

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
COUNTY OF SOMERSET  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2020

BOROUGH OF BOUND BROOK SCHOOL DISTRICTS  
COUNTY OF SOMERSET  
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2020  
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Independent Member  
BKR International

The Honorable President and Members  
of the Board of Education  
Borough of Bound Brook School District  
County of Somerset, 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 financial statements of the Board of Education of the Borough of Bound Brook School District in the County of Somerset for the fiscal year ended June 30, 2020, and have issued our report thereon dated December 16, 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 letter does not affect our report dated December 16, 2020, on the financial statements of the Board.

We will review the status of the comments during our next audit engagement. We have already discussed these comments and suggestions with various management personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations/

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

December 16, 2020  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCIA LLP

*Valerie A. Dolan*  
\_\_\_\_\_  
Valerie A. Dolan  
Licensed Public School Accountant #2526  
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BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2020

Scope of Audit

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

Administrative Practices and Procedures

Insurance

Multi-peril insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the district's CAFR.

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Michael Steinmetz	Business Administrator/Board Secretary	\$ 350,000
Thomas Venanzi	Treasurer of School Moneys	350,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The Board made a proper adjustment to the billings to sending districts in accordance with N.J.A.C.6A:23A-3.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid on a test basis, during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation. Based on the results of our testing, we have no comments.

Payroll Account and Position Control Roster

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

All payrolls tested were approved by the Chief School Administrator and certified by the President of the Board and the School Business Administrator and the Chief School Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the General Fund.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendent, and business administrator) to the NJ Department of Treasury was filed in a timely manner.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2020

Financial Planning, Accounting and Reporting (Cont'd)

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made on a test basis as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable.

Classification of Expenditures – General and Administrative

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. In addition to randomly selecting a test sample, we reviewed administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. As a result of the procedures performed, no significant transaction errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Finding

During our review of the District it was noted that there were several budgetary expenditure reclassifications made during the year between funds.

Recommendations

It is recommended that greater care be taken to ensure that expenditures are posted accurately to limit the number of expenditure reclassifications.

Management Response

Management will ensure that expenditures are accurately reflected in the various funds in the future to limit the number of expenditure reclassifications made during the year.

Board Secretary's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Board Secretary's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based upon these procedures, we have the following comment.

Finding

During our review of the various bank reconciliations of the District it was noted that there are reconciling items on the bank reconciliation that have not either not been properly supported or resolved in a timely manner.

Recommendations

It is recommended that the bank reconciliations be reviewed and that only reconciling items that can be properly supported and validated appear on the bank reconciliations and that all reconciling items be addressed and resolved in a timely manner.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2020

Financial Planning, Accounting and Reporting (Cont'd)

Board Secretary's Records (Cont'd)

Management Response

The Business Administrator and Treasurer have taken steps to improve the bank reconciliation process and is resolving the reconciling items. Additionally, Administration will made aware of the reconciling items monthly to ensure timely resolution is made in the future.

Treasurer's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Treasurer's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records.

Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (E.S.S.A.)

The E.S.E.A. financial exhibits are contained herein within the Special Revenue Section of the District's CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I, Title II, Title III and Title IV of the Elementary and Secondary Education Act as amended and reauthorized.

Other Special Federal and/or 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.

Preschool Education Aid

The State of New Jersey Department of Education (DOE) requires approval of transfer of funds within approved Preschool Education Aid (PEA) planning budgets by May 31 of the budget year. Revisions/transfers requiring approval are those that include the elimination of funding allocated to a line, any transfer from Instruction to Support Services, and any transfer into Facilities Acquisition and Construction Services (from either Instruction or Support Services). These revisions/transfers require prior DOE written approval. The chief school administrator or the school business administrator must complete and sign the transfer notification form and submit the form to the executive county superintendent for approval.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2020

Financial Planning, Accounting and Reporting (Cont'd)

Other Special Federal and/or State Projects (Cont'd)

Preschool Education Aid (Cont'd)

Finding

During our review of the Preschool Education Aid budget, it was found that revisions and transfers were made as there was an elimination of funding allocated to a line and transfers from Instruction to Support Services. These revisions and transfers were done without prior executive county superintendent approval or DOE written approval.

Recommendation

It is recommended that the District obtain prior approval of revisions and transfers within approved Preschool Education Aid planning budgets as required by the Department of Education.

Management's Response

Administration will ensure that prior approval of revisions and transfers within approved Preschool Education Aid planning budgets are obtained as required by the Department of Education.

