

**BOROUGH OF JAMESBURG  
BOARD OF EDUCATION  
AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2019**

**Prepared by**

**Gerard Stankiewicz, CPA, PSA**

**of the Firm**

**SAMUEL KLEIN AND COMPANY  
36 West Main Street, Suite 303  
Freehold, NJ 07728**

## TABLE OF CONTENTS

	<u>Page</u>
Report of Independent Auditors .....	1
Scope of Audit .....	2
Administrative Practices and Procedures:	
Insurance.....	2
Officials' Bonds.....	2
Financial Planning, Accounting and Reporting:	
Examination of Claims .....	2
Payroll Account.....	2-3
Unemployment Compensation Insurance Trust Fund .....	3
Reserve for Encumbrances and Accounts Payable .....	3
Classification of Expenditures.....	4
Travel Expenditures.....	4
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 Reauthorized by Every Student Succeeds Act (ESSA) .....	5
Other Special Federal and/or State Projects.....	5
T.P.A.F. Reimbursement .....	5
Expendable and Nonexpendable Trust Fund.....	5
School Purchasing Programs:	
Contracts and Agreements Requiring Advertisement for Bids.....	6-7
School Food Service .....	7-8
High Five (Childcare).....	8
Application for State School Aid.....	8
Pupil Transportation .....	9
Capital Assets .....	9
Recommendations.....	10
Acknowledgment.....	10
Schedule of Meal Count Activity .....	11
Schedule of Audited Enrollments.....	12-15
Excess Surplus Calculation .....	16-18
Net Cash Resource Schedule .....	19
Audit Recommendations Summary .....	20

550 BROAD STREET, 11TH FLOOR  
NEWARK, NJ 07102-9969  
PHONE (973) 624-6100  
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303  
FREEHOLD, NJ 07728-2291  
PHONE (732) 780-2600  
FAX (732) 780-1030

**REPORT OF INDEPENDENT AUDITORS**

Honorable President and Members  
of the Board of Education  
Borough of Jamesburg  
Board of Education  
County of Middlesex, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Borough of Jamesburg School District in the County of Middlesex for the year ended June 30, 2019, and have issued our report thereon dated February 18, 2020.

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

This report is intended solely for the information of the Borough of Jamesburg Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.



Gerard Stankiewicz  
Certified Public Accountant  
Licensed Public School Accountant #912



**SAMUEL KLEIN AND COMPANY**

Freehold, New Jersey  
February 18, 2020

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

**Scope of Audit**

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

**Administrative Practices and Procedures**

**Insurance**

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

**Officials' Bonds**

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

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

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

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

**Payroll Account**

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

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

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

**Payroll Account (Continued)**

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.

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

**Unemployment Compensation Insurance Trust Fund**

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

**Reserve for Encumbrances and Accounts Payable**

A review of outstanding issued purchase orders was made as of June 30, 2019 for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders existed for proper classification of orders as reserved for encumbrances and accounts payable.

**Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2(g) as part of our test of transactions of randomly selected expenditure items. We also examined the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-2.4. As a result of the procedures performed, no transaction error rate was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

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

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

**Travel Expenditures**

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

**Student Body Activities Funds**

**Elementary and Middle School**

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

All receipts were promptly deposited in the bank.

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

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

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

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

**Treasurer's Records**

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

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

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

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

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

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

The NCLB financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the project under Title I, II and III of the Elementary and Secondary Education Act.

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

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

The District's Special Projects were approved as listed on the Schedules of Federal and State Financial Assistance located in the CAFR.

Our audit of the federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

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

**T.P.A.F. Reimbursement**

Our Audit procedures included a test of the semi-monthly reimbursement forms filed with the Department of Education for District employees who are members of the Teachers Pension and Annuity Fund.

**Expendable and Nonexpendable Trust Fund**

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

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

**School Purchasing Programs**

**Contracts and Agreements Requiring Advertisement for Bids**

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

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

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

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

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

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

The minutes indicate that bids were advertised for the following:

JFK Bathrooms for Preschool

Replace Air-Conditioning Unit at JFK

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal however, that the following purchases were made through the use of State contracts.

Instructional Supplies

Office Supplies



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

**School Purchasing Programs (Continued)**

In as much as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

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

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

**School Food Service**

The financial transactions and statistical records of the school food services were maintained in satisfactory condition. The financial accounts, meal count record and eligibility applications were reviewed on a test-check basis. No exceptions were noted.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served did not exceed the number of valid applications on file, times the number of operating days, on a school by school basis. The free and reduced price meals and free milk policy is uniformly administered throughout the School System. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions were noted.

