

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
COUNTY OF SOMERSET  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2023

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
COUNTY OF SOMERSET  
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2023  
TABLE OF CONTENTS

Cover Letter .....	1
Scope of Audit .....	2
Administrative Practices and Procedures .....	2
Insurance .....	2
Officials in Office and Surety Bonds .....	2
P.L. 2020, c.44 .....	2
Tuition Charges .....	2
Financial Planning, Accounting and Reporting .....	2
Examination of Claims .....	2
Payroll Account and Position Control Roster .....	3
Reserve for Encumbrances and Accounts Payable .....	3
Classification of Expenditures - General Classifications and Administrative Classifications .....	3
Board Secretary's Records .....	3
Treasurer's Records .....	3
Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act.....	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
Travel Expenses .....	4
School Purchasing Programs .....	5
Contracts and Agreements Requiring Advertisement for Bids.....	5
School Food Service .....	6
Student Body Activities .....	7
Application for State School Aid.....	7
Pupil Transportation.....	8
Facilities and Capital Assets .....	8
Testing for Lead of all Drinking Water in Educational Facilities.....	8
Management Suggestions.....	8
Status of Prior Year's Findings/Recommendations.....	8
Schedule of Meal Count Activity .....	9
Schedule of Net Cash Resources .....	10
Schedule of Audited Enrollments.....	11-15
Excess Surplus Calculation.....	16-17
Summary of Recommendations.....	18

The Honorable President and Members  
of the Board of Education  
Borough of Bound Brook School District  
County of Somerset, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Board of Education of the Borough of Bound Brook School District in the County of Somerset for the fiscal year ended June 30, 2023, and have issued our report thereon dated November 10, 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 letter does not affect our report dated November 10, 2023, on the financial statements of the Board.

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

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

November 10, 2023  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCIA LLP

*Valerie A. Dolan*

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Valerie A. Dolan  
Licensed Public School Accountant #2526  
Certified Public Accountant

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2023

Scope of Audit

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

Administrative Practices and Procedures

Insurance

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

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Michael C. Gorski	Business Administrator/Board Secretary	\$ 350,000
Thomas Venanzi	Treasurer of School Monies	350,000

P.L. 2020, c.44

Our audit procedures included an inquiry and subsequent review of health benefit data required per 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 data certification was completed by the chief school administrator. The school district Chapter 44 data was submitted timely.

The data certification date does not reflect a submission date later than 60 days after the end of the enrollment period.

Tuition Charges

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

Financial Planning, Accounting and Reporting

Examination of Claims

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

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Payroll Account and Position Control Roster

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

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

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

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

Finding 2023-001:

During our review of the Payroll Agency account, it was noted that the analysis of balance provided does not agree with the District's reconciled book balance. The District has already taken steps to resolve this moving forward; therefore no formal recommendation is deemed to be warranted.

Reserve for Encumbrances and Accounts Payable

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

Classification of Expenditures – General and Administrative

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. In addition to randomly selecting a test sample, we reviewed administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. As a result of the procedures performed, no significant transaction errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

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

Treasurer's Records

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

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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

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

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the 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.

T.P.A.F. Reimbursement

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

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

The T.P.A.F. Reimbursement to the State for Federal Salary Expenditures was remitted to the State of New Jersey prior to the required deadline of October 1, 2023. The reimbursement form was reviewed and no exceptions were noted.

Travel Expenses

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

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

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

“When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefore, except that the Board of Education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c. 198 the Board of Education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section. Commencing in the fifth year after the year in which P.L.1999, c. 440 takes effect and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made . . . .”

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

Effective July 1, 2020 and thereafter 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 student transportation contracts under *N.J.S.A.* 18A:39-3 is currently \$20,200 for 2022-2023.

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

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

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

School Purchasing Programs (Cont'd)

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

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

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained.

School Food Service

The financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts and meal count records were reviewed on a test-check basis. No exceptions were noted.

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

The District utilizes a food service management company (FMSC) and is depositing and expending program monies in accordance with N.J.S.A. 18A: 17-34, and 19-1 through 19-4.1. Provisions of the FMSC Cost Reimbursable Fixed Price contract/addendum were reviewed and audited. The FMSC contract did not include an operating results provision profit guarantee. No exceptions were noted. All vendor discounts, rebates and credits from vendors and/or the FSMC were tracked and credited to the Food Service account and reconciled to supporting documentation at least annually. No exceptions were noted.

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

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the nonprofit status of the School Food Service Fund. No exceptions were noted.

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.

The FSMC did not apply for and receive a loan in accordance with the Payroll Protection Plan.

Time sheets and labor costs provided to the District by the Food Service contractor were reviewed on a test basis without exception. Payroll records were maintained on all School Food Service employees authorized by the Board of Education. No exceptions were noted.