T.P.A.F. Reimbursement

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

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

The T.P.A.F. Reimbursement to the State for Federal Salary Expenditures was remitted to the State of New Jersey prior to the required deadline of October 1, 2020. The reimbursement form was reviewed and no exceptions were noted.

Travel Expenses

Travel regulations require each District to adopt a formal policy and procedure pertaining to travel and expense reimbursement for its employees and board members. The regulations include requirements for the District to establish a maximum travel amount for the year and to ensure that the maximum amount is not exceeded. The regulations also require that all travel must be preapproved by the Board of Education and Superintendent and that a brief report detailing the key issues addressed at the travel event must be submitted after the travel event has occurred. Overall compliance was noted.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2020

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

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

“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 \$17,500, 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 therefore, 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. of section 9 of P.L.1971, c. 198 the Board of Education may establish that the bid threshold may be up to \$25,000. 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. 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. 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 the year in which it is made . . . .”

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 therefore, except as is provided otherwise in this chapter or specifically by any other law . . . .”

Effective July 1, 2015 and thereafter 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 currently \$19,000.

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 Attorney'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. General compliance was noted.

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 or 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.



BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2020

School Purchasing Programs (Cont'd)

Contracts and Agreements Requiring Advertisement for Bids (Cont'd)

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

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.

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. No exceptions were noted.

Cash receipts and bank records were reviewed for timely deposit. No exceptions were noted.

The District utilizes a food service management company (FMSC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. The FMSC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$60,000. The operating results provision has been met. No exceptions were noted. 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. No exceptions were noted.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified on a test basis. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used. 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 nonprofit status of the School Food Service Fund. No exceptions were noted.

Net cash resources did not exceed three months average expenditures.

Time sheets and labor costs provided to the District by the Food Service contractor were reviewed on a test basis without exception. 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 sales and meal count records on a test basis. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner. No exceptions were noted.

Applications for free and reduced price meals were reviewed for completeness and accuracy. 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 policy was reviewed for uniform administration throughout the school district. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions were noted.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2020

School Food Service (Cont'd)

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

Non-program foods were purchased, prepared or offered for sale. The Statement of Revenue, Expenses and Changes in Net Position in the CAFR Schedule B-5 does separate program and non-program revenue and program and non-program cost of goods sold.

We also inquired of management about the emergency COVID-19 procedures/practices that the SFA instituted to provide meals to eligible students, maintenance of all applicable production records, meal counts, noncompetitive procurements, modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations.

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the records of the Student Activities Fund for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2019 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low income students and bilingual education. 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 without exceptions. The information that was included on the workpapers was verified on a test basis with minor exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District did maintain 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 2019-2020 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.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2020

Facilities and Capital Assets

There are no active SDA grant projects.

During our review of Capital Assets records, it was noted that the fixed asset accounting records were not updated to include additions, deletions and other adjustments. As the District was able to provide a detailed listing of the additions, deletions and other adjustments no formal recommendation is deemed necessary.

Testing for Lead of All Drinking Water in Educational Facilities

The District did submit the annual Statement of Assurance to the NJ Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

Management Suggestions:

Governmental Accounting Standards Board (GASB) Statements

Due to COVID-19, the GASB postponed the implementation of GASB Statement No. 84, Fiduciary Activities, until the fiscal year ended June 30, 2021. Based on guidance from the NJ Department of Education and GASB, the activity for student activities, payroll agency, unemployment compensation trust, flexible spending trust and private purpose scholarship trust funds will no longer be reported in the Fiduciary Fund financial statements. This activity will now be reported in the General (payroll agency, flexible spending and unemployment compensation) and Special Revenue (student activities and scholarship) Funds.

Effect on Internal Controls due to COVID-19

With the increase in employees working remotely due to COVID-19 especially those in the Business Office it is vital that the District routinely reviews the internal controls in place especially with respect to security of passwords as well as access rights to accounting software and bank information including bank wire transfers and the timely back-up of records.

Status of Prior Year's Findings/Recommendations

The recommendation regarding the District approving a salary resolution for all hourly employees and passing a resolution authorizing overtime to hourly employees has been resolved in the current year.

