NEW BRUNSWICK BOARD OF EDUCATION  
COUNTY OF MIDDLESEX  
NEW JERSEY  

AUDITOR'S MANAGEMENT REPORT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED  
JUNE 30, 2018  

PREPARED BY  
SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS
AUDITOR’S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE

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Tax ID #22-6002128
REPORT OF INDEPENDENT AUDITORS

Honorable President and Members
of the Board of Education
New Brunswick School District
County of Middlesex, New Jersey 08903

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 basic financial statements of the New Brunswick Board of Education in the County of Middlesex, for the year ended June 30, 2018, and have issued our report thereon dated January 31, 2019.

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 for the information of the New Brunswick Board of Education’s management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Newark, New Jersey
January 31, 2019
NEW BRUNSWICK BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

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. Our audit scope was increased to include a detail examination of the operations related to the awarding, processing and paying of claims by the School District.

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule, contained in the District's CAFR.

Official Bonds

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Amount of Bond</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richard D. Jannarone</td>
<td>Board Secretary/Business Administrator</td>
<td>$500,000.00</td>
</tr>
</tbody>
</table>

There is a Public Employees' Faithful Performance Blanket Position Bond with the Zurich American Insurance Company covering all other employees with multiple coverage of $250,000.00.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The Board made a proper adjustment to the billings to sending districts for the change in per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f)3.

Financial Planning, Accounting and Reporting

In verifying expenditures, computations were tested on claims approved and paid. No attempt was made in this connection to establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

Examination of Claims

An examination of claims paid during the period under review revealed no discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account and Position Control Roster

The following procedures were followed with respect to payrolls:

Net salaries of all employees were deposited in the Payroll Bank Account.

All payroll deductions with Withholding Tax, Social Security, Employees' Pension Funds, Hospitalization Premiums and other items as well as the Board's Payroll Contributions, were deposited to the Payroll Agency Bank Account.
Payroll Account and Position Control Roster (Continued)

All payrolls were approved by the Superintendent of Schools and certified by the President and the Secretary of the Board of Education.

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

The propriety of deductions from individual salaries for Pensions, Social Security, Withholding Tax and other purposes was not verified as part of this examination.

Reserve for Encumbrances and Accounts Payable

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

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample 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 0.0% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

The financial records and books of accounts maintained by the Board Secretary were in satisfactory condition. The prescribed contractual order system was followed.

District funds were provided and expended in the proper GAAP account codes based upon audit testing of transactions.

The School District's double entry system of accounting records was maintained in accordance with the Department of Education's prescribed GAAP Technical System Manual, pursuant to N.J.S.A. 18A:4-14 and N.J.A.C. 6:20-2A.

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

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

The study of compliance for E.S.E.A. did not indicate any areas of noncompliance.

Other Special Federal and State Projects

The District’s Special Projects were approved as listed on Schedule A (K-3) and Schedule B (K-4) reflected 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.
TPAF 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 reimbursement to the State for 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 subsequent to the end of the 60 day grant liquidation period, but prior to the 90 days required by N.J.S.A. 18A:66-90. Accordingly, the expenditure was made in accordance with State law (90 days) and properly reported as obligated and not expended and as an unliquidated balance in the current year's Final Report(s) for all Federal awards.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids


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

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

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

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. Our examination did reveal however, that purchases were made through the use of state contracts.

Student Activity Funds

Cash receipts and disbursements records submitted for examination were analyzed in detail. Cancelled checks and available vouchers and invoices were examined and compared to disbursement records.

School Food Service

The financial transactions and statistical records of the School Food Service Fund were maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposits.
School Food Service (Continued)

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 contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will break even. 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.

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 on file, times the number of operating days, on a school by school basis. The free and reduced price meal and free milk policy is uniformly administered throughout the School System. Sites approved to participate in provisions complied with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food 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 not maintained in order to substantiate the nonprofit status of the School Food Service.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Service employees authorized by the Board of Education.

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.

USDA Food Distribution Program (food and/or commodities) were received and a separate inventory was maintained on a first-in, first-out basis.

