

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NEW JERSEY**

**AUDITOR'S MANAGEMENT REPORT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2020**

PREPARED BY

***SAMUEL KLEIN AND COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS***

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NEW JERSEY

AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE

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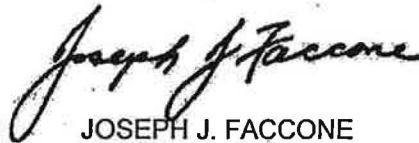
REPORT OF INDEPENDENT AUDITORS

Honorable President and Members
of the Board of Education
Old Bridge Township School District
County of Middlesex, New Jersey

We have audited, in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Old Bridge Township School District in the County of Middlesex for the year ended June 30, 2020, and have issued our report thereon dated January 15, 2021.

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 for the information of the Old Bridge Board of Education's management and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.



JOSEPH J. FACCONI
Licensed Public School Accountant #194



SAMUEL KLEIN AND COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
January 15, 2021

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

Scope of Audit

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

Administrative Practices and Procedures

Insurance

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

Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32, 18A:13-13)

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Joseph J. Marra	Board Secretary	\$100,000.00
Hiumanshu Shah	Treasurer of School Moneys	555,000.00

There is a Public Employees' Faithful Performance Blanket Bond with the School Alliance Insurance Fund Company covering all other employees with multiple coverage of \$500,000.00.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The Board made a proper adjustment to the billings to sending districts for the decrease in per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review revealed no discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account and Position Control Roster

Net salaries of all employees were deposited in the Payroll Account.

All payroll deductions were deposited in the Payroll Agency Account.

All payrolls were approved by the Superintendent of Schools and certified by the President and the Secretary of the Board of Education.

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

Payrolls were delivered to the Treasurer of School Moneys with a warrant made to his order for the full amount of each payroll.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30th for proper classification of orders as a reserve 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 tested 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-8.3. As a result of the procedures performed, a transaction error rate of 0.0% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classifications.

Board Secretary's Records

The financial records, books of accounts and minutes maintained by the Board Secretary were in satisfactory condition. The prescribed contractual order system was followed.

The School District's double entry system of account records were maintained in accordance with the Department of Education's prescribed GAAP Technical Systems Manual, pursuant to N.J.S.A. 18A:4-14 and N.J.A.C. 6:20-2A.

Capital Assets were maintained in accordance with regulations prescribed by the New Jersey Department of Education.

Treasurer's Records

The Treasurer's records were examined and found to be in agreement with records of the Board Secretary.

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

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act, as amended and reauthorized.

The study of compliance for E.S.E.A. indicated that there were no areas of noncompliance and/or questioned costs.

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.

The study of compliance for the special projects indicated that there were no areas of noncompliance and/or questioned costs.

TPAF Reimbursement

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

TPAF Reimbursement to the State for Federal Salary Expenditures

The reimbursement to the State for the amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made subsequent to the end of the 60 day grant liquidation period, but prior to the 90 days required by *N.J.S.A. 18A:66-90*. Accordingly, the expenditure was made in accordance with State law (90 days) and properly reported as obligated and not expended and as an unliquidated balance in the current year's Final Report(s) for all federal awards.

School Purchasing Program

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with *N.J.S.A. 18A:18A-2* is \$40,000.00 with a Qualified Purchasing Agent. The law regulating bidding for public school student transportation contracts under *N.J.S.A. 18A:39-3* is \$19,000.00 for 2019-20.

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

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 goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of *N.J.S.A. 18A:18A-4*, as amended.

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. Our examination did reveal, however, that purchases were made through the use of State contracts.

School Food Service

COVID-19 EMERGENCY

In accordance with the Governor's Declaration of Emergency pertaining to the COVID-19 Virus all Public, Charter, Non-Public schools were ordered to close effective March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, School Food Authorities (SFA) were required to institute alternate procedures to provide meals to Free and Reduced Price eligible students during the period of school closures.

