



**EAST BRUNSWICK PUBLIC SCHOOLS
MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS –
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2015**



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

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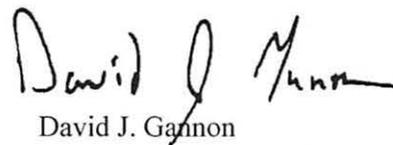
INDEPENDENT AUDITORS' REPORT

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 audit 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, 2015, and have issued our report thereon dated December 18, 2015.

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.



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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 CAFR.

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Bernardo Giuliana	Business Administrator	\$ 100,000
L. Mason Neely	Treasurer of School Moneys	750,000

There is an Employee Dishonesty Blanket Position Bond covering all other employees with multiple coverage of \$1,000,000 per loss.

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 and no discrepancies or exceptions were noted.

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.

Payrolls were delivered to the treasurer of school moneys with a warrant made to his order for the full amount of each payroll.

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

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 0.01% 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.

Treasurer's Records

Our review of the financial and accounting records maintained by the Treasurer 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 Fiduciary Fund. No exceptions were noted.

Elementary and Secondary Education Act (E.S.E.A.)/Improving America's Schools Act (IASA) as reauthorized by the No Child Left Behind Act of 2001

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

The study of compliance for E.S.E.A./NCLB 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 CAFR.

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

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

The study of compliance for the special projects indicated no instances of noncompliance. We did, however, note the following:

Finding 2015-1:

The District's Special Education Department is responsible for preparing and submitting the extraordinary aid application to the New Jersey Department of Education. During our audit of the District's extraordinary aid application, we noted one instance in which the cost of tuition, \$61,445, to send a student to an out-of-district placement was omitted from the application. It should be noted that the ultimate award of extraordinary aid is based on a formula determined by the New Jersey Department of Education in which a school district is reimbursed for a percentage of cost in excess of certain thresholds, as well as, available funding from the State budget.

Recommendation:

We suggest that the District improve the current process in place to review the extraordinary aid application for accuracy prior to submission in order to maximize the state aid that is available to the District.

T.P.A.F. Reimbursement

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

TPAF Reimbursement to the State for Federal Salary Expenditures

The 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 60 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

Effective July 1, 2011 and thereafter, the bid thresholds in accordance with *N.J.S.A. 18A:18A-2* and *18A:18A-3(a)* are \$36,000 (with a Qualified Purchasing Agent) and \$26,000 (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 \$18,300.

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

The financial transactions and statistical records of the school food service fund were reviewed on a test basis and are maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. No exceptions were noted.

The cash receipts and bank records were reviewed on a test basis for timely deposits without exception.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified on a test check basis. Inventory records on food supply items were currently being 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 District deposited and expended program monies in accordance with *N.J.S.A. 18A:17-34*, and 19-1 through 19-4.1. The appropriate 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 on a test basis. Payroll records were maintained for all School 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 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.

Applications for free and reduced price meals were reviewed for completeness and accuracy on a test check basis. The number of free and reduced price meals claimed as served was compared to the number of valid applications and/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 is uniformly administered 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. No exceptions were noted.

USDA Food donation program commodities were received and a single inventory was maintained on a first-in, first-out basis. No exceptions noted.

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

Student Body Activities

During our audit, we noted the following with regard to Student Activity Funds:

Finding 2015-2:

1. East Brunswick High School - Certain items that were purchased with high school student activity funds that would be more appropriately purchased through the District's operating budget. The Board's policy prohibits expenditure of student activity funds for "any other expenditure, which is not directly related to the purpose or activity against which the costs may be assessed."
2. Memorial Elementary School – Numerous instances where Board policy was not followed as it relates to documentation of its cash receipts. Board policy states "All student activity fund receipts shall be detailed and recorded by the individual student activity showing the date, source, purpose and amount. The administrator of the student activity account shall provide a written, pre-numbered receipt to the individual student activity advisor or coordinator when any student activity funds are turned in for deposit. A copy of these written receipts shall be maintained by the administrator of the student activity account and shall be traceable to the actual receipts or groups of receipts. All bank deposits shall agree with the copies of the written receipts for all deposits."
3. Memorial Elementary School - Several instances in which the standard cash receipt form was not completed accurately and did not agree with the amounts that were deposited into the bank. The composition between cash and check was not consistently in agreement with amounts deposited into the bank. These conditions were pervasive throughout the fiscal year.
4. The Board's policy requires each school to collect monies received for lost, stolen and/or damaged:
 - a. Textbooks or library books;
 - b. Equipment;
 - c. Property and buildings where the damage is minor and the cost is assessable; and
 - d. Supplies and materials.

