: That the District improve procedures and controls to ensure that all expenditures are properly classified.

Independent Auditor's Management Report of Administrative Findings - Financial and Compliance

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (CONTINUED)

Board Secretary's Records

Our review of the financial records and books of account of the Board Secretary disclosed the following:

2019-06 Finding: Our examination of the financial accounting records of the District revealed a consistent pattern of receipts being misclassified and dated improperly; non-cash journal entries missing or inaccurate, and payroll transfers being recorded in the wrong period.

2019-06 Recommendation: That the District improve procedures and controls to ensure the accuracy of the financial accounting records maintained by the board secretary.

2019-07 Finding: Our examination of the board secretary reports approved in the minutes each month revealed that cash balances do not match to reconciled balances per the treasurer's reconciliations.

***2019-07 Recommendation:** That the District improve procedures and controls to ensure that all board secretary reports match to the reconciled cash balances in the treasurer's reports each month.

Treasurer's Records

The records maintained by the Treasurer of School Monies were in satisfactory condition and independently maintained from the Board Secretary/Board Administrator.

Elementary and Secondary Education Act (E.S.E.A.) as amended by 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 projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

**Independent Auditor's Management Report of Administrative
Findings - Financial and Compliance**

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (CONTINUED)

Other Special Federal and State Projects

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the CAFR. Our audit of the federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

T.P.A.F. Reimbursement

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

The District is required to reimburse the State for the amount of the expenditure charged to the current year's 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. The following exception was noted:

2019-08 Finding: The District did not file the required form or remit payment to the State for TPAF FICA reimbursement within the 90 day deadline as required by N.J.S.A. 18A:66-90.

2019-08 Recommendation: That the District improve procedures and controls to ensure the TPAF Reimbursement Voucher and associated payment be remitted to the State prior to the deadline each year.

SCHOOL PURCHASING PROGRAMS

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 States:

"a. When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$29,000.00, the contract may be awarded by a purchasing agent when so authorized by resolution of the board of education without public advertising for bids and bidding therefor, except that the board of education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. (pending before the Legislature as section 15 of this bill) of section 9 of P.L. 1971 c. 198 (C.40A:11-9) the board of education may establish that the bid threshold may be up to \$40,000.00. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

**Independent Auditor's Management Report of Administrative
Findings - Financial and Compliance**

SCHOOL PURCHASING PROGRAMS (CONTINUED)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

b. Commencing in the fifth year after the year in which P.L. 1999 c. 440 takes effect, and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the board of education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2 and shall round the adjustment to the nearest \$1,000.00. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of every year in which it is made. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection a. of N.J.S.A. 18A:18A-5 may be awarded for a period not exceeding 12 consecutive months."

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this chapter or specifically by any other law.

The board of education may, by resolution approve by the majority of the board of education and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the board of education finds that it has had negative prior experience with the bidder."

Effective July 1, 2015 and thereafter, the bid thresholds in accordance with N.J.S.A. 18A:18A-3(a) are \$40,000.00 (with a Qualified Purchasing Agent) \$29,000.00 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18:39-3 is currently \$19,000.00.

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 solicitor's opinion should be sought before a commitment is made. Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies; the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The results of our examination indicated the following exceptions regarding individual payments, contracts or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provisions of N.J.S.A. 18A:18A-4:

Independent Auditor's Management Report of Administrative Findings - Financial and Compliance

SCHOOL PURCHASING PROGRAMS (CONTINUED)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

2019-09 Finding: We found no evidence of school board approval for the District's contract for the removal & disposal phase of the boiler replacement project, totaling \$44,500.00. Per conversation with the District's architect who was contracted to lead the entire project, the agreement for removal & disposal was done through a cooperative agreement. The district did not comply with the requirements of NJSA 18A:18A-12 for participation in the cooperative agreement.

2019-09 Recommendation: That the district appropriately approve purchases made through cooperative purchasing agreements.

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

2019-10 Finding: Our examination of the district's professional services contracts revealed instances where either no amount, or only an hourly rate, were approved, but no specific maximum amount was mentioned in the minutes.

