

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MORRIS  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2018

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MORRIS  
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2018  
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January 18, 2019

The Honorable President and Members  
of the Board of Education  
Township of Randolph 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 basic financial statements of the Board of Education of the Township of Randolph School District in the County of Morris for the fiscal year ended June 30, 2018, and have issued our report thereon dated January 18, 2019.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents. This letter does not affect our report dated January 18, 2019, on the financial statements of the Board.

We will review the status of our suggestions, comments and recommendations during our next audit engagement. We have already discussed the suggestions, comments and recommendations 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 suggestions or recommendations.

This report is intended solely for the information and use of the Township of Randolph School District's Board of Education, 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*  
NISIVOCCIA LLP

*Francis Jones of Nisivoccia LLP*  
Francis Jones  
Licensed Public School Accountant #1154  
Certified Public Accountant

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2018

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, the activities of the Board of Education and the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

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> |
|---------------|----------------------------------|-----------------|
| Gerald Eckert | Business Administrator           | \$ 420,000      |
| Eric Burnside | Assistant Business Administrator | 420,000         |

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 did not indicate any discrepancies with respect to signatures, 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 were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/School Business Administrator and the Chief School Administrator. The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents and business administrator) to the New Jersey Department of Treasury was filed in a timely manner.

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.

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. As a result of the procedures performed, a transaction error rate of 0% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

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.

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

The E.S.E.A. financial exhibits are contained 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 and VI of the Elementary and Secondary Education Act as amended and reauthorized.

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 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 bi-weekly reimbursement forms filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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, 2018. 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 \$19,000 for 2017-18.

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

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

Student Body Activities

In planning and performing our audit of the financial statements of the District, 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 no comments except as noted herein.

Finding

- 1) During our review of the student athletics account, it was noted that gate tickets are not being issued in sequential order and the adult and students gate tickets were not always issued to the proper individual.

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

Student Body Activities (Cont'd)

Finding (Cont'd)

- 2) During our review of the student activities accounts, it was noted that there were checks written to cash from the Center Grove School account.
- 3) During our review of the student activity accounts, it was noted that several accounts have deposits in transit and/or outstanding checks over a year old. However, since the corrective action has been taken, a formal recommendation is not deemed necessary.

Recommendation

- 1) It is recommended that gate tickets be issued in sequential order and adult and student gate tickets be issued to the proper individual.
- 2) It is recommended that all checks from the Center Grove School student activities account be written to vendors only.

Management Response

- 1) The District will ensure that gate tickets are issued in sequential order and adult and student gate tickets are issued to the proper individual. The Athletic Department is in the middle of a complete turnover of staff. The District's new Athletic Director started on October 22, 2018 and the District will develop a better procedure for the handling of gate receipts.
- 2) The District will ensure that checks written from the Center Grove School student activities account are written to vendors only.

Application for State School Aid

Our audit procedures included a test of information reported in the October 13, 2017 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low income students and bilingual students. 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 minor exceptions. The information that was included on the workpapers was verified on a test basis with minor 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 has adequate written procedures for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2017-2018 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with minor exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.



RANDOLPH TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

Pupil Transportation (Cont'd)

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

There were no active facilities projects funded with SDA grants during the current fiscal year.

Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal policy and procedures pertaining to travel and expense reimbursements for its employee and board members. The regulations require the District to establish a maximum travel amount for the year and to ensure that the maximum is not exceeded. The regulations also require that all travel be preapproved by the Board of Education and the Superintendent and that the approval must be itemized by event, event total cost, and individuals attending.

Testing for Lead of All Drinking Water in Educational Facilities

The District did submit the annual Statement of Assurance to the NJ Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

Management Suggestions

System and Organization Controls

Many school districts contract with service providers to perform functions such as the processing of payroll and provision of food service management services. In conjunction with these services, the service provider will engage an auditor to perform a SOC 1 (System and Organization Controls) engagement which results in a SOC 1 report. There are two different types of SOC 1 reports - a Type 1 and a Type 2 report. Both report on the fairness of the presentation of management's description of the service organization's system and the design of the controls to achieve the related control objectives. The Type 1 report is through a specific period. The Type 2 report also reviews the operating effectiveness of the controls included in the description throughout a specified period. Included in the Type 2 report will be the individual controls, what was tested and the results of the testing.

We suggest that the District review these SOC 1 reports to determine if there are any exceptions noted in the opinion in the Independent Auditors' Report. Additionally, for SOC 1 Type 2 reports we suggest that the District review the test results related to the individual control testing to determine if there were any exceptions noted. If exceptions are noted in the report the District should contact the service provider and inquire what steps the service provider is taking to address these exceptions.

Status of Prior Year's Findings/Recommendations

The prior year recommendation regarding greater care in reporting students on the District Report of Transported Resident Students (DRTRS) has been resolved.