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

The School District did provide the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

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

Application for State School Aid

Our audit procedures included a test of information reported in the October 13, 2017 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 information included as part of the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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

Our audit procedures included a test of on-roll status reported in the 2017-2018 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.

Testing for Lead of All Drinking Water in Educational Facilities

The School 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 School District submitted the Annual Statement of Assurance to the Department of Education pursuant to N.J.A.C. 6A:26-12.4(g).

Follow-Up on Prior Year’s Finding

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

Miscellaneous

The minutes indicate that the Report on Examination of Accounts for the 2016-2017 fiscal year was reviewed by the Board, a synopsis thereof distributed at a public meeting and a public discussion held.

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.
Acknowledgment

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

Newark, New Jersey
January 31, 2019
<table>
<thead>
<tr>
<th>PROGRAM</th>
<th>MEAL CATEGORY</th>
<th>MEALS CLAIMED</th>
<th>MEALS TESTED</th>
<th>MEALS VERIFIED</th>
<th>DIFFERENCE</th>
<th>RATE</th>
<th>(OVER)/UNDERCLAIM</th>
</tr>
</thead>
<tbody>
<tr>
<td>National School Lunch</td>
<td>Paid</td>
<td>136,339</td>
<td>136,339</td>
<td>136,339</td>
<td>None</td>
<td>$ 0.33</td>
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<td></td>
<td>Free</td>
<td>1,156,185</td>
<td>1,156,185</td>
<td>1,156,185</td>
<td>None</td>
<td>3.25</td>
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<td>None</td>
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<tr>
<td>HHFKA - PB Lunch</td>
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<tr>
<td>National School Lunch Only</td>
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<td>0.06</td>
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<tr>
<td>School Breakfast</td>
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<td>90,573</td>
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<td>None</td>
<td>0.30</td>
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<td>Free</td>
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<td>None</td>
<td>2.09</td>
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<td>TOTAL</td>
<td>878,961</td>
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<td></td>
<td>None</td>
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<tr>
<td>After School Snacks</td>
<td>Free (Area</td>
<td>155,386</td>
<td>155,386</td>
<td>155,386</td>
<td>None</td>
<td>0.88</td>
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<td>Eligible</td>
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<td></td>
<td></td>
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<td></td>
<td>TOTAL</td>
<td>155,386</td>
<td>155,386</td>
<td>155,386</td>
<td></td>
<td></td>
<td>None</td>
</tr>
</tbody>
</table>

Total Net (Over)/Underclaim: $
NEW BRUNSWICK BOARD OF EDUCATION  
ENTERPRISE FUND - FOOD SERVICE FUND  
SCHEDULE OF MEAL COUNT ACTIVITY  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - STATE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<table>
<thead>
<tr>
<th>PROGRAM</th>
<th>MEAL CATEGORY</th>
<th>MEALS CLAIMED</th>
<th>MEALS TESTED</th>
<th>MEALS VERIFIED</th>
<th>DIFFERENCE</th>
<th>RATE</th>
<th>(OVER)/UNDER-CLAIM</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Reimbursement - National School Lunch (Regular Rate)</td>
<td>Paid</td>
<td>136,339</td>
<td>136,339</td>
<td>136,339</td>
<td>None</td>
<td>$0.050</td>
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<tr>
<td>State Reimbursement - National School Lunch (Regular Rate)</td>
<td>Free</td>
<td>1,156,185</td>
<td>1,156,185</td>
<td>1,156,185</td>
<td>None</td>
<td>0.055</td>
<td>None</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>1,292,524</td>
<td>1,292,524</td>
<td>1,292,524</td>
<td></td>
<td>$</td>
<td>-</td>
</tr>
</tbody>
</table>
NEW BRUNSWICK BOARD OF EDUCATION
NET CASH RESOURCE SCHEDULE

Net Cash Resources Did Not Exceed Three Months of Expenditures
Proprietary Funds - Food Service
FYE 2018

Net Cash Resources:

<table>
<thead>
<tr>
<th>CAFR</th>
<th>Current Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>B-4</td>
<td>Cash &amp; Cash Equiv.</td>
</tr>
<tr>
<td>B-4</td>
<td>Due from Other Gov'ts</td>
</tr>
<tr>
<td>B-4</td>
<td>Accounts Receivable</td>
</tr>
<tr>
<td>B-4</td>
<td>Investments</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CAFR</th>
<th>Current Liabilities</th>
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<tbody>
<tr>
<td>B-4</td>
<td>Less Accounts Payable</td>
</tr>
<tr>
<td>B-4</td>
<td>Less Accruals</td>
</tr>
<tr>
<td>B-4</td>
<td>Less Due to Other Funds</td>
</tr>
<tr>
<td>B-4</td>
<td>Less Deferred Revenue</td>
</tr>
</tbody>
</table>

Net Cash Resources: $1,703,092.86 (A)

Net Adj. Total Operating Expense:

| B-5  | Tot. Operating Exp. | 6,608,179.32 |
| B-5  | Less Depreciation | (26,681.92) |

Adj. Tot. Oper. Exp. $6,581,497.40 (B)

Average Monthly Operating Expense:

| B/10 | $658,149.74 (C) |

Three times monthly Average:

| 3 X C | $1,974,449.22 (D) |

TOTAL IN BOX A $1,703,092.86
LESS TOTAL IN BOX D $1,974,449.22
NET $271,356.36

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
## SCHEDULE OF AUDITED ENROLLMENTS

**NEW HAMPSHIRE BOARD OF EDUCATION**

APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 13, 2017

### 2016-2017 Application for State School Aid

<table>
<thead>
<tr>
<th>Report on</th>
<th>Full Day Preschool 3 Years Old</th>
<th>Full Day Preschool 4 Years Old</th>
<th>Full Day Kindergarten</th>
<th>One</th>
<th>Two</th>
<th>Three</th>
<th>Four</th>
<th>Five</th>
<th>Six</th>
<th>Seven</th>
<th>Eight</th>
<th>Ninth</th>
<th>Tenth</th>
<th>Eleventh</th>
<th>Twelve</th>
<th>Adult High (15+ Credits)</th>
<th>Adult High (15+ Credits)</th>
<th>Subtotal</th>
<th>Special Ed - Elementary</th>
<th>Special Ed - Middle</th>
<th>Special Ed - High</th>
<th>Sub Total</th>
<th>Total</th>
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<tbody>
<tr>
<td></td>
<td>118.0</td>
<td>118.0</td>
<td>713.0</td>
<td>701.0</td>
<td>599.0</td>
<td>771.0</td>
<td>654.0</td>
<td>617.0</td>
<td>570.0</td>
<td>564.0</td>
<td>527.0</td>
<td>624.0</td>
<td>427.0</td>
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<td>404.0</td>
<td>1.0</td>
<td>7,863.0</td>
<td>644.0</td>
<td>359.0</td>
<td>307.0</td>
<td>1,346.0</td>
<td>9,220.0</td>
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<tr>
<td>Error</td>
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<td>4.0</td>
<td>24.0</td>
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<td>23.0</td>
<td>23.0</td>
<td>22.0</td>
<td>21.0</td>
<td>18.0</td>
<td>18.0</td>
<td>17.0</td>
<td>21.0</td>
<td>14.0</td>
<td>14.0</td>
<td>14.0</td>
<td>1.0</td>
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</table>

### Errors per Report

- 1,346.0
- 21.0
- 12.0
- 11.0
- 10.0
- 9.0
- 8.0
- 7.0
- 6.0
- 5.0
- 4.0
- 3.0
- 2.0
- 1.0
- 0.0
- 0.0
- 0.0
- 0.0
- 0.0