2019-10 Recommendation: That all professional services contracts be awarded with either a specific total or 'not to exceed' amount mentioned in the board minutes.

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 and/or through cooperative purchasing agreements, therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal however, that the district made purchases through the use of state contracts and/or cooperative purchasing agreements..

SCHOOL FOOD SERVICE FUND

The financial transactions and statistical records of the School Food Services were maintained in satisfactory condition except as noted below. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. No exceptions were noted. Cash receipts and bank records were reviewed for timely deposit, exceptions noted below.

2019-11 Finding: The food service fund's general ledger only included cash transactions. No accounting was done for accruals of accounts receivables, changes in inventory, depreciation expense, or unearned revenue

2019-11 Recommendation: That the District fully maintain a general ledger for the food service fund including non-cash entries.

**Independent Auditor's Management Report of Administrative
Findings - Financial and Compliance**

SCHOOL FOOD SERVICE FUND (CONTINUED)

The number of meals claimed for reimbursement was verified against sales and meal count records. As part of the claims review process the edit check worksheet was completed. Reimbursement vouchers were properly computed and timely filed. Meals claimed agreed with the meal count records tested. No exceptions were noted.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The amount of free and reduced 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 meal policy is uniformly administered throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions were noted.

Expenditures were separately recorded as 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. No exceptions were noted.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Service employees. No exceptions were noted.

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 not exceed three months average expenditures.

The District utilizes a food service management company and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1.

Food Distribution Program commodities were received and an inventory was maintained on a first-in, first-out basis.

Exhibits reflecting Child Nutrition Program operations are included in Exhibits B-4, B-5, and B-6 of the CAFR.

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

**Independent Auditor's Management Report of Administrative
Findings - Financial and Compliance**

STUDENT BODY ACTIVITIES

The District maintains a General Activity Account and an Athletic Account. Our examination of these accounts revealed:

2019-12 Finding: Receipts and disbursements ledgers, monthly bank reconciliations, and an analysis of sub-account balances by each club/function were not maintained.

2019-12 Recommendation: That the district maintain receipts and disbursement ledgers, perform monthly bank reconciliations, and continuously analyze the balances by each club/function in the student activities and athletic accounts.

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 with exceptions noted. The information that was included on the workpapers was verified with no exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

PUPIL TRANSPORTATION

Our audit procedures included a test of on roll status reported in the 2017-18 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. No exceptions were noted in our review of transportation related purchases of goods and services.

Independent Auditor's Management Report of Administrative Findings - Financial and Compliance

FACILITIES AND CAPITAL ASSETS

Our procedures included review of transfers of local funds from the general fund or from the capital reserve account, awarding of contracts for eligible facilities construction, and the District's capital assets ledger. Our audit revealed the following:

2019-13 Finding: The District did not update the capital assets ledger to include fiscal year 2019 additions, and did not make suggested adjustments from the fiscal year 2018 audit.

2019-13 Recommendation: That the District maintain an accurate and detailed capital assets ledger.

2019-14 Finding: The District made unnecessary transfers totaling \$170,000 for projects which had already been appropriated. The transfers were reversed during the audit process.

2019-14 Recommendation: That the District accurately maintain detailed ledgers for transfers and appropriations related to capital projects.

TESTING FOR LEAD OF ALL DRINKING WATER IN EDUCATIONAL FACILITIES

Our procedures included examination and interviews regarding the districts compliance with N.J.A.C. 26-1.2 and 12.4 relating to the testing for lead in drinking water. 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). No exceptions were noted.

FOLLOW-UP ON PRIOR YEAR'S FINDINGS

In accordance with governmental auditing standards, our procedures included a review of all prior year recommendation. The items noted on the following page with an "*" are repeat unresolved items.

Independent Auditor's Management Report of Administrative Findings - Financial and Compliance

It is recommended that:

1. Administrative Practices and Procedures

2019-01 Recommendation: That the district improve controls over monitoring cumulative transfers and properly submit applicable transfers for county approval in accordance with N.J.A.C. 6A:23A-13.3(f).

