

ROXBURY TOWNSHIP SCHOOL DISTRICT
COUNTY OF MORRIS
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2016

ROXBURY TOWNSHIP SCHOOL DISTRICT
COUNTY OF MORRIS
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2016
TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| Cover Letter | 1 |
| Scope of Audit | 2 |
| Administrative Practices and Procedures: | 2 |
| Insurance | 2 |
| Officials in Office and Surety Bonds | 2 |
| Tuition Charges | 2 |
| Financial Planning, Accounting and Reporting: | 2 |
| Examination of Claims | 2 |
| Payroll Account and Position Control Roster | 2 |
| Reserve for Encumbrances and Accounts Payable | 3 |
| Classification of Expenditures | 3 |
| Board Secretary's Records | 3 |
| Treasurer's Records | 3 |
| No Child Left Behind (N.C.L.B.) | 4 |
| Other Special Federal and/or State Projects | 4 |
| T.P.A.F. Reimbursement | 5 |
| School Purchasing Programs: | 5 |
| Contracts and Agreements Requiring Advertisement for Bids | 5 |
| School Food Service Fund | 6 |
| Student Body Activities | 7 |
| Application for State School Aid | 7 |
| Pupil Transportation | 8 |
| Facilities and Capital Assets | 8 |
| Travel Expense and Reimbursement Policy | 8 |
| Management Suggestions | 9 |
| Follow-up on Prior Year Findings | 9 |
| Schedule of Meal Count Activity (Not Applicable) | |
| Schedule of Net Cash Resources (Not Applicable) | |
| Schedule of Audited Enrollment | 10 |
| Excess Surplus Calculation | 14 |
| Summary of Recommendations | 16 |



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October 28, 2016

The Honorable President and Members
of the Board of Education
Roxbury Township School District
County of Morris, NJ

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 Roxbury Township School District in the County of Morris for the year ended June 30, 2016, and have issued our report thereon dated October 28, 2016.

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.

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 Roxbury Township 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.

NISIVOCCIA LLP

A handwritten signature in black ink, appearing to read "William F. Schroeder", is written over a horizontal line.

William F. Schroeder
Licensed Public School Accountant #2112
Certified Public Accountant

ROXBURY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2016

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, 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 CAFR.

Officials in Office and Surety Bonds

| <u>Name</u> | <u>Position</u> | <u>Coverage</u> |
|---------------|---|-----------------|
| Lisa Palmieri | Treasurer of School Monies | \$ 290,000 |
| Mark Kenney | Interim School Business Administrator/Board Secretary | 250,000 |
| Megan Pepe | Assistant School Business Administrator/Board Secretary | 290,000 |

The District has Employee Dishonesty and Faithful Performance coverage through the School Alliance Insurance Fund as detailed on Exhibit J-20 of the CAFR.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were different 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-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 indicated overall compliance with respect to certification or supporting documentation.

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

All payrolls tested were approved by the Superintendent and were certified by the President of the Board, the Board Secretary/Business Administrators and the Chief School Administrator. Payrolls were delivered to the Treasurer of School Monies with a warrant to her order for the full amount of the payroll.

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.

ROXBURY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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-8.2 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-16.2(f). Overall compliance was noted.

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 on these procedures, we have no comments except as noted below.

Findings

- a.) The employer's share of the DCRP contribution and the State's share of TPAF FICA were charged to the "Social Security Contribution" line item instead of the "Other Retirement Contribution – Regular" line item and the Intergovernmental Accounts Receivable balance sheet account, respectively. Under the direction of the Interim Business Administrator, audit adjustments have been made to reclassify expenditures to the appropriate budget line item and balance sheet account. Also, procedures have already been implemented to ensure that these transactions are properly recorded in the fiscal year 2016-17 accounting records. Therefore, a formal recommendation is not deemed necessary.
- b.) The District did not segregate the various capital projects in the District's accounting records.

Recommendation

It is recommended that procedures are implemented to ensure that different capital projects are segregated in the District's accounting records.

Management's Response

The District will implement procedures to maintain segregated accounting records for different capital projects.

ROXBURY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2016
 (Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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 on these procedures, we have no comments except as noted below.

Finding

Our review of the bank reconciliations for the General bank account revealed certain older reconciling items which date back a few years.

Recommendation

It is recommended that old reconciling items on the General account bank reconciliation be canceled or resolved.

Management's Response

Old reconciling items will be cancelled in fiscal year 2017.