Therefore, SFA's were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and *N.J.S.A. 18A:18A-7*. The SFA's were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of Free and Reduced Price meal eligible students.

SFA's were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all free and reduced price meal eligible students during the emergency.

The school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. Exceptions were not noted.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. Exceptions were not noted.

The Statement of Revenues, Expenses and Changes in Fund Net Assets (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.

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

Cash receipts and bank records were reviewed for timely deposit.

The District utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with *N.J.S.A. 18A:17-34*, and 19-1 through 19-4.1. Provisions of the FSMC Fixed Price contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$100,000.00. The operating results provision has been met. All vendor discounts, rebates and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

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

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

Net cash resources did not exceed three months average expenditures.

Student Activity and Athletic Funds

The School Activity Accounts, maintained on the cash basis, encompass separate accounts for the ten elementary schools, two middle schools, one high school and the athletic accounts.

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 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 without exception. The information included as part of the workpapers was verified without exception. 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 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.

Testing for Lead of All Drinking Water in Educational Facilities

The School District adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

The School District submitted the Annual Statement of Assurance to the Department of Education pursuant to N.J.A.C. 6A:26-12.4(g).

Follow-Up on Prior Year's Findings

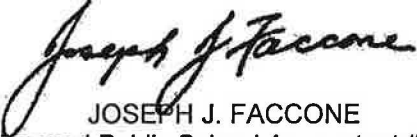
There were no audit findings in the prior year.

Miscellaneous

The minutes indicate that the Report on Examination of Accounts for the 2018-2019 fiscal year was reviewed by the Board, a synopsis thereof distributed at a public meeting and public discussion held.

Acknowledgment

We received the complete cooperation of all the officials of the School District and greatly appreciate the courtesies extended to the members of the audit team.


JOSEPH J. FACCONI
Licensed Public School Accountant #194


SAMUEL KLEIN AND COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
January 15, 2021

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
FISCAL YEAR ENDED JUNE 30, 2020

NET CASH RESOURCE SCHEDULE

Net Cash Resources Did Not Exceed Three Months of Expenditures
Proprietary Funds - Food Service
FYE 2020

<u>Net Cash Resources</u>	Food Service B - 4/5	
CAFR *		Current Assets
B-4	\$ 171,241	Cash and Cash Equivalents
B-4		Due from Other Governments
B-4	\$ 42,118	Accounts Receivable
B-4		Investments
CAFR		Current Liabilities
B-4	\$ (27,644)	Less Accounts Payable
B-4		Less Accruals
B-4		Less Due to Other Funds
B-4		Less Deferred Revenue
	<u>\$ 185,715</u>	Net Cash Resources
		(A)

Net Adjustment Total Operating Expense

B-5	\$ 1,819,292	Total Operating Expense
B-5	(13,919)	Less Depreciation
	<u>\$ 1,805,373</u>	Adjustment Total Operating Expense
		(B)

Average Monthly Operating Expense

B/10	<u>\$ 180,537</u>	(C)
------	-------------------	------------

Three Times Monthly Average

3 X C	<u>\$ 541,612</u>	(D)
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TOTAL IN BOX A	\$ 185,715		
LESS TOTAL IN BOX D	\$ 541,612		
NET	<u>\$ (355,897)</u>		
From above:			
A is greater than D, cash exceeds 3 X average monthly operating expenses.			
D is greater than A, cash does not exceed 3 X average monthly operating expenses.			

