

Auditor's Management Report

for the

*Township of South Brunswick
School District*

in the

*County of Middlesex
New Jersey*

for the

*Fiscal Year Ended
June 30, 2020*

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

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Township of South Brunswick School District
County of Middlesex
Monmouth Junction, New Jersey 08852

We have audited, in accordance with U.S. generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Township of South Brunswick School District in the County of Middlesex for the year ended June 30, 2020, and have issued our report dated January 21, 2021.

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

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


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 962

January 21, 2021

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

SCOPE OF AUDIT

The audit covered the financial transactions of the Business Administrator/ Board Secretary and the Chief School Administrator, the activities of the Township of South Brunswick School District Board of Education, the records of the various funds under the auspices of the Board of Education.

ADMINISTRATIVE PRACTICES AND PROCEDURES

Insurance

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

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

<u>NAME</u>	<u>POSITION</u>	<u>AMOUNT OF BONDS</u>
David Pawlowski	Board Secretary/School Business Administrator	\$525,000.00
All Employees	Blanket Bond	500,000.00

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

Tuition Charges

A comparison of tentative charges and actual certified tuition charges was made. The actual costs differed from the estimated costs. The Board made a proper adjustment to the billings to sending Districts for the difference in per pupil costs in accordance with N.J.A.C. 6a-23-3.1(f)3.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING

Examination of Claims

Our audit of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

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

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (CONTINUED)

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.

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

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

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

The balances of funds on deposit in the Payroll Account are analyzed on a monthly basis.

Position Control Roster

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

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable without exception.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. As a result of the procedures performed, no errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

The financial records, books of account and minutes of the Board Secretary were maintained in satisfactory condition and an encumbrance system was fully implemented.

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

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (CONTINUED)

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 projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

Other Special Federal and State Projects

The District's Special Projects were approved as listed on Exhibits K-3 and K-4 located in the CAFR.

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

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

T.P.A.F. Reimbursement

Our audit procedures included a test of the semi-monthly reimbursements 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 amount of the expenditure charged to the current year's Final Report for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

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

SCHOOL PURCHASING PROGRAMS

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 States, "a. When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$29,000.00, the contract may be awarded by a purchasing agent when so authorized by resolution of the board of education without public advertising for bids and bidding 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 (C.40A:11-9) the board of education may establish that the bid threshold may be up to \$40,000.00. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section".

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

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

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

Effective July 1, 2015, the bid thresholds in accordance with N.J.S.A. 18A:18A-3(a) and (c) is \$40,000.00 (with a Qualified Purchasing Agent) and \$29,000.00 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18:39-3 is currently \$19,600.00.

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

SCHOOL PURCHASING PROGRAMS (CONTINUED)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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

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

The results of our examination indicated 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 provisions 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 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

COVID – 19 Emergency

In accordance with the Governor's Declaration of Emergency pertaining to the COVID 19 Virus all Public, Charter and Non-Public schools were ordered to close effective as of 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 eligible students during the period of school closures.

Therefore, SFAs 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 SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of eligible students.

SFAs were notified of the requirement to maintain an 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.

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

SCHOOL FOOD SERVICE (CONTINUED)

The financial transactions and statistical records of the School Food Services were maintained in satisfactory condition. 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 review for timely deposit without exception.

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 FMC contract/addendums were reviewed and audited. The FSMC contract includes an operating results provision that the food service program will generate a \$201,000.00 profit. The operating results provision has not been met. All vendor discounts, rebates and credits from vendors were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used. No exceptions were noted.

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

Net cash resources did not exceed three months average expenditures.

Time sheets were reviewed and labor costs verified. 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 verified against sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted 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 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 priced meal policy is uniformly administered throughout the school system. The required verification procedure for free and reduced-price applications was completed and available for review. No exceptions were noted.

National Food Distribution Commodities were received and an inventory was maintained on a first-in, first-out basis. No exceptions were noted.

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

SCHOOL FOOD SERVICE (CONTINUED)

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.

Exhibits reflecting Child Nutrition Program operations are included in Section G of the CAFR.

STUDENT BODY ACTIVITIES/ATHLETIC FUNDS

A cash receipts and disbursement record were maintained in satisfactory condition.

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 work papers without exceptions. 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 had 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.

