

ROOSEVELT SCHOOL DISTRICT

Roosevelt, New Jersey
County of Monmouth

**Auditor's Management Report on Administrative Findings -
Financial, Compliance and Performance
for The Year Ended June 30, 2015**

**MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE**

TABLE OF CONTENTS

	PAGE
Report of Independent Auditors - Auditor's Management Report on Administrative Findings, Financial Compliance and Performance	1
Scope of Audit	3
Administrative Practices and Procedures:	
Insurance	3
Official Bonds	3
Tuition Charges	3
Financial Planning, Accounting and Reporting:	
Examination of Claims	3
Payroll Account	4
Reserve for Encumbrances and Accounts Payable	4
Classification of Expenditures	4
Board Secretary's Records	4
Treasurer's Records	4
Elementary & Secondary School Education Act (E.S.E.A.), as amended by the Improving America's Schools Act of 1994 (I.A.S.A.)	4
Other Special Federal and/or State Project	5
T.P.A.F. Reimbursement	5
Demonstrably Effective Program Accounting	N/A
School Purchasing Programs:	
Contracts & Agreements Requiring Advertisement for Bids	5
School Food Service	N/A
Student Body Activities	6
Application for State School Aid	6
Pupil Transportation	7
Facilities and Capital Assets	7
Miscellaneous	N/A
Follow-up on Prior Year Findings	7
Acknowledgment	7
Additional Information:	
Schedule of Meal Count Activity	N/A
Schedule of Expenditures of Federal Awards, Schedule A	11
Schedule of Audited Enrollments	12
Excess Surplus Calculation	15

This page intentionally left blank.



HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

680 Hooper Avenue, Bldg B, Suite 201, Toms River, NJ 08753 • Tel: 732.797.1333

618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612

912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800

795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090

926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090

www.hfacpas.com

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

Honorable President and Members
of the Board of Education
Roosevelt School District
Roosevelt, New Jersey, 08555

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 the Board of Education of the Roosevelt School District in the County of Monmouth for the year ended June 30, 2015, and have issued our report thereon dated December 16, 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 for the information of the Roosevelt 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.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Rodney R. Haines
Certified Public Accountant
Public School Accountant, No. 2198

Freehold, New Jersey
December 16, 2015

This page intentionally left blank.



**ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the Treasurer of School Monies, 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 Exhibit 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>
Bernard Biesiada	Board Secretary/School Business Administrator	\$ 150,000.00
George Lang	Treasurer	180,000.00

Tuition Charges

The District does not maintain a high school (grades 9-12). The high school students of the District are sent on a per student tuition basis to high schools of other municipalities. Our examination, on a test basis, revealed for all tuition disbursements, that a contract was on file and tuition rates agreed upon were charged.

It should be noted that the statutes allow for a calculation to be made two years after the fiscal year ends which may result in either a refund from the sending district or additional amounts due to the sending district. All adjustments are handled on a current basis as to credit or disbursement with regards to budget charges.

Financial Planning, Accounting and Reporting

Examination of Claims

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

Financial Planning, Accounting and Reporting (continued):

Payroll Account

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 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 premium amounts withheld due to the general fund.

Payrolls were delivered to the secretary of the board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

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. 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 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. No exceptions were noted.

Board Secretary's Records

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

Treasurer's Records

The Treasurer's records were reviewed and were in agreement with the records of the Board Secretary.

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

The E.S.E.A./N.C.L.B. 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 Title VI of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. indicated no areas of noncompliance.

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 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 tests of compliance for the major state programs selected did not indicate any areas of noncompliance.

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

T.P.A.F. Reimbursement

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

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

The amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the school district (or charter school or renaissance school project) to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district (or charter school or renaissance school project) 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.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A.18A:18A-1 et seq. (Public School Contracts Law), the associated rules and related information on the statute, and school contracts in general is available on the website <http://www.state.nj.us/njded/pscl/index.html>.

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

- a) "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 receipts of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. (pending before the Legislature as section 15 of this bill) of section 9 of P.L. 1971, c.198 (C.40A:119) 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.
- b) 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

School Purchasing Programs (continued):

School Purchasing Programs (continued):

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.18A:18A-2 (pending before the Legislature as section 50 of this bill), 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. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or calculated by the Governor pursuant to N.J.S.A.18A:18A-3 except by contract or agreement.”

Effective July 1, 2010 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 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 solicitor's opinion should be sought before a commitment is made.

Based on the results of our examination we did not note any 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.

Student Body Activities

During our review of student activities, no exceptions were noted.

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 and low-income, and bilingual. We also performed a review of the district’s procedures related to its completion. The information on the ASSA was compared to the district workpapers with exception. The information that was included on the workpapers was verified without exception. The results of the procedures are presented in the Schedule of Audited Enrollments. The district maintained workpapers on the prescribed state forms of their equivalent. The district written procedures appear to be adequate for the recording of student enrollment data.

Pupil Transportation

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 exception. The results of the procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation contracts and purchases. Based on this 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 purchased of goods and services.