No Child Left Behind (N.C.L.B.)

The N.C.L.B. financial exhibits are contained herein within the Special Revenue Section of the District's CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I, Title II and Title III of the No Child Left Behind Act.

The study of compliance for the N.C.L.B. did not indicate any area of noncompliance.

Other Special Federal and/or State Projects

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 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.

Finding

The amended budgets entered into the District's accounting records for the fiscal year 2016 IDEA Basic and Preschool grants do not agree to the State approved amended budgets in total. As a result, a transfer in excess of 10% of a line item was made for the IDEA Preschool grant and there was an over-expenditure of the IDEA Basic grant. Under the direction of the Interim Business Administrator, the over-expenditure was reclassified to the General Fund.

Recommendation

It is recommended that extra care be taken to ensure that the total state approved amended award/budget be reconciled to the District's accounting records.

ROXBURY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2016
 (Continued)

Other Special Federal and/or State Projects (Cont'd)

Management's Response

The District will exercise care to ensure that the amended award/budget for the IDEA Basic and Preschool grants are in agreement with the accounting records.

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, 2016. The reimbursement form was reviewed and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

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 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.

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 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, 2015 and thereafter the bid thresholds in accordance with *N.J.S.A.* 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (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 \$18,800.

ROXBURY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

School Purchasing Programs (Cont'd)

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

As per N.J.S.A. 18A:18A-3, the Board passed a resolution at its July 20, 2015 meeting, authorizing the Business Administrator as a qualified purchasing agent and increasing the bid threshold to \$40,000.

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. No exceptions were noted.

Based upon the results of our examination, we did not note any individual payments, contracts, or agreements 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.

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 school food service program was not selected as a major federal and/or state program. However, the program expenditures exceeded \$100,000 in federal and/or state support. Accordingly, we inquired of school management, or the appropriate school food service personnel, as to whether the SFA had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

Additionally, we inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

Finding

Our review of the Food Service records revealed that the number of reimbursable meals claimed through the State's SNEARS system do not reconcile with the numbers reported on the food service management company's ("F.S.M.C") operating statements. The F.S.M.C.'s management fee is calculated based on meal counts, including meal equivalents.

Recommendation

It is recommended that the meal counts reported on the food service management company's monthly operating statements be reconciled with the District's meal count records.

ROXBURY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

School Food Service (Cont'd)

Management's Response

The District will ensure meal counts reported on the F.S.M.C.'s monthly operating statements are supported by the District meal count records.

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the records of the Student Activities Fund for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have noted the following comments.

Findings

- a.) During our review of claims for the Roxbury High School, Eisenhower Middle School, Lincoln Roosevelt Elementary School and the Athletics accounts, we noted certain instances where vouchers did not have the required receipt of goods signatures. The District provided additional training to the staff responsible for student activities in 2016 and is in the process of implementing procedures to ensure that receipt of good signatures are obtained. As such, a formal recommendation is not judged to be warranted.
- b.) During our review of the bank reconciliations for the Roxbury High School, the Eisenhower Middle School and the Lincoln Roosevelt Elementary School accounts, it was noted that they include old reconciling items, including stale checks which date back a few years, and deposits-in-transit include cleared checks. However, as the District is in the process of cancelling these old reconciling items, a formal recommendation is not deemed necessary.
- c.) The analysis of balance by club/activities for the Lincoln Roosevelt Elementary School account did not reconcile with the June 30, 2016 reconciled cash balance. However, as the amount is minor and the District has implemented procedures to review analysis of balance on a periodic basis, a formal recommendation is not deemed necessary.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2015 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 several exceptions. The information that was included on the workpapers was verified on a test basis with no exceptions. 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's written procedures for the recording of student enrollment data appear to be adequate.

Finding

The number of private school for the disabled students reported on the 2016-2017 A.S.S.A. did not agree with the supporting workpapers prepared by the District.

ROXBURY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

Application for State School Aid (Cont'd)

Recommendation

It is recommended that extra care be taken to ensure that the number of private school for the disabled reported on the A.S.S.A. agrees with the supporting workpapers maintained by the District.

Management's Response

The District will ensure numbers reported on the A.S.S.A. for the private school for the disabled students agrees to the supporting workpapers.

Pupil Transportation

Our audit procedures included a test of on-roll status reported on the 2015-2016 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with one minor 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. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

Our procedures included a review of the SDA grant agreements for consistency with recording of the revenue and awarding of contracts for eligible facilities construction.