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

FACILITIES AND CAPITAL ASSETS

Not Applicable

TESTING FOR LEAD OF ALL DRINKING WATER IN EDUCATIONAL FACILITIES

We were advised that the school district adhered to 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

Not applicable

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

RECOMMENDATIONS

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 Assets
None
9. Status of Prior Year's Findings/Recommendations
N/A

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
 SCHEDULE OF AUDITED ENROLLMENTS
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2019

	2020-2021 Application for State School Aid				Sample for Verification				Private School for Handicapped					
	Reported on A.S.S.A. as on Roll		Workpapers on Roll		Sample Selected from Workpapers		Registers on Roll		Errors per Registers on Roll		Reported on A.S.S.A. as Private Schools		Sample for Verification	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Pre-K 3 yr	94		94		5		5							
Half Day Pre-K 4 yr	1		1											
Full Day Kindergarten	431		431		16		16							
One	444		444		16		16							
Two	512		512		19		19							
Three	500		500		19		19							
Four	561		561		21		21							
Five	552		552		20		20							
Six	581		581		22		22							
Seven	583		583		22		22							
Eight	683		683		25		25							
Nine	672		672		25		25							
Ten	670		670		25		25							
Eleven	677		677		25		25							
Twelve	651		651		24		24							
Subtotal	7,612		7,612		284		284							
SpEd Elementary	322		322		12		12			10		8		8
SpEd Middle School	192		192		7		7			5		3		3
SpEd High School	294		294		11		11			28		26		26
Subtotal	808		808		30		30			43		37		37
Totals	8,420		8,420		314		314			43.0		37		37
Percentage									0%					0%

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
 SCHEDULE OF AUDITED ENROLLMENTS
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2019

	Resident Low Income			Sample for Verification			Resident ELL/LEP Low Income			Sample for Verification		
	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as ELL Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Pre-School	63	63		14	14		18	18		15	15	
Full Day Kindergarten	57	57		16	16		11	11		8	8	
One	53	53		12	12		13	13		11	11	
Two	50	50		14	14		4	4		3	3	
Three	60	60		13	13		6	6		4	4	
Four	74	74		16	16		4	4		3	3	
Five	58	58		15	15		3	3		1	1	
Six	80	80		16	16		4	4		3	3	
Seven	83	83		15	15		4	4		3	3	
Eight	81	81		17	17		3	3		2	2	
Nine	87	87		18	18		3	3		2	2	
Ten	75	75		19	19		2	2		2	2	
Eleven	62	62		18	18		2	2		2	2	
Twelve	883	883		203	203		77	77		59	59	
Subtotal	1,124.0	1,124	0%	254	254	0%	83	83	0%	63	63	0%
SpEd Elementary	96	96		19	19		5	5		3	3	
SpEd Middle School	63	63		17	17		1	1		1	1	
SpEd High School	82	82		15	15							
Subtotal	241.0	241		51	51		6	6		4	4	
Totals	1,124.0	1,124	0%	254	254	0%	83	83	0%	63	63	0%

Percentage Error

Transportation

	Reported on DRTS by DOE	Reported on DRTS by District	Errors	Tested	Verified	Errors
Reg Public Schools, col.1	4868	4868		279	279	
Nonpublic Transportation, col.2	64	64		4	4	
Non-Public AIL, col.3	182	182		10	10	
Reg. - SpEd, Col.4	128	128		7	7	
Special Ed Spec, col.6	202	202		12	12	
Totals	5444	5444	0%	312	312	0%

Percentage Error

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2019

	Resident ELL/LEP NOT Low Income			Sample for Verification		
	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 Pre-School						
Full Day Pre-School						
Full Day Kindergarten	37	37	0	21	21	0
One	25	25	0	15	15	0
Two	31	31	0	17	17	0
Three	24	24	0	16	16	0
Four	14	14	0	11	11	0
Five	7	7	0	5	5	0
Six	4	4	0	3	3	0
Seven	5	5	0	3	3	0
Eight	4	4	0	2	2	0
Nine	4	4	0	3	3	0
Ten	4	4	0	3	3	0
Eleven	1	1	0	1	1	0
Twelve	1	1	0	1	1	0
Subtotal	<u>161</u>	<u>161</u>	<u>0</u>	<u>101</u>	<u>101</u>	<u>0</u>
SpEd Elementary	3	3	0	1	1	0
SpEd Middle School			0			0
SpEd High School			0			0
Subtotal	<u>3</u>	<u>3</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>
Totals	<u>164</u>	<u>164</u>	<u>0</u>	<u>102</u>	<u>102</u>	<u>0</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT

SCHEDULE OF CALCULATION OF EXCESS SURPLUS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

REGULAR DISTRICT

SECTION 1

2% Calculation of Excess Surplus

2019 - 2020 Total General Fund Expenditures per CAFR Ex. C-1	\$ <u>154,457,705.00</u>	
Increased by:		
Transfer from Capital Reserve to Capital Projects Fund	<u>139,311.00</u>	
Decreased by:		
On-Behalf TPAF Pension and Social Security	<u>21,150,226.00</u>	
Assets Acquired Under Capital Leases	<u>644,791.00</u>	
Adjusted 2019 - 2020 General Fund Expenditures		\$ <u>132,801,999.00</u>
2% of Adjusted 2019 - 2020 General Fund Expenditures		<u>2,656,040.00</u>
Greater of Line Above or \$250,000.00		<u>2,656,040.00</u>
Increased by: Allowable Adjustment		<u>884,703.00</u>
Maximum Unreserved/Undesignated Fund Balance		\$ <u><u>3,540,743.00</u></u>