### Private Schools for Handicapped

<table>
<thead>
<tr>
<th>Report on</th>
<th>Full Day Preschool 3 Years Old</th>
<th>Full Day Preschool 4 Years Old</th>
<th>Full Day Kindergarten</th>
<th>One</th>
<th>Two</th>
<th>Three</th>
<th>Four</th>
<th>Five</th>
<th>Six</th>
<th>Seven</th>
<th>Eight</th>
<th>Ninth</th>
<th>Tenth</th>
<th>Eleventh</th>
<th>Twelve</th>
<th>Adult High (15+ Credits)</th>
<th>Adult High (15+ Credits)</th>
<th>Subtotal</th>
<th>Special Ed - Elementary</th>
<th>Special Ed - Middle</th>
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### Errors per Report

- 1,346.0
- 21.0
- 12.0
- 11.0
- 10.0
- 9.0
- 8.0
- 7.0
- 6.0
- 5.0
- 4.0
- 3.0
- 2.0
- 1.0
- 0.0
- 0.0
- 0.0
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- 0.0

### Percentage Error

- 0.0%
- 0.0%
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- 0.0%

### Total

- 9,220.0
- 21.0
- 12.0
- 11.0
- 10.0
- 9.0
- 8.0
- 7.0
- 6.0
- 5.0
- 4.0
- 3.0
- 2.0
- 1.0
- 0.0
- 0.0
- 0.0
- 0.0
- 0.0

- 0.0%
## SCHEDULE OF AUDITED ENROLLMENTS

**NEW BRUNSWICK BOARD OF EDUCATION**

**APPLICATION FOR STATE SCHOOL AID SUMMARY**

**ENROLLMENT AS OF OCTOBER 15, 2017**

<table>
<thead>
<tr>
<th>User Group</th>
<th>Free</th>
<th>Reduced</th>
<th>Total</th>
<th>Free</th>
<th>Reduced</th>
<th>Total</th>
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<td>A.S.S.A. 100%</td>
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<td>Total A.S.S.A.</td>
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### Transportation

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<td>A.S.S.A. 100%</td>
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<td>A.S.S.A. 75%</td>
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<td>Total A.S.S.A.</td>
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**Percentage Error**

- Free: 0.0%
- Reduced: 0.0%
- Total: 0.0%
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<th>Sample for Verification LEP H/S Tot-Res</th>
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<table>
<thead>
<tr>
<th>Age Group</th>
<th>Special Ed - Elementary</th>
<th>Special Ed - Middle</th>
<th>Special Ed - High</th>
<th>Sub-Total</th>
<th>Bilingual Students</th>
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<tbody>
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<tr>
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<td>Special Ed - High</td>
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<tr>
<td>Sub-Total</td>
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<td>10.0</td>
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</tr>
</tbody>
</table>

Percentage Error 0.00%
NEW BRUNSWICK BOARD OF EDUCATION
COUNTY OF MIDDLESEX
FISCAL YEAR ENDED JUNE 30, 2018

EXCESS SURPLUS CALCULATION
SCHOOL BASED BUDGET DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2017-18 Total General Fund Expenditures per the CAFR, Ex. C-1 $184,609,099.58 (A)

Increased by:
- Transfer from Capital Outlay to Capital Projects Fund
- Transfer from Capital Reserve to Capital Projects Fund

Less: Expenditures Allocated to Restricted Federal Resources as Reported on Exhibit D-2

Decreased by:
- On-Behalf TPAF Pension and Social Security
- Assets Acquired Under Capital Leases in Fund 15

Adjusted 2017-18 General Fund Expenditures $164,166,552.68 (A9)

2% of Adjusted 2017-18 General Fund Expenditures

\[(A9) \times 0.02\] $3,283,331.05 (A10)

Enter Greater of (A10) or $250,000 $3,283,331.05 (A11)

Increased by: Allowable Adjustment * $0.00 (K)

Max Unassigned Fund Balance \[(A11)+(K)\] $3,283,331.05 (M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-18 (Per CAFR Budgetary Comparison Schedule C-1) $21,645,997.82 (C)

