

*Auditor's Management Report*

*for the*

*Township of Green Brook  
School District*

*in the*

*County of Somerset  
New Jersey*

*for the*

*Fiscal Year Ended  
June 30, 2021*



**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 Green Brook School District  
County of Somerset  
Green Brook, New Jersey 08812

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 Green Brook School District in the County of Somerset for the year ended June 30, 2021 and have issued our report dated January 27, 2022.

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 Green Brook School District, County of Somerset, 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.

  
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CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
PUBLIC SCHOOL ACCOUNTANT NO. 948

January 27, 2022

**SCOPE OF AUDIT**

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

**ADMINISTRATIVE PRACTICES AND PROCEDURES**

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

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

**Official Bonds**

<u>NAME</u>	<u>POSITION</u>	<u>AMOUNT OF BONDS</u>
Raymond Murray	Treasurer of School Monies	\$225,000.00
Stephen Fried	Board Secretary/Business Administrator	\$225,000.00

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

Our audit of the districts practices and procedures also included:

**FINANCIAL PLANNING, ACCOUNTING AND REPORTING**

**Examination of Claims**

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

## **FINANCIAL PLANNING, ACCOUNTING AND REPORTING (CONTINUED)**

### **Payroll Account**

The salaries of all employees of the Board and the Board's required payroll contributions were deposited in the net payroll and payroll agencies account as applicable.

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 premium amounts withheld 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.

### **Position Control Roster**

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

### **Reserve for Encumbrances, Liability (Current) for Accounts Payable**

A review of outstanding purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable.

### **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:23-2.2(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-2.4. 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 records maintained by the Board Secretary were in satisfactory condition and appropriate balances matched to those prepared by the Treasurer of School Monies

### **Treasurer's Records**

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

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

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

### **Other Special Federal and State Projects**

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

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

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

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

The reimbursement to the State for the amount of the expenditure charged to the current year's Final Reports 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 Reports for all federal awards.

## **SCHOOL PURCHASING PROGRAMS**

### **Contracts and Agreements Requiring Advertisement for Bids**

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

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

Effective July 1, 2020 and thereafter, the bid thresholds in accordance with N.J.S.A. 18A:18A-3(a) are \$44,000.00 (with a Qualified Purchasing Agent) and \$32,000.00 (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.

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.

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.



## **FOOD SERVICE FUND**

### **COVID – 19 EMERGENCY**

In accordance with the Governor's Declaration of Emergency pertaining to the public health emergency, 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 (SFAs) were required to institute alternate procedures to provide meals to eligible students during the period of school closures.

During 2020-2021 the public health emergency was still applicable. As a result, SFAs were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO) or the Summer Food Service Program.

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 all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

SFAs 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 students during the emergency.

The Statement of Revenues, Expenses and Changes in Fund Net Position (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program costs of goods sold.

Net cash resources did not exceed three months average expenditures.

## **STUDENT BODY ACTIVITIES**

### **Student Activities and Athletics Accounts**

Cash receipts and disbursements records were maintained in satisfactory condition.

## **APPLICATION FOR STATE SCHOOL AID**

Our audit procedures included a test of information reported in the October 15, 2020 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 that was included on 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 procedures for the recording of student enrollment data.

## **PUPIL TRANSPORTATION**

Our audit procedures included a test of on-roll status reported in the 2020-2021 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.

## **FACILITIES**

Our procedures included review of the SDA grant agreement for consistency with recording SDA revenue, transfer of local funds from the general fund or from the capital reserve account and awarding of contracts for eligible facilities construction. No exceptions were noted.

## **TESTING FOR LEAD OF ALL DRINKING WATER IN EDUCATIONAL FACILITIES**

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

## **FOLLOW-UP ON PRIOR YEAR'S FINDINGS**

In accordance with Governmental Auditing Standards, our procedures included a review of all prior year recommendations. Corrective action had been taken on all prior year findings.

## 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. Miscellaneous  
None
10. Status of Prior Year's Findings/Recommendations  
Not Applicable

TOWNSHIP OF GREEN BROOK SCHOOL DISTRICT  
 SCHEDULE OF AUDITED ENROLLMENTS  
 APPLICATION FOR STATE SCHOOL AID SUMMARY  
 ENROLLMENT AS OF OCTOBER 15, 2020

	2021-22 Application for State School Aid				Sample for Verification				Private School for Handicapped					
	Reported on A.S.S.A. as on Roll		Reported on Workpapers on Roll		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	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Pre-School														
Full Day Pre-School														
Full Day Kindergarten														
One	17		17		10		10							
Two	41		41		21		21							
Three	48		48		21		21							
Four	56		56		21		21							
Five	59		59		21		21							
Six	63		63		21		21							
Seven	67		67		21		21							
Eight	79		79		22		22							
Subtotal	87		87		22		22							
	594		594		202		202							
SpEd Elementary (PK-5)	59		59		15		15				3		2	2
SpEd Middle School (6-8)	49		49		15		15				1		1	1
SpEd High School											2.5		2	2
Subtotal	108		108		30		30				6.5		5	5
Totals	702		702		232		232				6.5		5	5
Percentage														