SECTION 2

Total General Fund Balances at June 30, 2020	\$ <u>24,722,976.00</u>	
Decreased by:		
Year-End Encumbrances	<u>652,987.00</u>	
Legally Restricted - Designated for Subsequent Year's Expenditures		
Legally Restricted - Excess Surplus-Designated for Subsequent Year's Expenditures	<u>3,096,090.00</u>	
Other Restricted Fund Balances	<u>12,435,588.00</u>	
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	<u>971,537.00</u>	
Total Unassigned Fund Balance		\$ <u><u>7,566,774.00</u></u>

SECTION 3

Restricted Fund Balance-Excess Surplus	\$ <u>4,026,031.00</u>
<u>Recapitulation of Excess Surplus as of June 30, 2020</u>	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 3,096,090.00
Reserved Excess Surplus	<u>4,026,031.00</u>
Total	\$ <u>7,122,121.00</u>
<u>Detail of Allowable Adjustments</u>	
Extraordinary Aid	\$ 877,727.00
Additional Non-Public School Transportation Aid	<u>6,976.00</u>
	\$ <u>884,703.00</u>
<u>Detail of Other Restricted Fund Balance</u>	
Statutory Restrictions:	
Capital Reserve	\$ 5,986,889.00
Maintenance Reserve	5,748,699.00
Emergency Reserve	<u>700,000.00</u>
Total Other Restricted Fund Balance	\$ <u>12,435,588.00</u>

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM- FEDERAL
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
National School Lunch (Regular Rate)	Paid	285,834	285,834	285,834	0	0.32	0.00
	Reduced	17,153	17,153	17,153	0	3.01	0.00
	Free	95,079	95,079	95,079	0	3.41	0.00
	TOTAL	398,066	398,066	398,066			0.00
National School Lunch	HHFKA	398,066	398,066	398,066	0	0.07	0
School Breakfast (Regular Rate)	Paid	15,514	15,514	15,514	0	0.31	0.00
	Reduced	2,758	2,758	2,758	0	1.54	0.00
	Free	21,442	21,442	21,442	0	1.84	0.00
	TOTAL	39,714	39,714	39,714			0.00
School Breakfast (Severe Rate)	Paid	1,393	1,393	1,393	0	0.31	0.00
	Reduced	913	913	913	0	1.90	0.00
	Free	30,291	30,291	30,291	0	2.20	0.00
	TOTAL	32,597	32,597	32,597			0.00
Total Net Overclaim (Underclaim)							0.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -STATE
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<u>PROGRAM</u>	<u>MEAL</u> <u>CATEGORY</u>	<u>MEALS</u> <u>CLAIMED</u>	<u>MEALS</u> <u>TESTED</u>	<u>MEALS</u> <u>VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER)</u> <u>UNDER</u> <u>CLAIM (b)</u>
State Reimbursement - National School Lunch (Regular Rate)	Paid	285,834	285,834	285,834	0	0.050	0.00
State Reimbursement - National School Lunch (Regular Rate)	Reduced	17,153	17,153	17,153	0	0.055	0.00
State Reimbursement - National School Lunch (Regular Rate)	Free	95,079	95,079	95,079	0	0.055	0.00
	TOTAL	<u>398,066</u>	<u>398,066</u>	<u>398,066</u>			
Total Net Overclaim (Underclaim)							<u><u>0.00</u></u>

**TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
NET CASH RESOURCE SCHEDULE - FOOD SERVICE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

A School Food Authority is required to maintain a nonprofit School Food Service. The nonprofit status of the School Food Service is determined by evaluating net cash resources. Net cash resources may not exceed three months average expenditures.

As illustrated in the schedule below, the Districts Net Cash Resources \$20,197.00 do not exceed three months average expenditures (\$773,856.00)

<u>Net Cash Resources:</u>		Food Service B - 4/5
CAFR	Current Assets*	
B-4	Cash & Cash Equivalents	\$161,671.00
B-4	Accounts Receivable	63,803.00
CAFR	Current Liabilities	
B-4	Less Accruals	(61,003.00)
B-4	Less Unearned Revenue	<u>(184,668.00)</u>
	Net Cash Resources	<u>(\$20,197.00)</u> (A)
<u>Net Adj. Total Operating Expense:</u>		
B-5	Tot. Operating Exp.	\$2,637,265.00
B-5	Less Depreciation	<u>(57,745.00)</u>
	Adj. Tot. Oper. Exp.	<u>\$2,579,520.00</u> (B)
<u>Average Monthly Operating Expense:</u>		
	B / 10	<u>\$257,952.00</u> (C)
<u>Three times monthly Average:</u>		
	3 X C	<u>\$773,856.00</u> (D)

TOTAL IN BOX A	<u>(\$20,197.00)</u>	
LESS TOTAL IN BOX D	<u>(\$773,856.00)</u>	
NET	<u>(\$794,053.00)</u>	<--- Excess

**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.

