

ROXBURY TOWNSHIP SCHOOL DISTRICT
COUNTY OF MORRIS
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017

ROXBURY TOWNSHIP SCHOOL DISTRICT
COUNTY OF MORRIS
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017
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October 5, 2017

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, 2017, and have issued our report thereon dated October 5, 2017.

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.

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



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, 2017

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
Patricia Wilson	School Business Administrator/Board Secretary	290,000
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
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FISCAL YEAR ENDED JUNE 30, 2017
(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 herein.

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 herein.

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.

ROXBURY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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, 2017. 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.

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.

ROXBURY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

School Purchasing Programs (Cont'd)

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

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. 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.

We also 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.

Non-program foods were purchased, prepared or offered for sale. The Statement of Revenue, Expenses and Changes in Net Position in the CAFR Schedule B-5 does separate program and non-program revenue and program and non-program cost of goods sold.

Findings

- a) 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. As such, the management fee was overstated by approximately \$927. It was also noted that the catering/special events revenue reported on the F.S.M.C.'s operating statements does not agree to the District's accounting records.
- b) Net cash resources of the Food Service Fund exceeded three months' average expenditures (by approximately \$500) as of June 30, 2017. However, as the amount is minor and the District is in the process of resolving this excess, a formal recommendation is not deemed necessary.

ROXBURY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

School Food Service (Cont'd)

Recommendation

It is recommended that the meal counts and the catering/special events revenue reported on the food service management company's monthly operating statements be reconciled with the District's meal count records and accounting records, respectively.

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 and the catering/special events revenue agree to the District's accounting 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 and Jefferson Elementary Schools and the Athletics accounts, we noted certain instances where vouchers did not have the required receipt of goods signatures.
- b.) During our review of the QuickBooks general ledger for the Roxbury High School, the Kennedy Elementary School and the Nixon Elementary School accounts, it was noted that they include duplicate posting of deposits and checks and instances where checks were posted as deposits and vice versa. As a result, there are invalid reconciling items on the bank reconciliations, including "balance adjustments" that incorrectly change the cash balance.

Recommendations

- a.) It is recommended that receipt of goods signature be obtained for all student activities and athletics purchases.
- b.) It is recommended that QuickBooks training be provided to student activities account custodians to ensure that all entries are properly posted in QuickBooks and bank reconciliations are prepared correctly.

Management's Response

The District will provide additional training to staff responsible for student activities and procedures will be implemented to ensure that receipt of goods signatures are obtained.

ROXBURY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

Application for State School Aid

Our audit procedures included a test of information reported in the October 14, 2016 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 one 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's written procedures for the recording of student enrollment data appear to be adequate.

Pupil Transportation

Our audit procedures included a test of on-roll status reported on the 2016-2017 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. 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

Although the District was able to obtain the services of an independent capital assets appraisal company to update its capital assets inventory records for the fiscal year ended June 30, 2017, it was noted that there are existing capital assets and certain prior year and current year additions and disposals of capital assets that the independent capital assets appraisal company did not reflect in their report. However, the District provided a list of current year capital assets additions and deletions, which have been included in their district-wide financial statements. The District has contacted the independent capital assets appraisal company regarding these discrepancies and company is in the process of adjusting the capital assets records.

Recommendation

It is recommended that the District continues to work with the capital assets appraisal company to accurately update the capital assets inventory records.

Management's Response

The District will continue to work with the capital assets appraisal company to update its capital assets inventory records.

ROXBURY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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.

Management Suggestions

SDA Expenditure Requests

As a number of school districts have experienced difficulties in receiving reimbursement from the School Development Authority ("SDA") and as the District has four of its six School Development Authority ("SDA") grant projects completed as of June 30, 2017, 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 No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which will be effective for the fiscal year ending June 30, 2018. This standard replaces GASB No. 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*, 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.

Student Activities

It has recently been determined that School District personnel may not be completely aware of the limitations and restrictions on the use of Student Activity Funds. We believe it is important that the District be aware that any pupil organization which is part of the activity program of the School District, places at least indirect responsibility for supervision and control of that organization with the Board of Education. We suggest that the Board formally approve each school club or activity. As directed by the New Jersey Department of Education, collections related to fund raising for outside organizations should not be maintained in the District's Student Activity Funds.

Additionally, the District should ensure that District-wide standard policies and procedures are implemented for all Student Activity Funds. These policies should indicate the student activities funds are to be utilized for the benefit of the student activity or club and not to be utilized for enhancement of instructional programs or school facilities. The District should at least at a minimum communicate to school personnel on an annual basis the District's policies and procedures regarding Student Activity Funds. We suggest that these policies include guidance regarding timely deposits of funds and the safeguarding of funds prior to deposit as well as the appropriate purchasing guidelines for student activities disbursements.