Follow-up on Prior-Year Findings

In accordance with Governmental Auditing Standards, our procedures included a review of all prior year recommendations including findings. All corrective actions have been taken for the 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.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R. Haines
Certified Public Accountant
Public School Accountant, No. 2198

Freehold, New Jersey
December 16, 2015

This page intentionally left blank.

ADDITIONAL INFORMATION

This page intentionally left blank

ROOSEVELT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2014	Cash Received	Budgetary Expenditures	Balance June 30, 2015	
			From	To				(Accounts Receivable)	Deferred Revenue
Passed-Through State Department of Education:									
<u>Special Revenue Fund</u>									
	Rural Education Achievement Program	16,786.00	07/01/14	09/30/15	-	5,194.60	(7,569.28)	(2,374.68)	-
84.358A	S358A141530	16,786.00	07/01/14	09/30/15	-	5,194.60	(7,569.28)	(2,374.68)	-
	Rural Education Achievement Program	17,902.00	07/01/13	09/30/14	(16,297.40)	16,297.40	-	-	-
84.358A	S358A131430	17,902.00	07/01/13	09/30/14	(16,297.40)	16,297.40	-	-	-
	Rural Education Achievement Program	16,795.00	07/01/12	09/30/13	(13,196.00)	13,196.00	-	-	-
84.358A	S358A121430	16,795.00	07/01/12	09/30/13	(13,196.00)	13,196.00	-	-	-
	I.D.E.A. Part B, Basic	27,178.00	07/01/14	06/30/15	-	-	-	-	-
84.027	IDEA452015	27,178.00	07/01/14	06/30/15	-	-	-	-	-
	I.D.E.A. Part B, Basic	30,380.00	09/01/13	06/30/14	(27,581.00)	27,581.00	-	-	-
84.027	IDEA452014	30,380.00	09/01/13	06/30/14	(27,581.00)	27,581.00	-	-	-
	I.D.E.A. Part B, Preschool	1,390.00	07/01/14	06/30/15	-	-	-	-	-
84.173	IDEA452015	1,390.00	07/01/14	06/30/15	-	-	-	-	-
	I.D.E.A. Part B, Preschool	1,577.00	09/01/13	06/30/14	(1,577.00)	1,577.00	-	-	-
84.173	IDEA452014	1,577.00	09/01/13	06/30/14	(1,577.00)	1,577.00	-	-	-
	Title II - Part A - Improving Teacher Quality State Grants	1,868.00	07/01/14	06/30/15	-	-	(1,868.00)	(1,868.00)	-
84.168	NCLB452015	1,868.00	07/01/14	06/30/15	-	-	(1,868.00)	(1,868.00)	-
	Title II - Part A - Improving Teacher Quality State Grants	2,283.00	09/01/13	06/30/14	(1,867.00)	1,867.00	-	-	-
84.168	NCLB452014	2,283.00	09/01/13	06/30/14	(1,867.00)	1,867.00	-	-	-
Total U.S. Department of Education						65,713.00	(9,437.28)	(4,242.68)	-
Total Federal Financial Awards						\$ 65,713.00	\$ (9,437.28)	\$ (4,242.68)	\$ -

The accompanying Notes to Schedule of Expenditures of Awards and Financial Assistance are an integral part of this Schedule.

SCHEDULE OF AUDITED ENROLLMENTS (1)

ROOSEVELT SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

	2014-2015 Application for State School Aid				Sample for Verification				Private Schools for Handicapped					
	Reported on A.S.S.A. On Roll		Workpapers Reported on		Sample Selected From		Registers Verified Per		Errors Per Registers On Roll		Reported on ASSA		Sample Verified	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool - 3 Yrs	5		5		4		4		4					
Full Day Preschool - 4 Yrs	2		2		2		2		2					
Full Day Kindergarten	13		13		10		10		10					
One	12		12		9		9		9					
Two	13		13		10		10		10					
Three	11		11		8		8		8					
Four	11		11		8		8		8					
Five	8		8		6		6		6					
Six	9		9		7		7		7					
Subtotal	84		84		64		64		64					
Sp Ed - Elementary	7		7		3		3		3					
Sp Ed - Middle School	1		1		1		1		1					
Subtotal	8		8		4		4		4					
Totals	92		92		68		68		68					
Percentage Error			-0-		-0-		-0-		-0-					-0-

SCHEDULE OF AUDITED ENROLLMENTS (2)

Roosevelt Board of Education
 Application for State School-Aid Summary
 Enrollment as of October 15, 2014

	Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A. As Free/Reduced Full	Reported on Workpapers As Free/Reduced Shared	Errors Full	Sample Selected from Workpapers Full	Shared	Errors Shared	Reported on A.S.S.A. as LEP low Income	Sample Selected from Workpapers	Errors	Sample Selected from Workpapers	Test Score	Sample Errors
Half Day Preschool - 3 Yrs	2											
Half Day Preschool - 4 Yrs	1											
Full Day Kindergarten	1											
One		2										
Two		1										
Three		1										
Four		1										
Five		1										
Six		2										
Seven		1		1								
Eight		1		1								
Nine		1		2								
Ten		1		1								
Eleven		1		2								
Twelve		1,5		1								
Subtotal	13	13		8								