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

SOURCE: USDA Resource Management Comprehensive Review Form

SCHEDULE OF AUDITED ENROLLMENTS

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2019

	2020-2021 Application for State School Aid						Sample for Verification						Private Schools for Handicapped			
	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 Verification	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Full Day Kindergarten	548.0		548.0		-	-	21.0		21.0		-	-				
One	487.0		487.0		-	-	18.0		18.0		-	-				
Two	488.0		488.0		-	-	18.0		18.0		-	-				
Three	534.0		534.0		-	-	20.0		20.0		-	-				
Four	511.0		511.0		-	-	19.0		19.0		-	-				
Five	543.0		543.0		-	-	20.0		20.0		-	-				
Six	521.0		521.0		-	-	20.0		20.0		-	-				
Seven	569.0		569.0		-	-	21.0		21.0		-	-				
Eight	559.0		559.0		-	-	21.0		21.0		-	-				
Nine	591.0		591.0		-	-	22.0		22.0		-	-				
Ten	559.0	1.0	559.0	1.0	-	-	21.0		21.0		-	-				
Eleven	593.0		593.0		-	-	22.0		22.0		-	-				
Twelve	613.0		613.0		-	-	23.0		23.0		-	-				
Sub-Total	7,116.0	1.0	7,116.0	1.0	-	-	266.0	-	266.0	-	-	-	-	-	-	-
Special Ed - Elementary	513.0		513.0		-	-	19.0		19.0		-	-	9.0	8.0	8.0	-
Special Ed - Middle	293.0	8.0	293.0	8.0	-	-	10.0	1.0	10.0	1.0	-	-	6.0	5.0	5.0	-
Special Ed - High	424.0	1.0	424.0	1.0	-	-	16.0		16.0		-	-	23.0	20.0	20.0	-
Sub-Total	1,230.0	9.0	1,230.0	9.0	-	-	45.0	1.0	45.0	1.0	-	-	38.0	33.0	33.0	-
Totals	8,346.0	10.0	8,346.0	10.0	-	-	311.0	1.0	311.0	1.0	-	-	38.0	33.0	33.0	-
Percentage Error					0.0%	0.0%					0.0%	0.0%				0.0%

SCHEDULE OF AUDITED ENROLLMENTS

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2019**

	Low Income								Sample for Verification							
	Free Reported on A.S.S.A. as Low Income	Free Reported on A.S.S.A. as Low Income S/T	Reduced Reported on A.S.S.A. as Low Income	Reduced S/T Reported on A.S.S.A. as Low Income	Free Reported on Workpapers as Low Income	Free Reported on Workpapers as Low Income S/T	Reduced Reported on Workpapers as Low Income	Reduced Reported on Workpapers as Low Income S/T	Free Sample Selected from Workpapers	Free Sample Selected from Workpapers S/T	Reduced Sample Selected from Workpapers	Reduced Sample Selected from Workpapers S/T	Free Verified to Application and Register	Free Verified to Application and Register S/T	Reduced Verified to Application and Register	Reduced S/T Verified to Application and Register
Full Day Kindergarten	85.0		22.0		85.0		22.0		15.0		9.0		15.0		9.0	
One	79.0		15.0		79.0		15.0		14.0		6.0		14.0		6.0	
Two	77.0		36.0		77.0		36.0		14.0		14.0		14.0		14.0	
Three	85.0		28.0		85.0		28.0		15.0		11.0		15.0		11.0	
Four	93.0		35.0		93.0		35.0		16.0		14.0		16.0		14.0	
Five	94.0		30.0		94.0		30.0		17.0		12.0		17.0		12.0	
Six	93.0		40.0		93.0		40.0		17.0		16.0		17.0		16.0	
Seven	100.0		34.0		100.0		34.0		18.0		14.0		18.0		14.0	
Eight	74.0		31.0		74.0		31.0		13.0		13.0		13.0		13.0	
Nine	82.0		34.0		82.0		34.0		15.0		14.0		15.0		14.0	
Ten	84.0		36.0	1.0	84.0		36.0	1.0	15.0		15.0	1.0	15.0		15.0	1.0
Eleven	84.0		22.0		84.0		22.0		15.0		9.0		15.0		9.0	
Twelve	110.0		45.0		110.0		45.0		20.0		18.0		20.0		18.0	
Sub-Total	1,140.0	-	408.0	1.0	1,140.0	-	408.0	1.0	204.0	-	165.0	1.0	204.0	-	165.0	1.0
Special Ed - Elementary	135.0		28.0		135.0		28.0		24.0		11.0		24.0		11.0	
Special Ed - Middle	81.0	2.0	18.0		81.0	2.0	18.0		15.0	1.0	7.0		15.0	1.0	7.0	
Special Ed - High	116.0		33.0		116.0		33.0		20.0		13.0		20.0		13.0	
Sub-Total	332.0	2.0	79.0	-	332.0	2.0	79.0	-	59.0	1.0	31.0	-	59.0	1.0	31.0	-
Totals	1,472.0	2.0	487.0	1.0	1,472.0	2.0	487.0	1.0	263.0	1.0	198.0	1.0	263.0	1.0	198.0	1.0
Percentage Error					0.0%	0.0%	0.0%	0.0%					0.0%	0.0%	0.0%	0.0%