TOWNSHIP OF GREEN BROOK SCHOOL DISTRICT  
 SCHEDULE OF AUDITED ENROLLMENTS  
 APPLICATION FOR STATE SCHOOL AID SUMMARY  
 ENROLLMENT AS OF OCTOBER 15, 2020

	Resident Low Income		Sample for Verification		Resident LEP Low Income		Sample for Verification	
	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Sample Selected from Workpapers	Verified to Application and Register	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers as LEP Low Income	Sample Selected from Workpapers	Verified to Application and Register
Full Day Pre-School	4	4	3	3				
Full Day Kindergarten								
One	5	5	4	4	1	1	1	1
Two	3	3	2	2				
Three	1	1	1	1				
Four	6	6	4	4				
Five	4	4	3	3				
Six	3	3	2	2				
Seven	5	5	4	4	1	1	1	1
Eight	2	2	2	2				
Nine	4	4	3	3				
Ten	3	3	2	2				
Eleven	4	4	3	3				
Twelve	44	44	33	33	2	2	2	2
Subtotal	44	44	33	33	2	2	2	2
SpEd Elementary	13	13	10	10	1	1	1	1
SpEd Middle School	6	6	5	5				
SpEd High School	3.5	3.5	2	2				
Subtotal	22.5	22.5	17	17	1	1	1	1
Totals	66.5	66.5	50	50	3	3	3	3

Percentage Error

Transportation

Reported on DRTS by DOE	Reported on DRTS by District	Errors	Tested	Verified	Errors
617	617		199	193	6
81	61	20	11	15	-4
86.5	86.5		12	10	2
47.5	47.5		10	14	-4
812	812		232	232	

Reg. Public Schools, col.1  
 Nonpublic - All, col.3  
 Reg. - SpEd, col.4  
 Special Ed Spec, col.6  
 Totals

Reg Avg.(Mileage) = Regular Including Grade PK students (Part A)  
 Reg Avg.(Mileage) = Regular Excluding Grade PK students (Part B)  
 Spec Avg. = Special Ed with Special Needs

Percentage Error

Reported	Recalculated
4.8	4.8
4.8	4.8
5.9	5.9

TOWNSHIP OF GREEN BROOK SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENTS  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2020

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.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						
One	1	1		1	1	1
Two	2	2		2	2	2
Three						
Four	1	1		1	1	1
Five	1	1		1	1	1
Six	1	1		1	1	1
Seven	1	1		1	1	1
Eight						
Nine	1	1		1	1	1
Ten	3	3		2	2	2
Eleven	2	2		1	1	1
Twelve	1	1		1	1	1
Subtotal	14	14		12	12	12
SpEd Elementary						
SpEd Middle School						
SpEd High School						
Subtotal						
Totals	14	14		12	12	12
Percentage Error						

GREEN BROOK SCHOOL DISTRICT  
SCHEDULE OF CALCULATION OF EXCESS SURPLUS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

REGULAR DISTRICT

SECTION 1

4% Calculation of Excess Surplus

2020-2021 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ 27,082,576.09	
Decreased by:		
On-Behalf TPAF Pension & Social Security	\$ 3,003,706.79	
Adjusted 2020-2021 General Fund Expenditures		\$ 24,078,869.30
4% of Adjusted 2020-2021 General Fund Expenditures		\$ 963,154.77
Greater of Line Above or \$250,000.00		\$ 963,154.77
Increased by: Allowable Adjustment		\$ 364,691.00
Maximum Unreserved/Undesignated Fund Balance		\$ 1,327,845.77

SECTION 2

Total General Fund - Fund Balances @ 6-30-2021	\$ 6,033,784.59	
Decreased by:		
Year-End Encumbrances	\$ 43,644.97	
Legally Restricted-Excess Surplus-Designated for Subsequent Year's Expenditures	\$ 350,000.00	
Other Restricted Fund Balances	\$ 4,012,293.85	
Total Unassigned Fund Balance		\$ 1,627,845.77

SECTION 3

Restricted Fund Balance-Excess Surplus	\$ 300,000.00
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Recapitulation of Excess Surplus as of June 30, 2021

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 350,000.00
Restricted Excess Surplus	\$ 300,000.00
Total Excess Surplus	\$ 650,000.00

Detail of Allowable Adjustments

Extraordinary Aid	\$ 347,001.00
Additional Non-Public School Transportation Aid	\$ 17,690.00
	\$ 364,691.00

**Detail of Other Restricted Fund Balance:**

Capital Reserve	\$ 3,210,177.66
Tuition Reserve	400,000.00
Maintenance Reserve	378,108.64
Unemployment Compensation Reserve	24,007.55
	\$ 4,012,293.85