The number of meals claimed for reimbursement was compared to sales and meal count records on a test basis. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner. No exceptions were noted.



BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

School Food Service (Cont'd)

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications/or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal policy was reviewed for uniform administration throughout the school district. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions were noted.

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

Non-program foods were purchased, prepared or offered for sale. The Statement of Revenue, Expenses and Changes in Net Position in the 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 "Proprietary Funds", Section G of the ACFR.

Net cash resources exceeded three months average expenditures.

Finding 2023-002:

During our review of the food service program, it was noted that net cash resources exceeded three months average expenditures by \$86,778. As the District has formal plans in place to resolve the net excess cash resources, no formal recommendation is deemed to be warranted.

Student Body Activities

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

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2022 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low income students and bilingual education. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers with minor exceptions. The information that was included on the workpapers was verified on a test basis with minor exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District did maintain workpapers on the prescribed State forms or their equivalent. The District has adequate written procedures for the recording of student enrollment data.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2022-2023 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

There are no active SDA grant projects.

Testing for Lead of All Drinking Water in Educational Facilities

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

Management Suggestions:

COVID-19 Federal Funding

It is likely that the District will undergo some review of its COVID-19 federal funding if only at a desk review level by state and/or federal agencies. We strongly suggest that the District ensures that these funds are utilized in accordance with the applicable federal requirements, especially with respect to procurement. Additionally, we strongly suggest that the District ensures that these funds are accounted for in the state account numbers designated by the NJ Department of Education and that any applicable Board policies are current with respect to federal grant requirements.

Reconciling Food Service Management Contractor's Operating Statement with District Records

It is suggested that the District reconcile the revenue and expenses per the Food Service Management Contractor's Operating Statement with the District's records on a monthly basis.

Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding approval of Preschool Education Aid budget transfers, Student Activities purchase orders and capital assets have been resolved in the current year.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
SCHEDULE OF MEAL COUNT ACTIVITY  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER)/UNDER CLAIM  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - FEDERAL

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over)/ Under Claim</u>
National School Lunch (Severe Rate)	Paid	52,265	15,869	15,869	-0-	\$ 0.79	\$ -0-
	Reduced	25,164	7,523	7,523	-0-	3.95	-0-
	Free	<u>167,744</u>	<u>50,341</u>	<u>50,341</u>	-0-	4.35	<u>-0-</u>
Total		<u>245,173</u>	<u>73,733</u>	<u>73,733</u>			<u>-0-</u>
National School Lunch (HHFKA)	PB Lunch	<u>245,173</u>	<u>73,733</u>	<u>73,733</u>	-0-	0.08	<u>-0-</u>
School Breakfast (Severe Rate)	Paid	73,424	23,021	23,021	-0-	0.50	-0-
	Reduced	25,285	8,041	8,041	-0-	2.37	-0-
	Free	<u>153,962</u>	<u>47,439</u>	<u>47,439</u>	-0-	2.67	<u>-0-</u>
Total		<u>252,671</u>	<u>78,501</u>	<u>78,501</u>			<u>-0-</u>
After School Snack (Severe Rate)	Free	<u>7,323</u>	<u>1,095</u>	<u>1,095</u>	-0-	1.08	<u>-0-</u>
	Total	<u>7,323</u>	<u>1,095</u>	<u>1,095</u>			<u>-0-</u>
Summer Food Service Program - COVID - 19							
Lunch	Free	3,362	1,009	1,009	-0-	4.49	-0-
Breakfast	Free	2,028	608	608	-0-	2.56	-0-
Snack	Free	<u>308</u>	<u>92</u>	<u>92</u>	-0-	1.05	<u>-0-</u>
Total		<u>5,698</u>	<u>1,709</u>	<u>1,709</u>			<u>-0-</u>
Total Net Overclaim							<u>\$ -0-</u>

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS – FINANCIAL COMPLIANCE AND PERFORMANCE  
SCHEDULE OF NET CASH RESOURCES  
FOOD SERVICE FUND  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Current Assets: *	
Cash and Cash Equivalents	\$ 781,351
Intergovernmental Accounts Receivable	138,783
Other Accounts Receivable	60,742
	980,876
Current Liabilities:	
Accounts Payable	(231,724)
Interfund Payable	(55,603)
Unearned Revenue	(5,979)
	(293,306)
Net Cash Resources	\$ 687,570 (A)
<u>Net Adjusted Total Operating Expense:</u>	
Total Operating Expenses	\$ 2,035,650
Less: Depreciation Expense	(33,013)
	(33,013)
Adjusted Total Operating Expenses	\$ 2,002,637 (B)
<u>Average Monthly Operating Expenses:</u>	
(B) / 10	\$ 200,264 (C)
<u>Three Times Monthly Average Operating Expenses:</u>	
3 x (C)	\$ 600,792 (D)
Net Cash Resources	\$ 687,570 (A)
Less: Three Times Monthly Average Operating Expenses	(600,792) (D)
	(600,792) (D)
Exceed / (Does not Exceed)	\$ 86,778 **