2. Financial Planning, Accounting and Reporting

2019-02 Recommendation: That the District improve procedures and controls to ensure the proper processing of purchase orders.

* 2019-03 Recommendation: That the district take the required steps to comply with the provisions of NJAC 5:30-17 for the utilization of 3rd party payroll services.

2019-04 Recommendation: That the District improve procedures and controls over the accounting for encumbrances and accounts payable.

2019-05 Recommendation: That the District improve procedures and controls to ensure that all expenditures are properly classified.

2019-06 Recommendation: That the District improve procedures and controls to ensure the accuracy of the financial accounting records maintained by the board secretary.

* 2019-07 Recommendation: That the District improve procedures and controls to ensure that all board secretary reports match to the reconciled cash balances in the treasurer's reports each month.

2019-08 Recommendation: That the District improve procedures and controls to ensure the TPAF Reimbursement Voucher and associated payment be remitted to the State prior to the deadline each year.

3. School Purchasing Program

2019-09 Recommendation: That the district appropriately approve purchases made through cooperative purchasing agreements.

* 2019-10 Recommendation: That all professional services contracts be awarded with either a specific total or 'not to exceed' amount mentioned in the board minutes.

Independent Auditor's Management Report of Administrative Findings - Financial and Compliance

4. School Food Service

2019-11 Recommendation: That the District fully maintain a general ledger for the food service fund including non-cash entries.

5. Student Body Activities

* 2019-12 Recommendation: That the district maintain receipts and disbursement ledgers, perform monthly bank reconciliations, and continuously analyze the balances by each club/function in the student activities and athletic accounts.

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

2019-13 Recommendation: That the District maintain an accurate and detailed capital assets ledger.

2019-14 Recommendation: That the District accurately maintain detailed ledgers for transfers and appropriations related to capital projects.

9. Status of Prior Year's Findings/Recommendations

Items notated above with an "*" are repeated/unresolved findings.

BOROUGH OF GARWOOD SCHOOL DISTRICT
 SCHEDULE OF AUDITED ENROLLMENTS
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2018

	2019-20 Application for State School Aid				Sample for Verification				Private School for Handicapped								
	Reported on A.S.S.A. as on Roll	Full	Shared	Reported on Workpapers on Roll	Full	Shared	Errors	Sample Selected from Workpapers	Full	Shared	Verified per Registers on Roll	Errors per Registers on Roll	Full	Shared	Reported as Private Schools	Sample for Verification	Sample Errors
Full Day Kindergarten	33			34			-1	15			15						
One	33			31			2	20			20						
Two	39			40			-1	19			19						
Three	25			26			-1	15			15						
Four	38			37			1	15			15						
Five	37			37				15			15						
Six	28			28				15			15						
Seven	33			36			-3	15			15						
Eight	37			38			-1	12			12						
Subtotal	303			307			-4	141			141						
SpEd Elementary	46			51			-5	24			24			2		1	1
SpEd Middle School	27			26			1	15			15			1		1	1
SpEd High School														1		1	1
Subtotal	73			77			-4	39			39			4		3	3
Totals	376			384			-8	180			180			4		3	3
Percentage							-2.13%										

BOROUGH OF GARWOOD SCHOOL DISTRICT
 SCHEDULE OF AUDITED ENROLLMENTS
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2018