ROXBURY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

Follow-up on Prior Year Findings/Recommendations

The prior year recommendations regarding segregation of capital projects in the District's accounting records, cancellation of old reconciling items on the General account bank reconciliation, reconciliation of state approved grant award/budget and reconciliation of the number of private school for the disabled reported on the A.S.S.A. have been resolved. Although the prior year recommendation regarding the reconciliation of the meal counts reported of the F.S.M.C.'s operating statement has improved, it has not been completely resolved. The prior year recommendation regarding the update of the capital assets inventory records has not been resolved.

ROXBURY TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF AUDITED ENROLLMENT
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 14, 2016

	2017-2018 Application for State School Aid				Sample for Verification					
	Reported on		Reported on		Sample		Verified per		Errors per	
	ASSA		Workpapers		Selected from		Registers		Registers	
	On Roll	On Roll	On Roll	On Roll	Full	Shared	Full	Shared	Full	Shared
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Kindergarten	195		195		195		195			
Grade One	220		220		220		220			
Grade Two	198		198		198		198			
Grade Three	213		213		213		213			
Grade Four	204		204		204		204			
Grade Five	228		228		228		228			
Grade Six	209		209		209		209			
Grade Seven	244		244		244		244			
Grade Eight	273		273		273		273			
Grade Nine	268		268		268		268			
Grade Ten	299		299		299		299			
Grade Eleven	290	11	291	11	291	11	291	11	11	
Grade Twelve	265	9	265	9	265	9	265	9	9	
Subtotal	3,106	20	3,107	20	3,107	20	3,107	20	20	
Special Education:										
Elementary School	136		136		7		7		7	
Middle School	102		102		6		6		6	
High School	217	9	216	9	12		12		12	
Subtotal	455	9	454	9	25		25		25	
Totals	3,561	29	3,561	29	3,132	20	3,132	20	20	-0-
Percentage Error										0.00%

ROXBURY TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF AUDITED ENROLLMENT
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 14, 2016

	Private Schools for Handicapped					Resident Low Income					
	Reported on ASSA Private Schools	Reported on Workpapers as Private Schools	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
Full Day Kindergarten											
Grade One						22.0	22.0		1	1	
Grade Two						32.0	31.0	1.0	2	2	
Grade Three						24.0	24.0		1	1	
Grade Four						27.0	27.0		1	1	
Grade Five						29.0	29.0		2	1	1.0
Grade Six						39.0	39.0		2	2	
Grade Seven						24.0	24.0		1	1	
Grade Eight						27.0	27.0		2	2	
Grade Nine						30.0	30.0		2	2	
Grade Ten						26.0	26.0		1	1	
Grade Eleven						33.0	33.0		2	2	
Grade Twelve						23.0	23.0		1	1	
Subtotal						26.5	26.5		1	1	
						362.5	361.5	1.0	19	18	1.0
Special Education:											
Elementary School	4	4	1	1		32.0	32.0		2	2	
Middle School	9	9	1	1		28.0	28.0		2	2	
High School	17	17	3	3		37.5	37.5		2	2	
Subtotal	30	30	5	5		97.5	97.5		6	6	
Totals	30	30	5	5	-0-	460.0	459.0	1.0	25	24	1.0
Percentage Error					0.00%			0.22%			4.00%

ROXBURY TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF AUDITED ENROLLMENT
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 14, 2016

	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	Verified to Application and Register	Sample Selected from Workpapers	Reported on ASSA as LEP NOT Low Income	Reported on Workpapers as LEP NOT Low Income	Sample Selected from Workpapers
Full Day Kindergarten	6	6	1	1	7	7	1	1
Grade One	3	3	1	1	6	6	1	1
Grade Two	3	3			3	3		
Grade Three	3	3	1	1	7	7	1	1
Grade Four	2	2			1	1		
Grade Five					1	1		
Grade Six	1	1	1	1	2	2		
Grade Seven								
Grade Eight					1	1		
Grade Nine					2	2	1	1
Grade Ten	3	3			1	1		
Grade Eleven	3	3	1	1	2	2	1	1
Grade Twelve								
Subtotal	24	24	5	5	33	33	5	5
Special Education: Elementary School	2	2			1	1		
Subtotal	2	2			1	1		
Totals	26	26	5	5	34	33	5	5
Percentage Error			0.00%	0.00%			2.94%	0.00%