The principal of each school is responsible for transferring collected funds to the General Fund and that transfer is required to be made in July each year. During our testing, we noted two transfers from Churchill Junior High School to the Board's General Fund in July and November 2014 totaling approximately \$22,000 that represented monies for lost, stolen or damaged books and materials that had accumulated over several years. This condition is also present at other schools within the District.

Recommendation:

We recommend that the individuals responsible for overseeing and maintaining student activity funds strictly adhere to the Board's student activity fund policy and regulation; make payments only for allowable purchases; ensure that receipts of funds are appropriately documented and in agreement with amounts deposited into the bank; and, monies received for lost, stolen or damaged books and materials at each school be transferred to the Board's General Fund each July.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2014 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 exception. The information that was included on the work papers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained work papers on the prescribed state forms or their equivalent.

The District has adequate written procedures for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2014-2015 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with exceptions as noted 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 District did not purchase any buses during the 2014-2015 school year. We noted no exceptions 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.

Follow-up on Prior Year's Findings

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year's recommendations. Corrective action has been taken on all prior year findings.

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 PUBLIC SCHOOLS
FOOD SERVICE FUND

NUMBER OF MEALS SERVED - FEDERAL
ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE (a)	(OVER) UNDER CLAIM (b)
National School Lunch (Regular Rate)	Paid	366,535	366,535	366,535	-	\$ 0.28	\$ -
National School Lunch (Regular Rate)	Reduced	30,183	30,183	30,183	-	2.58	-
National School Lunch (Regular Rate)	Free	126,561	126,561	126,561	-	2.98	-
	TOTAL	<u>523,279</u>	<u>523,279</u>	<u>523,279</u>			<u>-</u>
National School Lunch	HHFKA - PB Lunch Only	<u>523,279</u>	<u>523,279</u>	<u>523,279</u>	-	\$ 0.06	\$ -
School Breakfast (Regular Rate)	Paid	8,118	8,118	8,118	-	\$ 0.28	\$ -
	Reduced	1,482	1,482	1,482	-	1.32	-
	Free	17,096	17,096	17,096	-	1.62	-
	TOTAL	<u>26,696</u>	<u>26,696</u>	<u>26,696</u>			<u>-</u>
Total Net Underclaim							<u>\$ -</u>

SCHEDULE OF MEAL COUNT ACTIVITY

EAST BRUNSWICK PUBLIC SCHOOLS

FOOD SERVICE FUND

NUMBER OF MEALS SERVED - STATE

ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE (a)	(OVER) UNDER CLAIM (b)
State Reimbursement - National School Lunch (Regular Rate)	Paid	366,535	366,535	366,535	-	\$ 0.04	\$ -
State Reimbursement - National School Lunch (Regular Rate)	Reduced	30,183	30,183	30,183	-	0.055	-
State Reimbursement - National School Lunch (Regular Rate)	Free	126,561	126,561	126,561	-	0.055	-
	TOTAL	<u>523,279</u>	<u>523,279</u>	<u>523,279</u>			

Total Net Underclaim

\$ -

EAST BRUNSWICK PUBLIC SCHOOLS

NET CASH RESOURCE SCHEDULE

Net cash resources did not exceed three months of expenditures
 Proprietary Funds - Food Service
 FYE 2015

<u>Net Cash Resources:</u>		Food Service B - 4/5	
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 682,780
B-4		Due from Other Gov'ts	120,925
B-4		Due from Other Funds	71,340
B-4		Accounts Receivable	10,183
B-4		Investments	-
CAFR		Current Liabilities	
B-4		Less Accounts Payable	(279,523)
B-4		Less Accruals	(17,609)
B-4		Less Due to Other Funds	-
B-4		Less Unearned Revenue	<u>(115,728)</u>
		Net Cash Resources	<u><u>\$ 472,368</u></u> (A)

Net Adj. Total Operating Expense:

B-5		Tot. Operating Exp.	2,754,647	
B-5		Less Depreciation	<u>(98,960)</u>	
		Adj. Tot. Oper. Exp.	<u><u>\$ 2,655,687</u></u>	(B)