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten	4	5	1	1	1	0	0	0	0	0	0	0
One	4	4	0	3	3	0	0	0	0	0	0	0
Two	5	6	1	2	2	0	0	0	0	0	0	0
Three	4	3	-1	3	3	0	0	0	0	0	0	0
Four	8	7	-1	4	4	0	1	1	1	1	0	0
Five	2	4	2	1	1	0	0	0	0	0	0	0
Six	2	3	1	1	1	0	0	0	0	0	0	0
Seven	2	3	1	1	1	0	0	0	0	0	0	0
Eight	5	6	1	3	3	0	0	0	0	0	0	0
Nine	5	5	0	3	3	0	0	0	0	0	0	0
Ten	5	5	0	3	3	0	0	0	0	0	0	0
Eleven	2.5	2.5	0	1	1	0	0	0	0	0	0	0
Twelve	1	1	0	1	1	0	0	0	0	0	0	0
Subtotal	49.5	54.5	5	27	27	0	1	1	0	1	0	0
SpEd Elementary	13	14	1	8	8	0	0	0	0	0	0	0
SpEd Middle School	6	6	0	4	4	0	0	0	0	0	0	0
SpEd High School	3.0	3.0	0	1	1	0	0	0	0	0	0	0
Subtotal	22.0	23.0	1	13	13	0	0	0	0	0	0	0
Totals	71.5	77.5	6	40	40	0	1	1	0	1	0	0
Percentage Error			8.39%			0.00%			0.00%			0.00%

	Transportation		
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors
Reg. Public Schools, col. 1	146	146	0
Transported - Non-Public col. 2	1	1	0
Transported - Non-Public ALL, col. 3	4	4	0
Reg. - SpEd, Col. 4	4	4	0
Special Ed Spec, col. 6	9	9	0
Totals	164	164	0
Percentage Error			0.00%

BOROUGH OF GARWOOD SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
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 Application and Register</u>	<u>Sample Errors</u>
Full Day Kindergarten	0	0	0	0	0	0
One	1	1	0	1	1	0
Two	0	0	0	0	0	0
Three	0	0	0	0	0	0
Four	0	0	0	0	0	0
Five	0	0	0	0	0	0
Six	0	0	0	0	0	0
Seven	0	0	0	0	0	0
Eight	0	0	0	0	0	0
Subtotal	<u>1</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>
SpEd Elementary	0	0	0	0	0	0
SpEd Middle School	0	0	0	0	0	0
SpEd High School	0	0	0	0	0	0
Subtotal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals	<u>1</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

BOROUGH OF GARWOOD SCHOOL DISTRICT
SCHEDULE OF CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

SECTION 1

2% Calculation of Excess Surplus (2018-19 expenditures of \$100 million or less)

2018 - 2019 Total General Fund Expenditures	<u>9,444,354.87</u>	
Decreased by:		
On-Behalf TPAF Pension & Social Security	<u>885,989.32</u>	
Adjusted 2018 - 2019 General Fund Expenditures		<u>8,558,365.55</u>
2% of Adjusted 2018 - 2019 General Fund Expenditures		<u>171,167.31</u>
Greater of line above or \$250,000.00		<u>250,000.00</u>
Increased by: Allowable Adjustment		<u>62,361.00</u>
Maximum Unreserved/Undesignated Fund Balance		<u><u>312,361.00</u></u>

SECTION 2

Total General Fund Balances @ 6-30-19	<u>1,992,800.00</u>	
Decreased by:		
Year End Encumbrances	<u>535,294.32</u>	
Legally Restricted-Excess Surplus-Designated For Subsequent Year's Expenditures	<u>175,000.00</u>	
Assigned Fund Balance-Unreserved-Designated For Subsequent Year's Expenditures	<u>34,990.00</u>	
Other Restricted Fund Balances (Capital Reserve, Maintenance Reserve, Tuition Reserve)	<u>725,154.68</u>	
Total Unreserved/Undesignated Fund Balance for Excess Surplus Calculation		<u>522,361.00</u>

SECTION 3

Reserved Fund Balance-Excess Surplus		<u>210,000.00</u>
<u>Recapitulation of excess surplus as of June 30, 2019</u>		
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures		<u>150,000.00</u>
Reserved Excess Surplus		<u>210,000.00</u>
Total		<u><u>360,000.00</u></u>
<u>Detail of Allowable Adjustments</u>		
Additional/Unbudgeted Extraordinary Aid		61,201.00
Additional/Unbudgeted Non-Public School Transportation Aid		<u>1,160.00</u>
		<u><u>62,361.00</u></u>