ROXBURY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2016

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	1,425.0	1,425.0		18	18	
Regular - Special Education	248.5	248.5		3	3	
Transported - Non Public	62.0	62.0		1	1	
AIL - Non Public	75.0	75.0		1	1	
Special Needs - Public	56.5	56.5		1	1	
Special Needs - Private	29.0	29.0		1	1	
Totals	<u>1,896.0</u>	<u>1,896.0</u>	<u>-0-</u>	<u>25</u>	<u>25</u>	<u>-0-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>
				Reported	Re- calculated	
Average Mileage - Regular Including Grade PK Students				4.50	4.50	
Average Mileage - Regular Excluding Grade PK Students				4.50	4.50	
Average Mileage - Special Education with Special Needs				11.00	11.00	

ROXBURY TOWNSHIP SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2017

EXCESS SURPLUS CALCULATION

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2016-17 Total General Fund Expenditures per the CAFR, Ex. C-1	<u>\$ 76,766,152</u>	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ 138,434</u>	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ 2,124,640</u>	(B1b)
Transfer from General Fund to SRF for PreK-Regular	<u>\$ -0-</u>	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	<u>\$ -0-</u>	(B1d)
Decreased by:		
On-Behalf TPAF Pension and Social Security	<u>\$ 8,063,002</u>	(B2a)
Assets Acquired Under Capital Leases	<u>\$ 676,571</u>	(B2b)
Adjusted 16-17 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 70,289,653</u>	(B3)
2% of Adjusted 2016-17 General Fund Expenditures [(B3) times .02]	<u>\$ 1,405,793</u>	(B4)
Enter Greater of (B4) or \$250,000	<u>\$ 1,405,793</u>	(B5)
Increased by: Allowable Adjustment	<u>\$ 110,640</u>	(K)
Maximum Unassigned Fund Balance [(B5)+(K)]		<u>\$ 1,516,433</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6/30/17 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 10,893,654</u>	(C)
Decreased by:		
Year End Encumbrances	<u>\$ 643,917</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u>	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 1,540,967</u>	(C3)
Other Restricted/Reserved Fund Balances	<u>\$ 6,492,337</u>	(C4)
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u>	(C5)
Additional Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures 7/1/17-8/1/17	<u>\$ -0-</u>	(C6)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]		<u>\$ 2,216,433</u> (U1)

ROXBURY TOWNSHIP SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

SECTION 3

Restricted Fund Balance - Excess Surplus [(U2)-(M)] IF NEGATIVE, ENTER -0- \$ 700,000 (E)

Recapitulation of Excess Surplus as of June 30, 2017

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 1,540,967 (C3)</u>
Restricted Excess Surplus [(E)]	<u>\$ 700,000 (E)</u>
Fund Balance Restricted for 2016-17 per S1701	<u>\$ -0- (F)</u>
 Total [(C3)+(E)+(F)]	 <u><u>\$ 2,240,967 (D)</u></u>

Detail of Allowable Adjustments

Impact Aid	<u>\$ -0- (H)</u>
Sale and Lease Back	<u>\$ -0- (I)</u>
Extraordinary Aid	<u>\$ 89,222 (J1)</u>
Additional Nonpublic School Transportation Aid	<u>\$ 21,418 (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><u>\$ 110,640 (K)</u></u>

Detail of Other Restricted Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	<u>\$ -0-</u>
Sale/lease-back reserve	<u>\$ -0-</u>
Capital reserve	<u>\$ 4,121,009</u>
Maintenance reserve	<u>\$ 2,316,328</u>
Emergency reserve	<u>\$ 55,000</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	 <u>\$ -0-</u>
 Total Other Restricted Fund Balance	 <u><u>\$ 6,492,337 (C4)</u></u>

ROXBURY TOWNSHIP SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2017

It is recommended that:

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
None
3. School Purchasing Program
None
4. School Food Service
 - a) The meal counts and the catering/special events revenue reported on the food service management company's monthly operating statements be reconciled with the District's meal count records and accounting records, respectively.
5. Student Body Activities
 - a) Receipt of goods signature be obtained for all student activities and athletics purchases.
 - b) QuickBooks training be provided to student activities account custodians to ensure that all entries are properly posted in QuickBooks and bank reconciliations are prepared correctly.
6. Application for State School Aid
None
7. Pupil Transportation
None
8. Facilities and Capital Assets
 - a) The District continues to work with the capital assets appraisal company to accurately update the capital assets inventory records.
9. Travel Expense and Reimbursement Policy
None
10. Status of Prior Year's Finding/Recommendation

The prior year recommendations regarding segregation of capital projects in the District's accounting records, cancellation of old reconciling items on the General account bank reconciliation, reconciliation of state approved grant award/budget and reconciliation of the number of private school for the disabled reported on the A.S.S.A. have been resolved. Although the prior year recommendation regarding the reconciliation of the meal counts reported of the F.S.M.C.'s operating statement has improved, it has not been completely resolved. The prior year recommendation regarding the update of the capital assets inventory records has not been resolved.