Decreased by:
- Year ended Encumbrances $4,428,984.19 (C1)
- Legally Restricted - Designated for Subsequent Year's Expenditures $16,000,000.00 (C2)
- Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures** $75.00 (C3)
- Other Restricted Fund Balances **** $75.00 (C4)
- Assigned - Fund Balance - Designated for Subsequent Year's Expenditures $0.00 (C5)

Total Unassigned Fund Balance \[(C)-(C1)-(C2)-(C3)-(C4)-(C5)\] $1,216,938.63 (U1)
SECTION 3

Restricted Fund Balance - Excess Surplus**[(U2)-(M)] IF NEGATIVE ENTER -0- $ 0.00 (E)

Recapitulation of Excess Surplus as of June 30, 2018

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures** $ 0.00 (C3)
Reserved Excess Surplus**([E]) $ 0.00 (E)
Total [(C3) + (E)] $ 0.00 (D)

* This adjustment line (line K as detailed below) is to be utilized for Impact Aid, Sale, Lease-back, Extraordinary Aid, Additional Nonpublic School Transportation Aid, and recognized current year School Bus Advertising Revenue, if applicable. Extraordinary Aid and Additional Nonpublic School Transportation Aid for 2017-18 received after June 30 is limited to the amount of revenue recognized in the audit year that was not appropriated.

Detail of Allowable Adjustments

Impact Aid $ (H)
Sale and Lease-Back $ (I)
Extraordinary Aid $ (J1)
Additional Nonpublic School Transportation Aid $ (J2)
Total Adjustments [(H)+(I)+(J1)+(J2)] $ 0.00 (K)

** This amount represents the June 30, 2018 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amount entered must agree to the June 30, 2018 CAFR and Audit Summary Worksheet Line 90030.

**** Amount for Other Restricted/Reserved Fund Balance must be detailed for each source and request for approval to use amounts other than state imposed legal restrictions in the excess surplus calculation must be submitted to the Assistant Commissioner - Field Services prior to September 30.

Detail of Other Restricted Fund Balance

Statutory restrictions:
Approved unspent separate proposal $ 
Sale/lease-back reserve $ 
Capital reserve $ 75.00 
Maintenance reserve $ 
Tuition reserve $ 
Other state/government mandated reserve $ 

[Other Restricted Fund Balance not noted above] **** $ 
Total Other Restricted Fund Balance $ 75.00 (C4)
NEW BRUNSWICK BOARD OF EDUCATION

ENCUMBRANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<table>
<thead>
<tr>
<th>Description</th>
<th>Total by Category</th>
<th>Amount Properly Encumbered</th>
<th>Encumbrances Cancelled Through Audit Adjustments</th>
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<td>Payroll</td>
<td>$ 753,336.27</td>
<td>$ 753,336.27</td>
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<tr>
<td>Purchased Professional Education Services</td>
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<td>Other Purchased Professional Services</td>
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<td>Employee Benefits</td>
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<td>Tuition Within State - Regular</td>
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<td>38,760.71</td>
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<td>Tuition Within State - Special</td>
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<td>Tuition to CSSD and Regional Day Schools</td>
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<td>Tuition to APSSD Within State</td>
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<td>Other Purchased Services</td>
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<td>Other Objects</td>
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<tr>
<td><strong>Total Encumbrances Cancelled During the Audit</strong></td>
<td><strong>4,428,984.19</strong></td>
<td><strong>4,428,984.19</strong></td>
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Fund Balance Reserved for Encumbrances in the CAFR

$4,428,984.19
NEW BRUNSWICK BOARD OF EDUCATION
AUDIT RECOMMENDATIONS SUMMARY
FISCAL YEAR ENDED JUNE 30, 2018

It is recommended that:

1. Administrative Practices and Procedures
   None

2. Financial Planning, Accounting and Reporting
   None

3. School Purchasing Program
   None

4. Student Body Activities
   None

5. School Food Service
   None

6. Application for State School Aid
   None

7. Pupil Transportation
   None

8. Facilities and Capital
   None

9. Follow-Up on Prior Year's Findings
   A review was performed on the prior year recommendations and corrective action was taken on all prior year findings.

10. Miscellaneous
    None