	Transportation						Reported	Recalculated
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors		
Reg - Public Schools	4,875.0	4,875.0	-	238	238.0	-	Average Mileage - Regular Including Grade PK Students	4.6
Trans. - Nonpublic	530.0	530.0	-	26	26.0	-		
Reg - Special Education	502.0	502.0	-	24	24.0	-	Average Mileage - Regular Special Education	5.8
Nonpublic Schools (AIL)	226.0	226.0	-	11	11.0	-		
Special Education with Special Needs	277.0	277.0	-	13	13.0	-		
Totals	6,410.0	6,410.0	-	312.0	312.0	-		
Percentage Error			0.0%			0.0%		

SCHEDULE OF AUDITED ENROLLMENTS

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2019**

	Resident LEP NOT Low Income			Sample for Verification			Bilingual Education Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Full Day Kindergarten	24.0	24.0	-	19.0	19.0	-	12.0	12.0	-	8.0	8.0	-
One	8.0	8.0	-	6.0	6.0	-	13.0	13.0	-	9.0	9.0	-
Two	9.0	9.0	-	7.0	7.0	-	15.0	15.0	-	10.0	10.0	-
Three	8.0	8.0	-	6.0	6.0	-	14.0	14.0	-	10.0	10.0	-
Four	4.0	4.0	-	3.0	3.0	-	19.0	19.0	-	13.0	13.0	-
Five	1.0	1.0	-	1.0	1.0	-	5.0	5.0	-	3.0	3.0	-
Six	1.0	1.0	-	1.0	1.0	-	4.0	4.0	-	3.0	3.0	-
Seven	6.0	6.0	-	5.0	5.0	-	3.0	3.0	-	2.0	2.0	-
Eight	3.0	3.0	-	2.0	2.0	-	1.0	1.0	-	1.0	1.0	-
Nine	7.0	7.0	-	5.0	5.0	-	3.0	3.0	-	2.0	2.0	-
Ten	3.0	3.0	-	2.0	2.0	-	5.0	5.0	-	4.0	4.0	-
Eleven	3.0	3.0	-	2.0	2.0	-	3.0	3.0	-	2.0	2.0	-
Twelve	4.0	4.0	-	3.0	3.0	-	2.0	2.0	-	1.0	1.0	-
Sub-Total	81.0	81.0	-	62.0	62.0	-	99.0	99.0	-	68.0	68.0	-
Special Ed - Elementary	8.0	8.0	-	6.0	6.0	-	9.0	9.0	-	6.0	6.0	-
Special Ed - Middle	-	-	-	-	-	-	1.0	1.0	-	1.0	1.0	-
Special Ed - High	1.0	1.0	-	1.0	1.0	-	2.0	2.0	-	1.0	1.0	-
Sub-Total	9.0	9.0	-	7.0	7.0	-	12.0	12.0	-	8.0	8.0	-
Totals	90.0	90.0	-	69.0	69.0	-	Bilingual Students 111.0	111.0	-	76.0	76.0	-
Percentage Error			0.0%				Percentage Error		0.0%			

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
FISCAL YEAR ENDED JUNE 30, 2020