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

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
SCHEDULE OF AUDITED ENROLLMENTS  
ENROLLMENT AS OF OCTOBER 15, 2022

	2023-2024 Application for State School Aid						Sample for Verification					
	Reported on		Reported on		Errors		Sample		Verified per		Errors per	
	A.S.A.		Workpapers				Workpapers		Registers		Registers	
	On Roll	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Full Day Preschool 4 Years Old	86		86				86		86			
Full Day Kindergarten	111		111				111		111			
Grade One	108		108				108		108			
Grade Two	113		113				113		113			
Grade Three	93		93				93		93			
Grade Four	102		102				102		102			
Grade Five	121		121				121		121			
Grade Six	109		109				109		109			
Grade Seven	117		117				117		117			
Grade Eight	123		123				123		123			
Grade Nine	195	6	195	6			195	6	195	6		
Grade Ten	149	3	149	3			149	3	149	3		
Grade Eleven	136	10	136	9	(1)		136	9	136	9		
Grade Twelve	129	6	129	6			129	6	129	6		
Subtotal	1,692	25	1,692	24	(1)		1,692	24	1,692	24		
Special Ed - Elementary	150		150				13		13			
Special Ed - Middle School	62		61	1			5		5			
Special Ed - High School	91	7	90	1			7		7			
Subtotal	303	7	301	2			25		25			
Totals	1,995	32	1,993	31	(1)		1,717	24	1,717	24	-0-	-0-

Percentage Error

0.10%

-3.13%

0.00%

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
SCHEDULE OF AUDITED ENROLLMENTS  
ENROLLMENT AS OF OCTOBER 15, 2022

	Private Schools for Disabled				Resident Low Income				
	Reported on A.S.A. as Private Schools	Reported on Workpapers as Private Schools	Sample for Verification	Sample Verified	Sample Errors	Reported on A.S.A. as Low Income	Reported on Workpapers as Low Income	Sample Selected from Workpapers	Sample Errors
Full Day Kindergarten						77	77	1	1
Grade One						87	87	2	2
Grade Two						87	87	2	2
Grade Three						66	66	1	1
Grade Four						70	70	2	2
Grade Five						91	91	1	1
Grade Six						80	80	2	2
Grade Seven						84	84	2	2
Grade Eight						90	90	2	2
Grade Nine						125	125	2	2
Grade Ten						95	95	1	(1)
Grade Eleven						76	76	1	1
Grade Twelve						62	62	1	1
Subtotal						1,090	1,090	20	19
Special Ed - Elementary	1	1	1	1		117	117	2	2
Special Ed - Middle School	4	4	2	2		58	58	1	1
Special Ed - High School	7	7	1	1		71.5	71.5	2	2
Subtotal	12	12	4	4		246.5	247	5	5
Totals	12	12	4	4	-0-	1,337	1,337	25	24
Percentage Error					0.00%			0.00%	-4.00%

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
SCHEDULE OF AUDITED ENROLLMENTS  
ENROLLMENT AS OF OCTOBER 15, 2022

	Resident LEP Low Income					
	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Errors
Full Day Kindergarten	40	40				
Grade One	43	43		3	2	(1)
Grade Two	36	36		2	2	
Grade Three	26	26		2	2	
Grade Four	22	22		2	2	
Grade Five	26	26		2	2	
Grade Six	24	24		2	2	
Grade Seven	22	22		2	2	
Grade Eight	18	18		1	1	
Grade Nine	38	38		2	2	
Grade Ten	26	26		2	2	
Grade Eleven	21	21		1	1	
Grade Twelve	7	7		1	1	
Subtotal	349	349		22	21	(1)
Special Ed - Elementary	20	19	(1)	3	3	
Special Ed - Middle School	3	2	(1)			
Special Ed - High School	1	1				
Subtotal	24	22	(2)	3	3	
Totals	373	371	(2)	25	24	(1)

Percentage Error

-0.54%

-4.00%

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
SCHEDULE OF AUDITED ENROLLMENTS  
ENROLLMENT AS OF OCTOBER 15, 2022

	Resident LEP Not Low Income					
	Reported on A.S.S.A. as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Full Day Kindergarten	8	6	(2)			
Grade One	7	5	(2)	1	1	
Grade Two	2	2				
Grade Three	7	6	(1)	1	1	
Grade Four	5	3	(2)	1	1	
Grade Five	4	4				
Grade Six	4	5	1			
Grade Seven	5	3	(2)			
Grade Eight	7	3	(4)	1		1
Grade Nine	8	12	4	1	1	
Grade Ten	2	8	6	1	1	
Grade Eleven	4	8	4			
Grade Twelve	5	5		1	1	
Subtotal	<u>68</u>	<u>70</u>	<u>2</u>	<u>7</u>	<u>6</u>	<u>1</u>
Special Ed - Elementary	4	4		1	1	
Special Ed - High School		1	1			
Subtotal	<u>4</u>	<u>5</u>	<u>1</u>	<u>1</u>	<u>1</u>	
Totals	<u><u>72</u></u>	<u><u>75</u></u>	<u><u>3</u></u>	<u><u>8</u></u>	<u><u>7</u></u>	<u><u>1</u></u>
Percentage Error			<u><u>4.17%</u></u>			<u><u>12.50%</u></u>



BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2022

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	52	52		5	5	
Regular - Special Education	12	12		2	2	
Special Needs Public	17	17		3	3	
Special Needs Private	9	9		2	2	
<b>Totals</b>	<b>90</b>	<b>90</b>	<b>-0-</b>	<b>12</b>	<b>12</b>	<b>-0-</b>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	6.1	6.1
Average Mileage - Regular Excluding Grade PK Students	6.1	6.1
Average Mileage - Special Education with Special Needs	8.9	8.9

**BOROUGH OF BOUND BROOK SCHOOL DISTRICT**  
**EXCESS SURPLUS CALCULATION**  
**FISCAL YEAR ENDED JUNE 30, 2023**

**EXCESS SURPLUS CALCULATION**

**Section 1 - REGULAR DISTRICT**

2022-2023 Total General Fund Expenditures per the ACFR	\$ 51,071,963	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$ -0-	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ -0-	(B1b)
Transfer from General Fund to Special Revenue Fund for Pre K - Regular	\$ -0-	(B1c)
Transfer from General Fund to Special Revenue Fund for Pre K - Inclusion	\$ 115,328	(B1d)
Decreased by:		
On-Behalf TPAF Pension and Social Security	\$ 8,157,886	(B2a)
Assets Acquired Under Leases, Financed Purchases and SBITAs	\$ -0-	(B2b)
 Adjusted 2022-2023 General Fund Expenditures [(B)+(B1's)-(B2's)]	 \$ 43,029,405	 (B3)
 2% of Adjusted 2022-2023 General Fund Expenditures [(B3) times .02]	 \$ 860,588	 (B4)
Enter Greater of (B4) or \$250,000	\$ 860,588	(B5)
Increased by: Allowable Adjustment	\$ 354,601	(K)
 Maximum Unassigned Fund Balance [(B5)+(K)]		 <u>\$ 1,215,189</u> (M)

**Section 2**

Total General Fund - Fund Balances @ 6/30/2023 (Per ACFR Budgetary Comparison Schedule C-1)	\$ 10,161,489	(C)
Decreased by:		
Year-End Encumbrances	\$ -0-	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ -0-	(C2)
Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 1,590,253	(C3)
Other Restricted Fund Balances	\$ 4,081,670	(C4)
Assigned - Designated for Subsequent Year's Expenditures	\$ 898,945	(C5)
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		 <u>\$ 3,590,621</u> (U1)

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FISCAL YEAR ENDED JUNE 30, 2023

**Section 3**

Restricted Fund Balance-Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0- \$ 2,375,432 (E)

**Recapitulation of Excess Surplus as of June 30, 2023**

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures \$ 1,590,253 (C3)

Restricted Excess Surplus [(E)] \$ 2,375,432 (E)

Total [(C3)+(E)+(F)] \$ 3,965,685 (D)

**Detail of Allowable Adjustments**

Impact Aid \$ -0- (H)

Sale and Lease Back \$ -0- (I)

Extraordinary Aid \$ 354,601 (J1)

Additional Nonpublic School Transportation Aid \$ -0- (J2)

Total Adjustments [(H)+(I)+(J1)+(J2)] \$ 354,601 (K)

**Detail of Other Restricted Fund Balance**

Statutory Restrictions \$ -0-

Approved Unspent Separate Proposal \$ -0-

Capital Outlay for a District with a Capital Outlay SGLA \$ -0-

Sale/Lease-Back Reserve \$ -0-

Capital Reserve \$ 2,500,000

Emergency Reserve \$ 259,250

Maintenance Reserve \$ 985,540

Tuition Reserve \$ -0-

Unemployment Compensation \$ 336,880

Other State/Governmental Mandated Reserve \$ -0-

Other Restricted Fund Balance not Noted Above \$ -0-

Total Other Restricted Fund Balance \$ 4,081,670

BOROUGH OF BOUND BROOK SCHOOL DISTRICT  
SUMMARY OF RECOMMENDATIONS  
FISCAL YEAR ENDED JUNE 30, 2023

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 Assets  
None
9. Travel Expenses  
None
10. Miscellaneous  
None
11. Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding approval of Preschool Education Aid budget transfers, Student Activities purchase orders and capital assets have been resolved in the current year.