

**EAST BRUNSWICK PUBLIC SCHOOLS
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS –
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2022**

**AUDITOR’S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS –
FINANCIAL, COMPLIANCE AND PERFORMANCE
TABLE OF CONTENTS**

	<u>Page No.</u>
Independent Auditors’ Report	1
Scope of Audit.....	2
Administrative Practices and Procedures	
Insurance	2
Official Bonds.....	2
Financial Planning, Accounting and Reporting	
Examination of Claims	2
Payroll Account and Position Control Roster	3
Reserve for Encumbrances and Accounts Payable	3
Classification of Expenditures.....	3
General Classifications	
Administrative Classifications	
Board Secretary’s Records	3
Treasurer’s Records	N/A
Unemployment Compensation Insurance Trust Fund.....	3
Elementary and Secondary Education Act	
as amended by the Every Student Succeeds Act (ESSA).....	4
Other Special Federal and/or State Projects.....	4
T.P.A.F. Reimbursement	4
T.P.A.F. Reimbursement to the State for Federal Salary Expenditures	4
Nonpublic State Aid	5
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids.....	5
School Food Service	5
Student Body Activities	7
Application for State School Aid	7
Pupil Transportation.....	7
Facilities and Capital Assets.....	8
Testing of Lead of All Drinking Water in Educational Facilities	8
Follow-up on Prior Year’s Findings.....	8
Acknowledgment.....	8
Schedule of Meal Count Activity	9
Schedule of Net Cash Resources.....	11
Schedule of Audited Enrollments.....	12
Excess Surplus Calculation	15
Audit Recommendations Summary	18



INDEPENDENT AUDITORS' REPORT

Honorable President and Members
of the Board of Education
East Brunswick Public Schools
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 East Brunswick Public Schools, County of Middlesex as of and for the year ended June 30, 2022, and have issued our report thereon dated March 28, 2023.

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

This report is intended solely for the information and use of East Brunswick Public Schools' management and Board members, and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

PKF O'Connor Davies, LLP

Cranford, New Jersey
March 28, 2023

Scott A. Clelland

Scott A. Clelland, CPA
Licensed Public School Accountant
No. 1049

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and 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 J-20, Insurance Schedule contained in the District's ACFR.

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Bernardo Giuliana	Business Administrator	\$ 750,000

There is an Employee Dishonesty Blanket Position Bond covering all other employees with multiple coverage of \$1,000,000 per loss. Additionally, the District abolished the Treasurer of School Moneys position effective January 1, 2019, as allowed by New Jersey State Statutes.

P.L.2020,c.44

Our audit procedures included an inquiry and subsequent review of health benefits data required under N.J.S.A. 18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by the school district.

The school district's data certification was completed by the chief school administrator. The school district's Chapter 44 data was submitted timely.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The District made a proper adjustment to the billings to sending Districts for the increase or 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 did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account and Position Control Roster

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 tested were approved by the Superintendent and were certified by the President of the Board, the Board Secretary/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.

Our review of the payroll accounts did not identify any exceptions.

Employee Position Control Roster

An inquiry and subsequent review of the Position Control Roster did not identify any inconsistencies between the payroll records, employee benefit records, the general ledger accounts to where wages are posted, and the Position Control Roster.

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 and no exceptions were noted.

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 our randomly selected test samples, 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% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

Our review of the financial and accounting records maintained by the Board Secretary disclosed no exceptions.

Unemployment Compensation Insurance Trust Fund

The District has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. The financial transactions of this fund are reported in the General Fund. No exceptions were noted.

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 ACFR. This section of the ACFR 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 no instances of noncompliance and/or questionable costs.

Other Special Federal and/or State Projects

The District's special projects were approved as listed on Schedules A (K-3) and B (K-4) located in the ACFR.

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 ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

The study of compliance for the special projects did not identify any exceptions

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 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 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.

Nonpublic State Aid

Our review of the Nonpublic State Aid completion reports disclosed no exceptions.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with *N.J.S.A. 18A:18A-2* and *18A:18A-3(a)* are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school transportation contracts under *N.J.S.A. 18A:39-3* is \$20,200 for 2021-22.

The District 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.

The results of our examination, performed on a test basis, 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*, amended. Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per *N.J.S.A. 18A:18A-5*.

No exceptions were noted.