EXCESS SURPLUS CALCULATION

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2019-20 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>165,045,294.49</u> (B)	
Increased by:		
Transfer to Food Service Fund	\$ _____ (B1a)	
Transfer from Capital Outlay to Capital Projects Fund	\$ _____ (B1b)	
Transfer from Capital Reserve to Capital Projects Fund	\$ _____ (B1c)	
Decreased by:		
On-Behalf TPAF Pension and Social Security	\$ <u>24,291,100.82</u> (B2a)	
Assets Acquired Under Capital Leases	\$ _____ (B2b)	
Adjustment for Disallowed Expenditures per S1701	\$ _____ (B2c)	
Adjusted 19-20 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ <u>140,754,193.67</u> (B3)	
2% of Adjusted 2019-20 General Fund Expenditures [(B3) times .02]	\$ <u>2,815,083.87</u> (B4)	
Enter Greater of (B4) or \$100,000	\$ <u>2,815,083.87</u> (B5)	
Increased by: Allowable Adjustment *	\$ <u>2,173,182.00</u> (K)	
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]		\$ <u>4,988,265.87</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-20 <u>(Per CAFR Budgetary Comparison Schedule C-1)</u>	\$ <u>27,898,126.04</u> (C)	
Decreased by:		
Year ended Encumbrances	\$ <u>398,759.93</u> (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ <u>2,047,716.00</u> (C2)	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>1,720,847.00</u> (C3)	
Other Restricted Fund Balances ***	\$ <u>13,976,504.66</u> (C4)	
Assigned - Fund Balance - Designated for Subsequent Year's Expenditures	\$ _____ (C5)	
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		\$ <u>9,754,298.45</u> (U1)

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
FISCAL YEAR ENDED JUNE 30, 2020

SECTION 3

Restricted Fund Balance - Excess Surplus***[(U2)-(M)] IF NEGATIVE ENTER -0- \$ 4,766,032.58 (E)

Recapitulation of Excess Surplus as of June 30, 2020

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures** \$ 1,720,847.00 (C3)

Reserved Excess Surplus***[(E)] \$ 4,766,032.58 (E)

Total Excess Surplus [(C3) + (E)] \$ 6,486,879.58 (D)

* This adjustment line (as detailed below) is to be utilized for Impact Aid, Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10) and Extraordinary Aid, and Additional Nonpublic School Transportation Aid and unbudgeted TPAF Wage Freeze Grant Funding. Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid and Additional Nonpublic School Transportation Aid.

Detail of Allowable Adjustments

Impact Aid	\$ _____	(H)
Sale and Lease-Back	\$ _____	(I)
Extraordinary Aid	\$ <u>2,072,328.00</u>	(J1)
Additional Nonpublic School Transportation Aid	\$ <u>100,854.00</u>	(J2)
Total Adjustments [(H)+(I)+(J1)+(J2)]	\$ <u>2,173,182.00</u>	(K)

** This amount represents the June 30, 2020 Excess Surplus (C3 above) and must be included in the Audit Summary Line 90031.

*** Amounts must agree to the June 30, 2020 CAFR and must agree to Audit Summary Line 90030.

**** Amount for Other Reserved 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 Finance prior to September 30.

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
FISCAL YEAR ENDED JUNE 30, 2020

SECTION 3 (Continued)

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$	_____
Capital outlay for a district with a capital outlay Cap Waiver	\$	_____
Sale/lease-back reserve	\$	_____
Capital reserve	\$	<u>7,536,200.86</u>
Maintenance reserve	\$	<u>5,186,242.45</u>
Tuition reserve	\$	_____
Other state/government mandated reserve	\$	<u>1,254,061.35</u>
[Other Restricted Fund Balance not noted above] ****	\$	_____
Total Other Restricted Fund Balance	\$	<u>13,976,504.66 (C4)</u>

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
AUDIT RECOMMENDATIONS SUMMARY
FISCAL YEAR ENDED JUNE 30, 2020

It is recommended that:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

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

None

9. Follow-Up on Prior Year's Findings

There were no prior year recommendations.

10. Miscellaneous

None