SCHEDULE OF MEAL COUNT ACTIVITY  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER) CLAIM  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(MEMORANDUM ONLY)

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - FEDERAL

<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 (Severe Rate)	Paid	38,411	18,871	18,871	-0-	\$ 0.34	\$ -0-
	Reduced	16,890	8,057	8,057	-0-	3.03	-0-
	Free	<u>123,240</u>	<u>58,497</u>	<u>58,497</u>	-0-	3.43	<u>-0-</u>
Total		<u>178,541</u>	<u>85,425</u>	<u>85,425</u>			<u>-0-</u>
National School Lunch (HHFKA)	PB Lunch	<u>178,541</u>	<u>85,425</u>	<u>85,425</u>	-0-	0.07	<u>-0-</u>
School Breakfast (Severe Rate)	Paid	62,287	28,978	28,978	-0-	0.31	-0-
	Reduced	16,773	7,908	7,908	-0-	1.90	-0-
	Free	<u>116,624</u>	<u>54,222</u>	<u>54,222</u>	-0-	2.20	<u>-0-</u>
Total		<u>195,684</u>	<u>91,108</u>	<u>91,108</u>			<u>-0-</u>
After School Snack (Severe Rate)	Paid	-0-	-0-	-0-	-0-	0.08	-0-
	Reduced	-0-	-0-	-0-	-0-	0.47	-0-
	Free	<u>9,215</u>	<u>4,770</u>	<u>4,770</u>	-0-	0.94	<u>-0-</u>
Total		<u>9,215</u>	<u>4,770</u>	<u>4,770</u>			<u>-0-</u>
Summer Food Service Program - COVID - 19							
Lunch	Free	26,222	9,242	9,242	-0-	4.09	-0-
Breakfast	Free	<u>26,222</u>	<u>9,242</u>	<u>9,242</u>	-0-	2.33	<u>-0-</u>
Total		<u>52,444</u>	<u>18,484</u>	<u>18,484</u>			<u>-0-</u>
Total Net Overclaim							<u>\$ -0-</u>

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
SCHEDULE OF MEAL COUNT ACTIVITY  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER) CLAIM  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(MEMORANDUM ONLY)

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - STATE

<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 (Severe Rate)	Paid	38,411	18,871	18,871	-0-	\$ 0.050	\$ -0-
	Reduced	16,890	8,057	8,057	-0-	0.055	-0-
	Free	<u>123,240</u>	<u>58,497</u>	<u>58,497</u>	-0-	0.055	<u>-0-</u>
Total		<u>178,541</u>	<u>85,425</u>	<u>85,425</u>			<u>-0-</u>
Total Net Overclaim							<u>\$ -0-</u>

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
SCHEDULE OF NET CASH RESOURCES  
FOOD SERVICE FUND  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(MEMORANDUM ONLY)

Current Assets: *	
Cash and Cash Equivalents	\$ 143,962
Intergovernmental Accounts Receivable	37,209
Other Accounts Receivable	15,360
	196,531
Current Liabilities:	
Unearned Revenue	(25,845)
	(25,845)
Net Cash Resources	\$ 170,686 (A)
<u>Net Adjusted Total Operating Expense:</u>	
Total Operating Expenses	\$ 1,423,684
Less: Depreciation Expense	(24,190)
	(24,190)
Adjusted Total Operating Expenses	\$ 1,399,494 (B)
<u>Average Monthly Operating Expenses:</u>	
(B) / 10	\$ 139,949 (C)
<u>Three Times Monthly Average Operating Expenses:</u>	
3 x (C)	\$ 419,847 (D)
Net Cash Resources	\$ 170,686 (A)
Less: Three Times Monthly Average Operating Expenses	(419,847) (D)
	(419,847) (D)
Exceed / (Does not Exceed)	\$ (249,161) **

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

\*\* Net cash resources does not exceed three times monthly average operating expenses.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
SCHEDULE OF AUDITED ENROLLMENTS  
ENROLLMENT AS OF OCTOBER 15, 2019

	2020-2021 Application for State School Aid						Sample for Verification					
	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	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Full Day Preschool 4 Years Old	88		88					88		88		
Full Day Kindergarten	115		115					115		115		
Grade One	138		138					138		138		
Grade Two	130		130					130		130		
Grade Three	106		106					106		106		
Grade Four	120		120					120		120		
Grade Five	131		131					131		131		
Grade Six	116		116					116		116		
Grade Seven	116		116					116		116		
Grade Eight	106		106					106		106		
Grade Nine	153	6	153	6			153	6	153	6		
Grade Ten	119	1	119	1			119	1	119	1		
Grade Eleven	133	1	133	1			133	1	133	1		
Grade Twelve	100	3	100	3			100	3	100	3		
Subtotal	1,671	11	1,671	11			1,671	11	1,671	11		
Special Ed - Elementary	141		141				13		13			
Special Ed - Middle School	72		72				6		6			
Special Ed - High School	94	2	94	2			6		6			
Subtotal	307	2	307	2			25		25			
Totals	1,978	13	1,978	13	-0-	-0-	1,696	11	1,696	11	-0-	-0-
Percentage Error					0.00%	0.00%					0.00%	0.00%