School Food Service

PUBLIC HEALTH EMERGENCY

In accordance with the Governor's Declaration of Emergency pertaining to the public health emergency all Public, Charter, 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. Governor Murphy's emergency declaration ended June 4, 2021; however, the United States Department of Agriculture's federal waiver continued through June 30, 2022. Food Service Agencies operated under this federal waiver.

As a result, School Food Authorities (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 (SFSP) option. SFAs could also choose to participate in the National School Lunch Program utilizing standard counting and claiming practices.

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 financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records 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 Cost Reimbursable Fixed Price or Non-Competitive Emergency Procurement contract/addendum were reviewed and audited. The FSMC contract includes operating results provision which has a guarantee that the food service program will incur a profit of \$1,501,931. 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 non-profit status of the school food service.

The SFA recorded and maintained separate supporting documentation for additional costs (food, supplies, transportation, etc.) applicable to the implementation of the COVID-19 meal service under SSO or SFSP program requirements.

Net cash resources did exceed three months average expenditures and was the result of the COVID-19 pandemic. The District is in the process of identifying ways to reduce the excess.

Time sheets were reviewed, and labor costs verified. Payroll records were maintained on all Food Services 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. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

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 and free milk policy was reviewed for uniform administration throughout the school system. 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.

USDA Food Donation Program commodities were received, and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted. The Statement of Revenues, Expenses, and Changes in Fund Net Position (ACFR 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 the section entitled Enterprise Funds.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section B of the ACFR.

Student Body Activities

During our audit of the student activity funds, on a test basis, we did not identify any exceptions.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2021 Application for State School Aid (ASSA) for on-roll, private schools for the handicapped, low-income and bilingual. We also performed a review of the district procedures related to its completion. The information on the ASSA was compared to the district workpapers without exception. The District maintained workpapers on the prescribed state forms or their equivalent. The District written procedures appear to be adequate for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2021-2022 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 and Capital Assets

Our procedures included a review of the New Jersey Schools Development Authority ("NJSDA") grant agreements for consistency with recording NJSDA 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

The 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 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 prior year findings.

There were no audit reports issued by the Office of Fiscal Accountability and Compliance (OFAC) during the 2022 fiscal year.

Acknowledgment

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

SCHEDULE OF MEAL COUNT ACTIVITY
EAST BRUNSWICK SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED - FEDERAL
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<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>
Summer Food Service Program	Lunch - Free	852,078	852,078	852,078	-	\$ 4.5625	\$ -
Summer Food Service Program	Breakfast - Free	292,556	292,556	292,556	-	\$ 2.6050	-
	TOTAL	1,144,634	1,144,634	1,144,634			-
Total Net Underclaim/(Overclaim)							\$ -

SCHEDULE OF MEAL COUNT ACTIVITY
EAST BRUNSWICK SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED - STATE
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<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>
Summer Food Service Program	Lunch - Free	852,078	852,078	852,078	-	\$ 0.1050	-
	TOTAL	852,078	852,078	852,078			

Total Net Underclaim/(Overclaim)

\$ -

EAST BRUNSWICK PUBLIC SCHOOLS

NET CASH RESOURCE SCHEDULE

Net cash resources exceeded three months of expenditures
 Proprietary Fund - Food Service
 For the Fiscal Year Ended June 30, 2022

<u>Net Cash Resources:</u>		Food Service	
		<u>B - 4/5</u>	
ACFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 2,474,604
B-4		Due from Other Gov'ts	328,088
B-4		Accounts Receivable	6,947
ACFR		Current Liabilities	
B-4		Less Accounts Payable	(214,554)
B-4		Less Accruals	(32,746)
B-4		Less Unearned Revenue	<u>(165,021)</u>
		Net Cash Resources	<u>\$ 2,397,318</u> (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	3,985,393	
B-5	Less Depreciation	<u>(42,760)</u>	
	Adj. Tot. Oper. Exp.	<u>\$ 3,942,633</u>	(B)

Average Monthly Operating Expense:

B / 10	<u>\$ 394,263</u>	(C)
--------	--------------------------	-----

Three times monthly Average:

3 X C	<u>\$ 1,182,790</u>	(D)
-------	----------------------------	-----

TOTAL IN BOX A	\$ 2,397,318
LESS TOTAL IN BOX D	<u>\$ 1,182,790</u>
NET	<u>\$ 1,214,528</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