Finding

The District provided a list of current year capital assets additions and deletions, which have been included in their district-wide financial statements. However, the capital assets inventory records were not updated to include these additions and deletions. Also, current year additions have not been tagged.

Recommendation

It is recommended that the capital assets inventory records be updated and capital additions be tagged for tracking purposes.

Management's Response

The District will update its capital assets inventory records and tag all capital additions.

Travel Expense and Reimbursement Policy

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.

ROXBURY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

Management Suggestions

SDA Expenditure Requests

As a number of School Districts have experienced difficulties in receiving reimbursement from the Schools Development Authority (SDA) and as the District has SDA projects that are near completion, we suggest that the District apply for reimbursement for any funds that are available for reimbursement as soon as possible.

Governmental Accounting Standards Board Statements:

The next Governmental Accounting Standards Board ("GASB") statement which will have a significant impact on the District will be GASB#75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, will be effective for the fiscal year ending June 30, 2018. This standard replaces GASB#45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. It is similar to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* GASB#68 in that successful implementation of this standard will require the provision of certain key financial and non-financial information from the New Jersey Division of Pensions.

Deferred Compensation Plans

The District has a fiduciary responsibility to its employees related to the deferred compensation plans offered by the District. The District should consider a periodic review of the benefits, features, costs, and performance of its deferred compensation plans and make that information available to employees to assist employees in making suitable choices for investing their retirement funds while fulfilling the District's fiduciary responsibilities.

Independent Contractors vs. Employees

The District should consider reviewing the status of "Independent Contractors" utilized by the District with Internal Revenue Service guidelines for determination of employment status. The IRS has been reviewing employers, including governments, to determine compliance. A proactive approach may help to minimize or eliminate potential penalties related to incorrect employment status determination.

Cyber Security

Cyber-crime has become much more prevalent in the last few years. Websites and internal networks, including personally identifiable information ("PII"), have been hacked and resulted in significant losses to organizations, both financial and reputational. We suggest that the District consider options to test and protect the District from cyber-crime

Follow-up on Prior Year Findings/Recommendations

The prior year recommendations regarding posting of accounts receivable in the District's accounting records, establishing a travel maximum, the student activities analysis of balance, obtaining the County Superintendent approval of transfers, reconciliation of the IDEA final expenditure reports, obtaining receipt of goods signature for student activities and athletic vouchers and cancellation of older reconciling items for student activities accounts have been resolved.

ROXBURY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2015

| | 2016-2017 Application for State School Aid | | | | | | Sample for Verification | | | | | |
|-----------------------|--|--------|--------------------------------------|--------|--------|--------|---------------------------------------|--------|--------------------------------------|--------|------------------------------------|--------|
| | Reported on ASSA On Roll | | Reported on Workpapers On Roll | | Errors | | Sample Selected from Workpapers | | Verified per Registers On Roll | | Errors per Registers on Roll | |
| | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Full | Shared |
| Half Day Kindergarten | 224 | | 224 | | | | 224 | | 224 | | | |
| Grade One | 204 | | 204 | | | | 204 | | 204 | | | |
| Grade Two | 204 | | 204 | | | | 204 | | 204 | | | |
| Grade Three | 206 | | 206 | | | | 206 | | 206 | | | |
| Grade Four | 229 | | 229 | | | | 229 | | 229 | | | |
| Grade Five | 200 | | 200 | | | | 200 | | 200 | | | |
| Grade Six | 238 | | 238 | | | | 238 | | 238 | | | |
| Grade Seven | 263 | | 263 | | | | 263 | | 263 | | | |
| Grade Eight | 226 | | 226 | | | | 226 | | 226 | | | |
| Grade Nine | 295 | | 295 | | | | 295 | | 295 | | | |
| Grade Ten | 301 | | 301 | | | | 301 | | 301 | | | |
| Grade Eleven | 264 | 10 | 264 | 9 | | (1) | 264 | 9 | 264 | 9 | | |
| Grade Twelve | 323 | 2 | 323 | 1 | | (1) | 323 | 1 | 323 | 1 | | |
| Subtotal | 3,177 | 12 | 3,177 | 10 | | (2) | 3,177 | 10 | 3,177 | 10 | | |
| Special Education: | | | | | | | | | | | | |
| Elementary School | 143 | | 143 | | | | 8 | | 8 | | | |
| Middle School | 106 | | 106 | | | | 6 | | 6 | | | |
| High School | 210 | 12 | 210 | 12 | | | 11 | | 11 | | | |
| Subtotal | 459 | 12 | 459 | 12 | | | 25 | | 25 | | | |
| Totals | 3,636 | 24 | 3,636 | 22 | | -0- | 3,202 | 10 | 3,202 | 10 | | -0- |
| Percentage Error | | | | | | 0.00% | | -8.33% | | | | 0.00% |