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
SCHEDULE OF AUDITED ENROLLMENTS  
ENROLLMENT AS OF OCTOBER 15, 2019

	Private Schools for Disabled					Resident Low Income						
	Reported on A.S.S.A. as Private Schools	Reported on Workpapers as Private Schools	Errors	Sample for Verification	Sample Verified	Sample Errors	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
Full Day Kindergarten							69	69		2	2	
Grade One							78	78		2	1	1
Grade Two							89	89		2	2	
Grade Three							71	71		2	2	
Grade Four							62	62		2	2	
Grade Five							73	73		2	2	
Grade Six							70	70		2	2	
Grade Seven							79	79		2	2	
Grade Eight							62	62		2	2	
Grade Nine							86	86		2	2	
Grade Ten							59.5	59.5		2	2	
Grade Eleven							65	65		2	2	
Grade Twelve							42	42		1	1	
Subtotal							906	906		25	24	1
Special Ed - Elementary	3	3		1	1		112	112		2	2	
Special Ed - Middle School	4	4		1	1		60	60		2	2	
Special Ed - High School	13	13		2	2		55	55		1	1	
Subtotal	20	20		4	4		227	227		5	5	
Totals	20	20	-0-	4	4	-0-	1,133	1,133	-0-	30	29	1
Percentage Error			0.00%			0.00%			0.00%			3.33%



BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
SCHEDULE OF AUDITED ENROLLMENTS  
ENROLLMENT AS OF OCTOBER 15, 2019

	Resident LEP Low Income					
	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Errors
Full Day Kindergarten	23	23		2	2	
Grade One	28	28		3	2	1
Grade Two	24	24		2	2	
Grade Three	19	19		1	1	
Grade Four	12	12		1	1	
Grade Five	15	15		1	1	
Grade Six	11	11		1	1	
Grade Seven	8	8		1	1	
Grade Eight	9	9		1	1	
Grade Nine	20	20		2	2	
Grade Ten	10	10		1	1	
Grade Eleven	13	13		1	1	
Grade Twelve	5	5		1	1	
Subtotal	<u>197</u>	<u>197</u>		<u>18</u>	<u>17</u>	<u>1</u>
Special Ed - Elementary	1	1				
Special Ed - Middle School	4	4		1	1	
Special Ed - High School	3	3		1	1	
Subtotal	<u>8</u>	<u>8</u>		<u>2</u>	<u>2</u>	
Totals	<u><u>205</u></u>	<u><u>205</u></u>	<u><u>-0-</u></u>	<u><u>20</u></u>	<u><u>19</u></u>	<u><u>1</u></u>
Percentage Error			<u><u>0.00%</u></u>			<u><u>5.00%</u></u>

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
SCHEDULE OF AUDITED ENROLLMENTS  
ENROLLMENT AS OF OCTOBER 15, 2019

	Resident LEP Not Low Income					
	Reported on A.S.S.A. as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Full Day Kindergarten	14	14		1	1	
Grade One	11	11		1	1	
Grade Two	9	9		1	1	
Grade Three	8	8				
Grade Four	15	15		1	1	
Grade Five	6	6				
Grade Six	3	3				
Grade Seven	7	7				
Grade Eight	8	8		1	1	
Grade Nine	7	7		1	1	
Grade Ten	11	11		1	1	
Grade Eleven	2	2		1	1	
Grade Twelve	6	6				
Subtotal	<u>107</u>	<u>107</u>		<u>8</u>	<u>8</u>	
Special Ed - Elementary	1	1				
Special Ed - High School	1	1		1	1	
Subtotal	<u>2</u>	<u>2</u>		<u>1</u>	<u>1</u>	
Totals	<u>109</u>	<u>109</u>	<u>-0-</u>	<u>9</u>	<u>9</u>	<u>-0-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2019

Transportation

	<u>Reported on DRTRS by DOE</u>	<u>Reported on DRTRS by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>
Regular - Public Schools	38	38		6	6	
Regular - Special Education	8	8		3	3	
Special Needs Public	11	11		3	3	
Special Needs Private	13	13		3	3	
Totals	<u>70</u>	<u>70</u>	<u>-0-</u>	<u>15</u>	<u>15</u>	<u>-0-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	<u>Reported</u>	<u>Recalculated</u>
Average Mileage - Regular Including Grade PK Students	5.6	5.6
Average Mileage - Regular Excluding Grade PK Students	5.6	5.6
Average Mileage - Special Education with Special Needs	8.4	8.4