EAST BRUNSWICK PUBLIC SCHOOLS

SCHEDULE OF AUDITED ENROLLMENTS

APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2021

	2022-2023 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi-cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool	41		41					2		2						
Full Day Preschool																
Full Day Kindergarten	417		417					16		16						
One	432		432					17		17						
Two	457		457					18		18						
Three	509		509					20		20						
Four	549		549					21		21						
Five	529		529					20		20						
Six	532		532					21		21						
Seven	547		547					21		21						
Eight	595		595					23		23						
Nine	575		575					22		22						
Ten	554		554					21		21						
Eleven	531		531					21		21						
Twelve	603		603					23		23						
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	6,871	-	6,871	-	-	-	266	-	266	-	-	-	-	-	-	-
CSSD																
Special Ed - Elementary	474		474				18		18				1	1	1	
Special Ed - Middle School	282	1	282	1			11		11				6	6	6	
Special Ed - High School	431	2	431	2			17		17				20	17	17	
Subtotal	1,187	3	1,187	3	-	-	46	-	46	-	-	-	27	24	24	-
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	8,058	3	8,058	3	-	-	312	-	312	-	-	-	27	24	24	-
Percentage Error					0.00%	0.00%							0.00%	0.00%		0.00%

SCHEDULE OF AUDITED ENROLLMENTS

**EAST BRUNSWICK PUBLIC SCHOOLS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2021**

	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	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool	5.0	5.0										
Full Day Kindergarten	57.0	57.0					12	12		8	8	
One	86.0	86.0		11	11		10	10		5	5	
Two	96.0	96.0		15	15		22	22		13	13	
Three	88.0	88.0		11	11		8	8		6	6	
Four	100.0	100.0		17	17		16	16		11	11	
Five	104.0	104.0		36	36		11	11		7	7	
Six	100.0	100.0		10	10		8	8		4	4	
Seven	80.0	80.0		7	7		1	1		1	1	
Eight	93.0	93.0		26	26		2	2		2	2	
Nine	101.0	101.0		33	33		9	9		5	5	
Ten	98.0	98.0		6	6		7	7		4	4	
Eleven	82.0	82.0		21	21		2	2		1	1	
Twelve	90.0	90.0		28	28		3	3		3	3	
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	1,180.0	1,180.0	-	221	221	-	111	111	-	70	70	-
Special Ed - Elementary	115.0	115.0		30	30		11	11		1	1	
Special Ed - Middle	100.0	100.0		7	7							
Special Ed - High	134.0	134.0		14	14		2	2				
Subtotal	349.0	349.0	-	51	51	-	13	13	-	1	1	-
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	1,529.0	1,529.0	-	272	272	-	124	124	-	71	71	-
Percentage Error			0.00%			0.00%			0.00%			0.00%

	Transportation								
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors	Reported	Recalculated	
Reg. - Public Schools, col. 1	3,228	3,228		233	233		Reg Avg. (Mileage) = Regular Including Grade PK students	3.6	3.6
Reg - Sp Ed, col. 4	392	392		28	28		Reg Avg. (Mileage) = Regular Excluding Grade PK students	3.6	3.6
Transported - AIL, col.2 & Non-Public, col. 3	216	216		16	16		Spec Avg. = Special Ed with Special Needs	3.7	3.7
Special Ed Spec, col. 6	363	363		26	26				
Totals	4,199	4,199	-	303	303	-			
Percentage Error			0.00%			0.00%			

EAST BRUNSWICK PUBLIC SCHOOLS

SCHEDULE OF AUDITED ENROLLMENTS

APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2021

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as NOT Low Income</u>	<u>Reported on Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Test Score and Register</u>	<u>Sample Errors</u>
Full Day Kindergarten	26	26		12	12	
One	15	15		10	10	
Two	14	14		7	7	
Three	12	12		8	8	
Four	12	12		12	12	
Five	3	3		2	2	
Six	3	3		4	4	
Seven	3	3		1	1	
Eight	8	8		6	6	
Nine	4	4		2	2	
Ten	6	6		1	1	
Eleven	5	5		4	4	
Twelve	1	1		1	1	
Post-Graduate Adult H.S. (15+CR.) Adult H.S. (1-14 CR.)						
Subtotal	<u>112</u>	<u>112</u>	<u>-</u>	<u>70</u>	<u>70</u>	<u>-</u>
Special Ed - Elementary	8	8				
Special Ed - Middle	2	2				
Special Ed - High	1	1				
Subtotal	<u>11</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Co. Voc. - Regular Co. Voc. Ft. Post Sec.						
Totals	<u>123</u>	<u>123</u>	<u>-</u>	<u>70</u>	<u>70</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