Sp Ed - Elementary
 Sp Ed - Middle School
 Sp Ed - High School

Subtotal	2			2								
Totals	13	13		10						100%		-0-
Percentage Error												

TRANSPORTATION

	Reported on DRTS By DOE	Reported on DRTS By District	Amount Verified	Errors Tested	Errors
Regular - Public Schools Col 1	53		28	28	
Regular - Special Ed Col 4		53			
All Col 2	1	1	1	1	1
Transported - Nonpublic Col 3	1	1	1	1	1
Special Needs - Public Col 6	1	1	1	1	1
Totals	56	56	31	29	2
Percentage Errors					6.45%

SCHEDULE OF AUDITED ENROLLMENTS (3)

EATONTOWN BOARD OF EDUCATION
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2014

	Resident LEP NOT Low Income		Sample for Verification			
	Reported on A.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten						
One						
Two						
Three						
Four						
Five						
Six						
Seven						
Eight						
Nine						
Ten						
Eleven						
Twelve						
Subtotal						
Special Ed - Elementary						
Special Ed - Middle						
Special Ed - High						
Subtotal						
Totals						
Percentage Error			-0-			-0-

REGULAR DISTRICT

SECTION 1

2% Calculation of Excess Surplus

2014-15 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ 2,518,756.02 (B)
Increased By:	
Transfer from Capital Outlay to Capital Projects Fund	\$ 47,184.00 (B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ (B1b)
Transfer from General Fund to SRF for PreK-Regular	\$ (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$ (B1d)
Decreased By:	
On-Behalf TPAF Pension & Social Security	\$ 146,665.62 (B2a)
Assets Acquired Under Capital Leases	\$ (B2b)
Adjusted 2014-15 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ 2,419,274.40 (B3)
2% of Adjusted 2013-14 General Fund Expenditures [(B3) times .02]	\$ 48,385.49 (B4)
Enter Greater of (B4) or \$250,000	\$ 250,000.00 (B5)
Increased By: Allowable Adjustment*	\$ 348.00 (K)
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]	\$ 250,348.00 (M)

SECTION 2

Total General Fund – Fund Balances @ 6/30/2015 (Per CAFR Budgetary Comparison Schedule C-1)	\$ 676,936.32 (C)
Decreased By:	
Year-end Encumbrances	\$ 200.00 (C1)
Legally Restricted – Designated for Subsequent Year’s Expenditures	\$ (C2)
Legally Restricted - Excess Surplus – Designated for Subsequent Year's Expenditures**	\$ 41,286.88 (C3)
Other Restricted Fund Balances*****	\$ 233,594.07 (C4)
Assigned Fund Balance - Unreserved – Designated for Subsequent Year's Expenditures	\$ 20,377.12 (C5)
Total Unassigned Fund Balance[(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ 381,478.25 (U1)

SECTION 3

Restricted Fund Balance – Excess Surplus***[(U1)-(M)] If negative enter -0- \$ 131,130.25 (E)

Recapitulation of Excess Surplus as of June 30, 2015

Reserve Excess Surplus – Designated for Subsequent Year’s Expenditures**	\$ 41,286.88 (C3)
Reserved Excess Surplus***[(E)]	\$ <u>131,130.25</u> (E)
Total [(C3)+(E)]	\$ <u><u>172,417.13</u></u> (D)

Footnotes:

* This adjustment line (as detailed below) is to be utilized when applicable for: Impact Aid; Sale and Lease-back (Refer to the Audit Program Section II, chapter 10); Extraordinary Aid; Additional and Nonpublic School Transportation Aid; and recognized current year School Bus Advertising Revenue. Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid and Additional Nonpublic School Transportation Aid.

Detail of Allowable Adjustments

Impact Aid	\$ _____ (H)
Sale & Lease-Back	\$ _____ (I)
Extraordinary Aid	\$ _____ (J1)
Additional Nonpublic School Transportation Aid	\$ 348.00 (J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____ (J3)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)]	\$ <u><u>348.00</u></u> (K)

** This amount represents the June 30, 2015 Excess Surplus (C3 above) and must be included in the Audit Summary Line 90031.

*** Amounts must agree to the June 30, 2015 CAFR and must agree to Audit Summary Line 90030.

**** Amount for Other Restricted Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by an other 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.

Detail of Other Restricted Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	\$ _____
Sale/lease-back reserve	\$ _____
Capital reserve	\$ 201,029.07
Maintenance reserve	\$ 32,565.00
Emergency reserve	\$ _____
Tuition reserve	\$ _____
School Bus Advertising 50% Fuel Offset Reserve - Current Year	\$ _____
School Bus Advertising 50% Fuel Offset Reserve - Prior Year	\$ _____
Other state/government mandated reserve	\$ _____
[Other Restricted Fund Balance not noted above]****	\$ _____
Total Other Restricted Fund Balance	\$ <u><u>233,594.07</u></u> (C4)