ROXBURY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2015

| | Private Schools for Handicapped | | | | | Resident Low Income | | | | | | |
|-----------------------|-------------------------------------|---|--------|-------------------------|-----------------|---------------------|--------------------------------|--------------------------------------|--------|---------------------------------|--------------------------------------|---------------|
| | Reported on ASSA as Private Schools | Reported on Workpapers as Private Schools | Errors | Sample for Verification | Sample Verified | Sample Errors | Reported on ASSA as Low Income | Reported on Workpapers as Low Income | Errors | Sample Selected from Workpapers | Verified to Application and Register | Sample Errors |
| Half Day Kindergarten | | | | | | | 27.0 | 27.0 | | 1.0 | 1.0 | |
| Grade One | | | | | | | 29.0 | 29.0 | | 2.0 | 2.0 | |
| Grade Two | | | | | | | 26.0 | 26.0 | | 1.0 | 1.0 | |
| Grade Three | | | | | | | 30.0 | 30.0 | | 1.0 | 1.0 | |
| Grade Four | | | | | | | 44.0 | 44.0 | | 2.0 | 2.0 | |
| Grade Five | | | | | | | 29.0 | 29.0 | | 2.0 | 2.0 | |
| Grade Six | | | | | | | 30.0 | 30.0 | | 1.0 | 1.0 | |
| Grade Seven | | | | | | | 26.0 | 26.0 | | 1.0 | 1.0 | |
| Grade Eight | | | | | | | 27.0 | 27.0 | | 1.0 | 1.0 | |
| Grade Nine | | | | | | | 42.0 | 42.0 | | 1.0 | 1.0 | |
| Grade Ten | | | | | | | 34.0 | 34.0 | | 2.0 | 2.0 | |
| Grade Eleven | | | | | | | 34.0 | 34.0 | | 2.0 | 2.0 | |
| Grade Twelve | | | | | | | 36.0 | 36.0 | | 2.0 | 2.0 | |
| Subtotal | | | | | | | 414.0 | 414.0 | | 19.0 | 19.0 | |
| Special Education: | | | | | | | | | | | | |
| Elementary School | 8.0 | 7.0 | 1.0 | 1.0 | 1.0 | | 30.0 | 30.0 | | 2.0 | 2.0 | |
| Middle School | 10.0 | 8.0 | 2.0 | 2.0 | 2.0 | | 30.0 | 30.0 | | 2.0 | 2.0 | |
| High School | 17.0 | 16.0 | 1.0 | 2.0 | 2.0 | | 42.0 | 42.0 | | 2.0 | 2.0 | |
| Subtotal | 35.0 | 31.0 | 4.0 | 5.0 | 5.0 | | 102.0 | 102.0 | | 6.0 | 6.0 | |
| Totals | 35.0 | 31.0 | 4.0 | 5.0 | 5.0 | -0- | 516.0 | 516.0 | -0- | 25.0 | 25.0 | -0- |
| Percentage Error | | | 11.43% | | | 0.00% | | | 0.00% | | | 0.00% |