Average Monthly Operating Expense:

B / 10	<u><u>\$ 265,568.70</u></u>	(C)
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Three times monthly Average:

3 X C	<u><u>\$ 796,706</u></u>	(D)
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TOTAL IN BOX A	\$ 472,368
LESS TOTAL IN BOX D	\$ 796,706
NET	<u><u>\$ (324,338)</u></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, 2014

	2015-2016 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	38		38		-		5		5		-		-			
Full Day Kindergarten	444		444		-		17		17		-		-			
One	509		509		-		20		20		-		-			
Two	507		507		-		18		18		-		-			
Three	481		481		-		19		19		-		-			
Four	479		479		-		21		21		-		-			
Five	523		523		-		19		19		-		-			
Six	547		547		-		21		21		-		-			
Seven	589		589		-		23		23		-		-			
Eight	639		639		-		22		22		-		-			
Nine	592	3	592	3	-		23		23		-		-			
Ten	606		606		-		22		22		-		-			
Eleven	681	10	681	10	-		20		20		-		-			
Twelve	640		640		-		21		21		-		-			
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	7,275	13	7,275	13	-		271	-	271	-	-	-	-	-	-	-
CSSD																
Special Ed - Elementary	372		372				15		15		-		2	1	1	-
Special Ed - Middle School	255	5	255	5			12		12		-		6	4	4	-
Special Ed - High School	299	14	299	14			14		14		-		31	29	29	-
Subtotal	926	19	926	19	-	-	41	-	41	-	-	-	39.0	34	34	-
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	8,201	32	8,201	32	-	-	312	-	312	-	-	-	39.0	34	34	-
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, 2014**

	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
Charter School			-									
Full Day Kindergarten	59.0	59.0		10	10	-	14	14	-	1	1	
One	77.0	77.0	-	16	16	-	14	14	-	12	12	-
Two	69.0	69.0	-	15	15	-	13	13	-	16	16	-
Three	86.0	86.0	-	18	18	-	20	20	-	15	15	-
Four	62.0	62.0	-	15	15	-	4	4	-	2	2	-
Five	76.0	76.0	-	17	17	-	10	10	-	3	3	-
Six	76.0	76.0	-	12	12	-	4	4	-	2	2	-
Seven	106.0	106.0	-	21	21	-	11	11	-	7	7	-
Eight	105.0	105.0	-	22	22	-	10	10	-	6	6	-
Nine	91.0	91.0	-	16	16	-	6	6	-	5	5	-
Ten	94.0	94.0	-	20	20	-	11	11	-	4	4	-
Eleven	89.5	89.5	-	23	23	-	5	5	-	0	0	-
Twelve	84.0	84.0	-	20	20	-	2	2	-	4	4	-
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	1,074.5	1,074.5	-	225	225	-	124	124	-	77	77	-
Special Ed - Elementary	75.0	75.0		13	13		1	1		3	3	
Special Ed - Middle	50.0	50.0		9	9		1	1		-	-	
Special Ed - High	65.0	65.0		17	17		1	1		1	1	
Subtotal	190.0	190.0	-	39	39	-	3	3	-	4	4	-
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	1,264.5	1,264.5	-	264	264	-	127	127	-	81	81	-
Percentage Error			0.00%			0.00%			0.00%			0.00%

	Transportation						Reg Avg (Mileage) = Regular Including Grade PK students	Reported	Recalculated
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors			
Reg - Public Schools, col. 1	3119	3,114	5	217	217	-	3.5	3.5	
Reg -SpEd, col. 4	668	671	(3)	47	47	-	3.5	3.5	
Transported - AIL, col.2 & Non-Public, col. 3	265	264	1	18	18	-	5.6	5.6	
Special Ed Spec, col. 6	305	302	3	21	21	-			
Totals	4,357	4,351	6	303	303	-			
Percentage Error						0.00%			

SCHEDULE OF AUDITED ENROLLMENTS

EAST BRUNSWICK PUBLIC SCHOOLS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