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FISCAL YEAR ENDED JUNE 30, 2020

**EXCESS SURPLUS CALCULATION**

**Section 1 - REGULAR DISTRICT**

2019-2020 Total General Fund Expenditures per the CAFR	\$ 34,747,866	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$ -0-	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ -0-	(B1b)
Transfer from General Fund to Special Revenue Fund for Pre K - Regular	\$ -0-	(B1c)
Transfer from General Fund to Special Revenue Fund for Pre K - Inclusion	\$ 649,113	(B1d)
Decreased by:		
On-Behalf TPAF Pension and Social Security	\$ 4,439,262	(B2a)
Assets Acquired Under Capital Leases		(B2b)
 Adjusted 2019-2020 General Fund Expenditures [(B)+(B1's)-(B2's)]	 <u>\$ 30,957,717</u>	 (B3)
 2% of Adjusted 2019-2020 General Fund Expenditures [(B5) times .02]	 <u>\$ 619,154</u>	 (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 619,154</u>	(B5)
Increased by: Allowable Adjustment	<u>\$ 28,179</u>	(K)
 Maximum Unassigned Fund Balance [(B5)+(K)]		 <u>\$ 647,333</u> (M)

**Section 2**

Total General Fund - Fund Balances @ 6/30/2020 (Per CAFR Budgetary Comparison Schedule C-1)	\$ 3,608,710	(C)
Decreased by:		
Year-End Encumbrances	\$ 34,815	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ -0-	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 40,439	(C3)
Other Restricted Fund Balances	\$ 2,396,366	(C4)
Assigned - Designated for Subsequent Year's Expenditures	\$ 7,017	(C5)
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]		 <u>\$ 1,130,073</u> (U1)

**Section 3**

Restricted Fund Balance-Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0-		<u>\$ 482,740</u> (E)
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BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FISCAL YEAR ENDED JUNE 30, 2020

**Recapitulation of Excess Surplus as of June 30, 2020**

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 40,439 (C3)
Restricted Excess Surplus [(E)]	<u>\$ 482,740 (E)</u>
Total [(C3)+(E)+(F)]	<u>\$ 523,179 (D)</u>

**Detail of Allowable Adjustments**

Impact Aid	\$ -0- (H)
Sale and Lease Back	<u>\$ -0- (I)</u>
Extraordinary Aid	<u>\$ 28,179 (J1)</u>
Additional Nonpublic School Transportation Aid	<u>\$ -0- (J2)</u>
Total Adjustments [(H)+(I)+(J1)+(J2)]	<u>\$ 28,179 (K)</u>

**Detail of Other Restricted Fund Balance**

Statutory Restrictions	\$ -0-
Approved Unspent Separate Proposal	<u>\$ -0-</u>
Sale/Lease-Back Reserve	<u>\$ -0-</u>
Capital Reserve	<u>\$ 1,142,202</u>
Emergency Reserve	<u>\$ 250,789</u>
Maintenance Reserve	<u>\$ 1,003,375</u>
Tuition Reserve	<u>\$ -0-</u>
Other State/Governmental Mandated Reserve	<u>\$ -0-</u>
Other Restricted Fund Balance not Noted Above	<u>\$ -0-</u>
Total Other Restricted Fund Balance	<u>\$ 2,396,366</u>

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
SUMMARY OF RECOMMENDATIONS  
FISCAL YEAR ENDED JUNE 30, 2020

It is recommended that:

1. Administrative Practices and Procedures  
None
2. Financial Planning, Accounting and Reporting
  - a) Greater care be taken to ensure that expenditures are posted accurately to limit the number of expenditure reclassifications.
  - b) The bank reconciliations be reviewed and that only reconciling items that can be properly supported and validated appear on the bank reconciliations and that all reconciling items be addressed and resolved in a timely manner.
  - c) The District obtain prior approval of revisions and transfers within approved Preschool Education Aid planning budgets as required by the Department of Education
3. School Purchasing Program  
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. Travel Expenses  
None
10. Miscellaneous  
None

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
SUMMARY OF RECOMMENDATIONS  
FISCAL YEAR ENDED JUNE 30, 2020

11. Status of Prior Year's Findings/Recommendations

The recommendation regarding the District approving a salary resolution for all hourly employees and passing a resolution authorizing overtime to hourly employees has been resolved in the current year.