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

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

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

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

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

**School Food Service (Continued)**

The District is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34 and 19-1 through 19-4.1. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

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

Net cash resources did not exceed three months average expenditures. Cash receipts for special functions and "pay for it" were deposited into the bank account timely.

Food Distribution Program commodities were received during the period of audit. Inventory records on commodities are being maintained. The value of U.S.D.A. Commodities received during 2018-2019 was \$27,302.86.

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

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

**High Five (Childcare)**

The High Five (Childcare) program had experienced growth in participation over the last few years. The growth has caused additional administrative and accounting requirements. As a result, the Board Secretary/Business Administrator of record for 2017-2018 had undertaken control of the program.

**Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2018 Application for State School Aid (ASSA) for on-roll, private schools for the handicapped, low-income and bilingual. We also performed a review of the district procedures related to its completion. The information on the ASSA was compared to the district workpapers. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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

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

**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. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

**Capital Assets**

For the school year ended June 30, 2019 the District had engaged an outside firm to prepare an inventory listing of Capital Assets which was a significant improvement from past years.

**Internal Control Procedures**

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

**RECOMMENDATIONS**  
**JUNE 30, 2019**

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 name being the most prominent.

Gerard Stankiewicz  
Certified Public Accountant  
Public School Accountant #912

For The Firm  
SAMUEL KLEIN AND COMPANY

**BOARD OF EDUCATION**  
**BOROUGH OF JAMESBURG SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**SCHEDULE OF MEAL COUNT ACTIVITY**  
**NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM**  
**ENTERPRISE FUNDS - FOOD SERVICE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**  
**(MEMORANDUM ONLY)**

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over)/Under Claim</u>
National School Lunch (High Rate)	Paid	26,642	26,642	26,642	None	.33/.05	None
	Reduced	10,957	10,957	10,957	None	2.93/.055	None
	Free	<u>46,474</u>	<u>46,474</u>	<u>46,474</u>	<u>None</u>	3.235	<u>None</u>
	Total	<u>84,073</u>	<u>84,073</u>	<u>84,073</u>	<u>None</u>		<u>None</u>
School Breakfast (Severe Needs Rate)	Paid	3,524	3,524	3,524	None	0.310	None
	Reduced	2,964	2,964	2,964	None	1.840	None
	Free	<u>20,725</u>	<u>20,725</u>	<u>20,725</u>	<u>None</u>	2.140	<u>None</u>
	Total	<u>27,213</u>	<u>27,213</u>	<u>27,213</u>	<u>None</u>		<u>None</u>
Total Net (Over)/Under Claim							<u><u>None</u></u>

**JAMESBURG SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 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				
Full Day Preschool 3	45		45					15		15						
Full Day Preschool 4	46		46					15		15						
Half Day Kindergarten																
Full Day Kindergarten	53		53					18		18						
One	64		64					21		21						
Two	55		55					18		18						
Three	70		70					24		24						
Four	60		60					20		20						
Five	56		56					19		19						
Six	55		55					18		18						
Seven	66		66					23		23						
Eight	39		39					13		13						
Nine																
Ten																
Eleven																
Twelve																
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	609		609					204		204						
Special Ed - Elementary	52		52					17		17			0	0		
Special Ed - Middle School	32		32					11		11			2	2	2	0
Special Ed - High School													2	2	2	0
Subtotal	84		84					28		28			4	4	4	0
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	693	0	693					232		232						
Percentage Error					0.00%	0.00%							0.00%	0.00%		0.00%

**JAMESBURG BOROUGH SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2018**

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on</u>	<u>Reported on</u>	<u>Errors</u>	<u>Sample</u>	<u>Verified to</u>	<u>Sample</u>	<u>Reported on</u>	<u>Reported on</u>	<u>Errors</u>	<u>Sample</u>	<u>Verified to</u>	<u>Sample</u>
	<u>A.S.S.A. as</u>	<u>Workpapers as</u>		<u>Selected from</u>	<u>Application</u>		<u>LEP low</u>	<u>LEP low</u>		<u>Selected from</u>	<u>Test Score</u>	
	<u>Low</u>	<u>Low</u>		<u>Workpapers</u>	<u>and Register</u>		<u>Income</u>	<u>Income</u>		<u>Workpapers</u>	<u>and Register</u>	<u>Errors</u>
Half Day Preschool												
Full Day Preschool 3 Year	22	22		11	11							
Full Day Preschool 4 Year	24	24		12	12							
Half Day Kindergarten												
Full Day Kindergarten	30	30		14	14		20	20		14	14	
One	42	42		20	20		26	26		18	18	
Two	33	33		16	16		12	12		8	8	
Three	43	43		21	21		21	21		14	14	
Four	37	37		18	18		17	17		12	12	
Five	33	33		16	16		5	5		3	3	
Six	31	31		15	15		5	5		3	3	
Seven	39	39		19	19		4	4		3	3	
Eight	22	22		11	11		2	2		1	1	
Nine												
Ten												
Eleven												
Twelve												
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	<u>356</u>	<u>356</u>		<u>173</u>	<u>173</u>		<u>112</u>	<u>112</u>		<u>76</u>	<u>76</u>	
Special Ed - Elementary	31	31		15	15		4	4		3	3	
Special Ed - Middle	13	13		6	6							
Special Ed - High												
Subtotal	<u>44</u>	<u>44</u>		<u>21</u>	<u>21</u>		<u>4</u>	<u>4</u>		<u>3</u>	<u>3</u>	
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	<u>400</u>	<u>400</u>	<u>0</u>	<u>194</u>	<u>194</u>	<u>0</u>	<u>116</u>	<u>116</u>	<u>0</u>	<u>79</u>	<u>79</u>	<u>0</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