	<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	15	15	-	-	-	-
One	14	14	-	9	9	-
Two	15	15	-	6	6	-
Three	9	9	-	5	5	-
Four	6	6	-	3	3	-
Five	6	6	-	2	2	-
Six	4	4	-	3	3	-
Seven	2	2	-	2	2	-
Eight	3	3	-	2	2	-
Nine	2	2	-	2	2	-
Ten	4	4	-	3	3	-
Eleven	3	3	-	3	3	-
Twelve	4	4	-	3	3	-
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	<u>87</u>	<u>87</u>	<u>-</u>	<u>43</u>	<u>43</u>	<u>-</u>
Special Ed - Elementary	3	3		1	1	-
Special Ed - Middle	1	1		-	-	-
Special Ed - High	-	-		-	-	-
Subtotal	<u>4</u>	<u>4</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>91</u>	<u>91</u>	<u>-</u>	<u>44</u>	<u>44</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

EAST BRUNSWICK PUBLIC SCHOOLS

EXCESS SURPLUS CALCULATION

JUNE 30, 2015

SECTION 1 - Regular District

B. 2% Calculation of Excess Surplus

2014-15 Total General Fund Expenditures per the CAFR, Ex. C-1	<u>\$ 147,344,894</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -</u> (B1a)
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ 1,159,107</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 & Social Security	<u>\$ 12,495,073</u> (B2a)
Assets Acquired Under Capital Leases	<u>\$ -</u> (B2b)
Adjusted 2014-15 General Fund Expenditures [(B) + (B1s) - (B2s)]	<u>\$ 136,008,928</u> (B3)
2% of Adjusted 2014-2015 General Fund Expenditures [(B3) times .02]	<u>\$ 2,720,179</u> (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 2,720,179</u> (B5)
Increased by: Allowable Adjustment*	<u>\$ 275,184</u> (K)
Maximum Unassigned/Undesignated Fund Balance [(B5) + (K)]	<u>\$ 2,995,363</u> (M)

SECTION 2

Total General Fund - Fund Balances at 6-30-15 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 22,854,819</u> (C)
Decreased by:	
Year-end Encumbrances	<u>\$ 4,821,617</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	<u>\$ 3,547,137</u> (C3)
Other Restricted Fund Balances****	<u>\$ 6,303,883</u> (C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	<u>\$ 836,819</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	<u>\$ 7,345,363</u> (U1)

EAST BRUNSWICK PUBLIC SCHOOLS

EXCESS SURPLUS CALCULATION

JUNE 30, 2015

SECTION 3

Restricted Fund Balance - Excess Surplus ***
 [(U1)-(M)] IF NEGATIVE ENTER -0- \$ 4,350,000 (E)

Recapitulation of Excess Surplus as of June 30, 2015

Restricted Excess Surplus - Designated for Subsequent Year's
 Expenditures ** \$ 3,547,137 (C3)
 Restricted Excess Surplus *** [(E)] \$ 4,350,000 (E)
 Total Excess Surplus [(C3)+(E)] \$ 7,897,137 (D)

* Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:

- (H) Federal Impact Aid. The passage of P.L.2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, effective for the year ending June 30, 2015 the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve – General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
- (I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);
- (J1) Extraordinary Aid;
- (J2) Additional Nonpublic School Transportation Aid;
- (J3) Recognized current year School Bus Advertising Revenue; and
- (J4) Family Crisis Transportation Aid.

Detail of Allowable Adjustments

Impact Aid	\$	-	(H)
Sales & Lease-back	\$	-	(I)
Extraordinary Aid	\$	243,389	(J1)
Additional Nonpublic School Transportation Aid	\$	31,795	(J2)
Current Year School Bus Advertising Revenue Recognized	\$	-	(J3)
Family Crisis Transportation Aid	\$	-	(J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	\$	275,184	(K)

** This amount represents the June 30, 2014 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amount must agree to the June 30, 2015 CAFR and must agree to Audit Summary Worksheet 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, 2015

Detail of Other Restricted Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	\$ -
Capital outlay for a district with a capital outlay cap waiver	\$ -
Sale/lease-back reserve	\$ -
Capital reserve	\$ 6,303,883
Emergency reserve	\$ -
Maintenance reserve	\$ -
Tuition reserve	\$ -
School Bus Advertising 50% Fuel Offset Reserve - current year	\$ -
School Bus Advertising 50% Fuel Offset Reserve - prior year	\$ -
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ -
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$ -
Other state/government mandated reserve	\$ -
Other Restricted Fund Balance not noted above	\$ -
Total Other Restricted Fund Balance	\$ 6,303,883 (C4)