ROXBURY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2015

| | LEP Low Income | | | | | LEP NOT Low Income | | | | | | |
|-----------------------|------------------------------------|--|--|--------------------------------------|---------------|--|--|--|--------------------------------------|---------------|---|-------|
| | Reported on ASSA as LEP Low Income | Reported on Workpapers as LEP Low Income | Sample Selected from Workpapers Errors | Verified to Application and Register | Sample Errors | Reported on ASSA as LEP NOT Low Income | Reported on Workpapers as LEP NOT Low Income | Sample Selected from Workpapers Errors | Verified to Application and Register | Sample Errors | | |
| Half Day Kindergarten | 3 | 3 | | | | 5 | 5 | | | | | |
| Grade One | 5 | 5 | | 1 | 1 | 4 | 4 | 1 | 1 | | | |
| Grade Two | 2 | 2 | | | | 8 | 8 | 1 | 1 | | | |
| Grade Three | 1 | 1 | | | | 2 | 2 | | | | | |
| Grade Four | 2 | 2 | | 1 | 1 | 1 | 1 | | | | | |
| Grade Five | 1 | 1 | | | | 2 | 2 | 1 | 1 | | | |
| Grade Six | | | | | | | | | | | | |
| Grade Seven | | | | | | 1 | 1 | | | | | |
| Grade Eight | 2 | 2 | | 1 | 1 | | | | | | | |
| Grade Nine | 2 | 2 | | | | 2 | 2 | 1 | 1 | | | |
| Grade Ten | 3 | 3 | | 1 | 1 | 2 | 2 | | | | | |
| Grade Eleven | 1 | 1 | | | | | | | | | | |
| Grade Twelve | | | | | | 1 | 1 | | | | | |
| Subtotal | 22 | 22 | | 4 | 4 | 28 | 28 | 4 | 4 | | | |
| Special Education: | | | | | | | | | | | | |
| Elementary School | 3 | 3 | | | | 1 | 1 | | | | | |
| High School | | | | | | | | | | | | |
| Subtotal | 3 | 3 | | | | 1 | 1 | | | | | |
| Totals | 25 | 25 | -0- | 4 | 4 | -0- | 29 | 29 | -0- | 4 | 4 | -0- |
| Percentage Error | | | 0.00% | | | 0.00% | | | 0.00% | | | 0.00% |

ROXBURY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2015

| | Transportation | | | | | |
|--|--------------------------------|-------------------------------------|---------------|-----------|-------------------|--------------|
| | Reported on DRTRS by DOE | Reported on DRTRS by District | Errors | Tested | Verified | Errors |
| Regular - Public Schools | 1,370 | 1,370 | | 20 | 20 | |
| Regular - Special Education | 39 | 39 | | 1 | 1 | |
| Transported - Non Public | 65 | 65 | | 1 | 1 | |
| AIL - Non Public | 83 | 83 | | 1 | 1 | |
| Special Needs - Public | 82 | 83 | (1) | 1 | 1 | |
| Special Needs - Private | 32 | 32 | | 1 | 1 | |
| Totals | <u>1,671</u> | <u>1,672</u> | <u>(1)</u> | <u>25</u> | <u>25</u> | <u>-0-</u> |
| Percentage Error | | | <u>-0.06%</u> | | | <u>0.00%</u> |
| | | | | Reported | Re- calculated | |
| Average Mileage - Regular Including Grade PK Students | | | | 4.80 | 4.80 | |
| Average Mileage - Regular Excluding Grade PK Students | | | | 4.80 | 4.80 | |
| Average Mileage - Special Education with Special Needs | | | | 8.10 | 8.10 | |

ROXBURY TOWNSHIP SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2016

EXCESS SURPLUS CALCULATION

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

| | |
|---|---------------------------|
| 2015-16 Total General Fund Expenditures per the CAFR, Ex. C-1 | \$ 74,113,881 (B) |
| Increased by: | |
| Transfer from Capital Outlay to Capital Projects Fund | \$ -0- (B1a) |
| Transfer from Capital Reserve to Capital Projects Fund | \$ 1,624,700 (B1b) |
| Transfer from General Fund to SRF for PreK-Regular | \$ -0- (B1c) |
| Transfer from General Fund to SRF for PreK-Inclusion | \$ -0- (B1d) |
| Decreased by: | |
| On-Behalf TPAF Pension and Social Security | \$ 7,038,905 (B2a) |
| Assets Acquired Under Capital Leases | \$ -0- (B2b) |
| Adjusted 15-16 General Fund Expenditures [(B)+(B1's)-(B2's)] | <u>\$ 68,699,676 (B3)</u> |
| 2% of Adjusted 2015-16 General Fund Expenditures [(B3) times .02] | \$ 1,373,994 (B4) |
| Enter Greater of (B4) or \$250,000 | \$ 1,373,994 (B5) |
| Increased by: Allowable Adjustment | <u>\$ 25,752 (K)</u> |
| Maximum Unassigned Fund Balance [(B5)+(K)] | <u>\$ 1,399,746 (M)</u> |