EAST BRUNSWICK PUBLIC SCHOOLS

EXCESS SURPLUS CALCULATION

JUNE 30, 2022

SECTION 1

A. 4% Calculation of Excess Surplus

2021-22 Total General Fund Expenditures per the ACFR, Ex. C-1	<u>\$ 201,096,970</u>	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -</u>	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ -</u>	(B1b)
Transfer from General Fund to SRF for PreK-Regular	<u>\$ -</u>	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	<u>\$ -</u>	(B1d)
Decreased by:		
On-Behalf TPAF Pension, PRM, LTD and Social Security	<u>\$ 35,545,044</u>	(B2a)
Assets Acquired Under Capital Leases	<u>\$ -</u>	(B2b)
Adjusted 2021-22 General Fund Expenditures [(B) + (B1s) - (B2s)]	<u>\$ 165,551,926</u>	(B3)
4% of Adjusted 2021-22 General Fund Expenditures [(B3) times .04]	<u>\$ 6,622,078</u>	(B4)
Enter Greater of (B4) or \$250,000	<u>\$ 6,622,078</u>	(B5)
Increased by: Allowable Adjustment*	<u>\$ 2,569,463</u>	(K)
Maximum Unassigned/Undesignated - Unreserved Fund Balance [(B5) + (K)	<u>\$ 9,191,541</u>	(M)

SECTION 2

Total General Fund - Fund Balances at 6-30-22 (Per ACFR Budgetary Comparison Schedule C-1)	<u>\$ 29,966,111</u>	(C)
Decreased by:		
Assigned Year End Encumbrances	<u>\$ 7,431,183</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -</u>	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	<u>\$ 1,165,692</u>	(C3)
Other Restricted Fund Balances****	<u>\$ 7,662,485</u>	(C4)
Assigned Fund Balance-Unreserved- Designated for Subsequent Year's Expenditures	<u>\$ 3,479,308</u>	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	<u>\$ 10,227,443</u>	(U1)

EAST BRUNSWICK PUBLIC SCHOOLS

EXCESS SURPLUS CALCULATION

JUNE 30, 2022

SECTION 3

Restricted Fund Balance - Excess Surplus ***
[(U1)-(M)] IF NEGATIVE ENTER -0- \$ 1,035,902 (E)

Recapitulation of Excess Surplus as of June 30, 2022

Reserved Excess Surplus - Designated for Subsequent Year's
Expenditures ** \$ 1,165,692 (C3)

Reserved Excess Surplus *** [(E)] \$ 1,035,902 (E)

Total Excess Surplus [(C3)+(E)] \$ 2,201,594 (D)

Detail of Allowable Adjustments

Impact Aid \$ _____ - (H)

Sales & Lease-back \$ _____ - (I)

Extraordinary Aid \$ 2,518,133 (J1)

Additional Nonpublic School Transportation Aid \$ 51,330 (J2)

Current Year School Bus Advertising Revenue Recognized \$ _____ - (J3)

Family Crisis Transportation Aid \$ _____ - (J4)

Maintenance of Equity and State Military Impact Aid Received July 2022 \$ _____ - (J5)

Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)] \$ 2,569,463 (K)

** This amount represents the June 30, 2021 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amount must agree to the June 30, 2022 ACFR and must agree to Audit Summary Line 90030.

Amount for Other Restricted Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by another type of government, such as the judicial branch of government, must have departmental approval. District requests should be submitted to the Division of Administration and Finance prior

**** to September 30.

EAST BRUNSWICK PUBLIC SCHOOLS

EXCESS SURPLUS CALCULATION

JUNE 30, 2022

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$	-
Sale/lease-back reserve	\$	-
Capital reserve	\$	7,114,758
Emergency reserve	\$	-
Maintenance reserve	\$	-
Tuition reserve	\$	-
School Bus Advertising 50% Fuel Offset-current year	\$	-
School Bus Advertising 50% Fuel Offset-prior year	\$	-
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$	-
Impact Aid General Fund Reserve (Sections 8007 and 8008)	\$	-
Other State / government madated reserve	\$	-
Unemployment compensation	\$	547,727
Total Other Restricted Fund Balance	\$	7,662,485 (C4)

East Brunswick Public Schools
Audit Recommendations Summary
June 30, 2022

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Programs

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

None

10. Status of Prior Year Audit Findings/Recommendations

None identified in prior year and therefore this section is not applicable.