**JAMESBURG BOROUGH SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2018**

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool						
Full Day Preschool						
Half Day Kindegarten						
Full Day Kindergarten	3	3		3	3	
One	7	7		6	6	
Two	0	0		0	0	
Three	1	1		1	1	
Four	2	2		2	2	
Five	2	2		2	2	
Six	1	1		1	1	
Seven	3	3		3	3	
Eight	0	0		0	0	
Nine						
Ten						
Eleven						
Twelve						
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	<u>19</u>	<u>19</u>	<u></u>	<u>18</u>	<u>18</u>	<u></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></u>	<u>3</u>	<u>3</u>	<u></u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>22</u>	<u>22</u>	<u>0</u>	<u>21</u>	<u>21</u>	<u>0</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>



**JAMESBURG SCHOOL DISTRICT  
A.S.S.A. AUDIT  
DISTRICT REPORT OF TRANSPORTED RESIDENT STUDENTS  
ENROLLMENT AS OF OCTOBER 15, 2018**

	<u>Sample for Verification</u>			
	Reported on D.R.T.R.S.	Sample Selected from Workpapers	Verified to Register	
Students - Grade PK*	1	1	1	
Public School Students excl. Voc. Students	21	10	10	
Vocational School Students	18	9	9	
Transported Charter School Students				
AIL Charter School Students	13	6	6	
Transported Non-Public and Other School Students				
AIL Non-Public and Other School Students	48	23	23	
Special Education Public School Students	3	1	1	
Special Education Charter School Students				
Private School for Students with Disabilities and Other School Students				
Subtotal	104	50	50	
With Special Transportation Needs:				
Public School Students	3	1	1	
Charter School Students				
Private School for Students with Disabilities	1	1	1	
Without Special Transportation Needs:				
Out-of-district Public School Students	2	1	1	
Out-of-district Charter School Students				
Out-of-district Private School for Students with Disabilities	3	1	1	
Subtotal	9	4	4	
Courtesy Students - Elementary				
Courtesy Students - Secondary	249	120	120	
Subtotal	249	120	120	0
Transported Nonpublic School Students 201-30 Miles	1	1	1	
Totals	363	175	175	
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	8.5	8.5
Avg. Home to School (Mileage) = Regular Excluding Grade PK students	8.5	8.5
Avg. Home to School (Mileage) = Special Ed with Special Needs	10.1	10.1

**BOARD OF EDUCATION**  
**BOROUGH OF JAMESBURG SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**FISCAL YEAR ENDED JUNE 30, 2019**  
**(UNAUDITED)**

**EXCESS SURPLUS CALCULATION**  
**REGULAR DISTRICT**

**SECTION 1**

**A. 2% Calculation of Excess Surplus**

2018-19 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>15,560,388.48</u> (B)	
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$ _____ (B1a)	
Transfer from Capital Reserve to Capital Projects Fund	\$ _____ (B1b)	
Transfer from General Fund to SRF for PerK-Regular	\$ _____ (B1c)	
Transfer from General Fund to SRF for PerK-Inclusion	\$ _____ (B1d)	
Decreased by:		
On-Behalf TPAF Pension & Social Security	\$ <u>1,394,011.96</u> (B2a)	
Assets Acquired Under Capital Leases	\$ _____ (B2b)	
Adjusted 2018-19 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ <u>14,166,376.52</u> (B3)	
2% of Adjusted 2018-19 General Fund Expenditures [(B3) times .02]	\$ <u>283,327.53</u> (B4)	
Enter Greater of (B4) or \$250,000	\$ <u>283,327.53</u> (B5)	
Increased by: Allowable Adjustment*	\$ <u>80,859.00</u> (K)	
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]		\$ <u>364,186.53</u> (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-2019 (Per CAFR Budgetary Comparison Schedule-C1)	\$ <u>3,038,448.26</u> (C)	
Decreased by:		
Year-end Encumbrances	\$ <u>492,500.44</u> (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ _____ (C2)	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>89,448.20</u> (C3)	
Other Restricted Fund Balances ****	\$ <u>1,741,605.43</u> (C4)	
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ <u>33,887.80</u> (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)]		\$ <u>681,006.39</u> (U1)