SECTION 2

| | |
|--|--------------------------|
| Total General Fund - Fund Balances @ 6/30/16 (Per CAFR Budgetary Comparison Schedule C-1) | \$ 9,583,362 (C) |
| Decreased by: | |
| Year End Encumbrances | \$ 460,434 (C1) |
| Legally Restricted - Designated for Subsequent Year's Expenditures | \$ -0- (C2) |
| Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures | \$ 675,290 (C3) |
| Other Restricted/Reserved Fund Balances | \$ 5,409,981 (C4) |
| Assigned - Designated for Subsequent Year's Expenditures | <u>\$ 96,944 (C5)</u> |
| Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)] | <u>\$ 2,940,713 (U1)</u> |
| Increased by: | |
| Adjustment for Disallowed Transfers per S1701 | <u>\$ -0- (C6)</u> |
| Total Unassigned Fund Balance for Excess Surplus Calculation (U1 + C6) | <u>\$ 2,940,713 (U2)</u> |

ROXBURY TOWNSHIP SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

SECTION 3

Restricted Fund Balance - Excess Surplus [(U2)-(M)] IF NEGATIVE, ENTER -0- \$ 1,540,967 (E)

Recapitulation of Excess Surplus as of June 30, 2016

| | |
|---|-----------------------------|
| Restricted Excess Surplus - Designated for Subsequent Year's Expenditures | \$ 675,290 (C3) |
| Restricted Excess Surplus [(E)] | <u>\$ 1,540,967 (E)</u> |
| Fund Balance Restricted for 2015-16 per S1701 | <u>\$ -0- (F)</u> |
| Total [(C3)+(E)+(F)] | <u>\$ 2,216,257 (D)</u> |

Detail of Allowable Adjustments

| | |
|--|--------------------------|
| Impact Aid | \$ -0- (H) |
| Sale and Lease Back | <u>\$ -0- (I)</u> |
| Extraordinary Aid | <u>\$ -0- (J1)</u> |
| Additional Nonpublic School Transportation Aid | <u>\$ 25,752 (J2)</u> |
| Current Year School Bus Advertising Revenue Recognized | <u>\$ -0- (J3)</u> |
| Family Crisis Transportation Aid | <u>\$ -0- (J4)</u> |
| Total Adjustments ((H)+(I)+(J1)+(J2)+(J3)+(J4)) | <u>\$ 25,752 (K)</u> |

Detail of Other Restricted Fund Balance

Statutory restrictions:

| | |
|---|---------------------|
| Approved unspent separate proposal | \$ -0- |
| Sale/lease-back reserve | <u>\$ -0-</u> |
| Capital reserve | <u>\$ 2,745,649</u> |
| Maintenance reserve | <u>\$ 2,029,332</u> |
| Emergency reserve | <u>\$ 635,000</u> |
| Tuition reserve | <u>\$ -0-</u> |
| School Bus Advertising 50% Fuel Offset Reserve - current year | <u>\$ -0-</u> |
| School Bus Advertising 50% Fuel Offset Reserve - prior year | <u>\$ -0-</u> |
| Impact Aid General Fund Reserve (Sections 8002 and 8003) | <u>\$ -0-</u> |
| Impact Aid Capital Fund Reserve (Sections 8007 and 8008) | <u>\$ -0-</u> |
| Other state/governmental mandated reserve | <u>\$ -0-</u> |

Other Restricted Fund Balance not noted above \$ -0-

Total Other Restricted Fund Balance \$ 5,409,981 (C4)

ROXBURY TOWNSHIP SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2016

It is recommended that:

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
 - a) Procedures are implemented to ensure that different capital projects are segregated in the District's accounting records.
 - b) Old reconciling items on the General account bank reconciliation be canceled or resolved.
 - c) Extra care be taken to ensure that the total state approved amended award/budget be reconciled to the District's accounting records.
3. School Purchasing Program
None
4. School Food Service
 - a) Meal counts reported on the food service management company's monthly operating statements be reconciled with the District's meal count records.
5. Student Body Activities
None
6. Application for State School Aid
 - a) Extra care be taken to ensure that the number of private school for the disabled reported on the A.S.S.A. agrees with the supporting workpapers maintained by the District.
7. Pupil Transportation
None
8. Facilities and Capital Assets
 - a) Capital assets inventory records be updated and capital additions be tagged for tracking purposes.
9. Travel Expense and Reimbursement Policy
None
10. Status of Prior Year's Finding/Recommendation

The prior year recommendations regarding posting of accounts receivable in the District's accounting records, establishing a travel maximum, the student activities analysis of balance, obtaining the County Superintendent approval of transfers, reconciliation of the IDEA final expenditure reports, obtaining receipt of goods signature for student activities and athletic vouchers and cancellation of older reconciling items for student activities accounts have been resolved.