**BOARD OF EDUCATION**  
**BOROUGH OF JAMESBURG SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**FISCAL YEAR ENDED JUNE 30, 2019**  
**(UNAUDITED)**

**SECTION 3**

Restricted Fund Balance - Excess Surplus\*\*\*[(U1)-(M)] IF NEGATIVE ENTER -0- \$ 316,819.86 (E)

**Recapitulation of Excess Surplus as of June 30, 2019**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures \*\* \$ 89,448.20 (C3)

Reserved Excess Surplus\*\*\*[(E)] \$ 316,819.86 (E)

Total Excess Surplus [(C3) + (E)] \$ 406,268.06 (D)

**Footnotes:**

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

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

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

**Detail of Allowable Adjustments**

Impact Aid	\$		(H)
Sale & Lease-back	\$		(I)
Extraordinary Aid	\$	66,939.00	(J1)
Additional Nonpublic School Transportation Aid	\$	13,920.00	(J2)
Current Year School Bus Advertising Revenue Recognized	\$		(J3)
Family Crisis Transportation Aid	\$		(J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	\$	<u>80,859.00</u>	(K)

\*\* This amount represents the June 30, 2019 Excess Surplus (C3 above) and must be included in the Audit Summary 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 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, 2019 to August 1, 2019 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**  
**BOROUGH OF JAMESBURG SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**FISCAL YEAR ENDED JUNE 30, 2019**  
**(UNAUDITED)**

**Detail of Other Restricted Fund Balance**

Statutory restrictions:	
Approved unspent separate proposal	\$ _____
Sale/lease-back reserve	\$ _____
Capital reserve	\$ 1,435,790.43
Maintenance reserve	\$ 205,815.00
Emergency reserve	\$ _____
Tuition reserve	\$ 100,000.00
School Bus Advertising 50% Fuel Offset Reserve - current year	\$ _____
School Bus Advertising 50% Fuel Offset Reserve - prior year	\$ _____
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ _____
Impact Aid General Fund Reserve (Sections 8007 and 8008)	\$ _____
Other state/government mandated reserve	\$ _____
[Other Reserved Fund Balance not noted above]****	\$ _____
 Total Other Restricted Fund Balance	 \$ 1,741,605.43 (C4)



\_\_\_\_\_  
GERARD STANKIEWICZ, CPA, PSA #912

Date: February 18, 2020

**JAMESBURG BOROUGH SCHOOL DISTRICT**  
**COUNTY OF MONMOUTH, NEW JERSEY**

**NET CASH RESOURCE SCHEDULE**

Net Cash Resources Did Not Exceed Three Months of Expenditures  
 Proprietary Funds - Food Service  
 FYE 2019

<u>Net Cash Resources:</u>		Food Service B - 4/5	
<b>CAFR</b>	*	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	\$ -
B-4		Due from Other Gov'ts	16,580
B-4		Accounts Receivable	-
B-4		Security Deposit	
<b>CAFR</b>		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	11,678
B-4		Less Accruals	
B-4		Less Due to Other Funds	
B-4		Less Deferred Revenue	<u>2,315</u>
		<b>Net Cash Resources</b>	<u><u>\$ 2,587</u></u> (A)
 <u>Net Adj. Total Operating Expense:</u>			
B-5		Total Operating Expense	454,368
B-5		Add Depreciation	<u>(12,527)</u>
		<b>Adj. Total Operating Expense</b>	<u><u>\$ 441,841</u></u> (B)
 <u>Average Monthly Operating Expense:</u>			
		B / 10	<u><u>\$ 44,184</u></u> (C)
 <u>Three Times Monthly Average:</u>			
		3 X C	<u><u>\$ 132,552</u></u> (D)

TOTAL IN BOX A	\$ 2,587
LESS TOTAL IN BOX D	\$ 132,552
NET	<u><u>\$ (129,965)</u></u>
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**  
**BOROUGH OF JAMESBURG SCHOOL DISTRICT**

AUDIT RECOMMENDATIONS SUMMARY  
For the Fiscal Year Ended 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  
None.