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF AUDITED ENROLLMENT  
 APPLICATION FOR STATE SCHOOL AID SUMMARY  
 ENROLLMENT AS OF OCTOBER 13, 2017

|                                | 2017-2018 Application for State School Aid |        |             |        |        |        | Sample for Verification |        |              |        |            |        |
|--------------------------------|--|--------|-------------|--------|--------|--------|-------------------------|--------|--------------|--------|------------|--------|
|                                | Reported on                                |        | Reported on |        | Errors |        | Sample                  |        | Verified per |        | Errors per |        |
|                                | On Roll                                    | Shared | On Roll     | Shared | Full   | Shared | Full                    | Shared | Full         | Shared | Full       | Shared |
| Half Day Preschool 3 Years Old | 14   |        | 14          |        |        |        | 14                      |        | 14           |        |            |        |
| Half Day Preschool 4 Years Old | 18   |        | 18          |        |        |        | 18                      |        | 18           |        |            |        |
| Full Day Kindergarten          | 294  |        | 294         |        |        |        | 294                     |        | 294          |        |            |        |
| Grade One                      | 269  |        | 269         |        |        |        | 269                     |        | 269          |        |            |        |
| Grade Two                      | 269  |        | 269         |        |        |        | 269                     |        | 269          |        |            |        |
| Grade Three                    | 267  |        | 267         |        |        |        | 267                     |        | 267          |        |            |        |
| Grade Four                     | 290  |        | 290         |        |        |        | 290                     |        | 290          |        |            |        |
| Grade Five                     | 278  |        | 278         |        |        |        | 278                     |        | 278          |        |            |        |
| Grade Six                      | 286  |        | 286         |        |        |        | 286                     |        | 286          |        |            |        |
| Grade Seven                    | 312  |        | 312         |        |        |        | 312                     |        | 312          |        |            |        |
| Grade Eight                    | 359  |        | 359         |        |        |        | 359                     |        | 359          |        |            |        |
| Grade Nine                     | 330  |        | 330         |        |        |        | 330                     |        | 330          |        |            |        |
| Grade Ten                      | 345  |        | 345         |        |        |        | 345                     |        | 345          |        |            |        |
| Grade Eleven                   | 325  |        | 325         |        |        |        | 325                     |        | 325          |        |            |        |
| Grade Twelve                   | 373  |        | 373         |        |        |        | 373                     |        | 373          |        |            |        |
| Subtotal                       | 4,029                                      |        | 4,029       |        |        |        | 4,029                   |        | 4,029        |        |            |        |
| Special Education:             |  |        |             |        |        |        |                         |        |              |        |            |        |
| Elementary School              | 244  |        | 244         |        |        |        | 9                       |        | 9            |        |            |        |
| Middle School                  | 181  |        | 181         |        |        |        | 8                       |        | 8            |        |            |        |
| High School                    | 243  | 5      | 243         | 5      |        |        | 6                       |        | 6            | 2      |            |        |
| Subtotal                       | 668  | 5      | 668         | 5      |        |        | 25                      |        | 23           | 2      |            |        |
| Totals                         | 4,697                                      | 5      | 4,697       | 5      |        |        | 4,054                   |        | 4,052        | 2      |            | -0-    |
| Percentage Error               |  |        |             |        | 0.00%  |        |                         |        |              | 0.05%  |            | 0.00%  |

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 13, 2017

|                       | Private Schools for Handicapped     |                         |                 |               | Resident Low Income            |                                      |        |                                 |                                      |               |
|-----------------------|-------------------------------------|-------------------------|-----------------|---------------|--------------------------------|--------------------------------------|--------|---------------------------------|--------------------------------------|---------------|
|                       | Reported on ASSA 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                             | 22                                   |        | 1                               | 1                                    |               |
| Grade Two             |                                     |                         |                 |               | 23                             | 22                                   | -1     | 2                               | 2                                    |               |
| Grade Three           |                                     |                         |                 |               | 15                             | 15                                   |        | 1                               | 1                                    |               |
| Grade Four            |                                     |                         |                 |               | 19                             | 19                                   |        | 2                               | 2                                    |               |
| Grade Five            |                                     |                         |                 |               | 21                             | 21                                   |        | 2                               | 2                                    |               |
| Grade Six             |                                     |                         |                 |               | 26                             | 26                                   |        | 1                               | 1                                    |               |
| Grade Seven           |                                     |                         |                 |               | 23                             | 23                                   |        | 3                               | 3                                    |               |
| Grade Eight           |                                     |                         |                 |               | 31                             | 31                                   |        | 2                               | 2                                    |               |
| Grade Nine            |                                     |                         |                 |               | 18                             | 18                                   |        | 3                               | 3                                    |               |
| Grade Ten             |                                     |                         |                 |               | 24                             | 24                                   |        | 3                               | 3                                    |               |
| Grade Eleven          |                                     |                         |                 |               | 23                             | 23                                   |        | 1                               | 1                                    |               |
| Grade Twelve          |                                     |                         |                 |               | 11                             | 11                                   |        | 3                               | 3                                    |               |
| Subtotal              |                                     |                         |                 |               | 26                             | 26                                   |        | 1                               | 1                                    |               |
|                       |                                     |                         |                 |               | 282                            | 281                                  | -1     | 25                              | 25                                   |               |
| Special Education:    |                                     |                         |                 |               |                                |                                      |        |                                 |                                      |               |
| Elementary School     | 8                                   | 1                       | 1               |               | 31                             | 30                                   | -1     | 3                               | 3                                    |               |
| Middle School         | 6                                   | 1                       | 1               |               | 30                             | 30                                   |        | 3                               | 3                                    |               |
| High School           | 17                                  | 3                       | 3               |               | 39                             | 37                                   | -2     | 4                               | 4                                    |               |
| Subtotal              | 31                                  | 5                       | 5               |               | 100.0                          | 97.0                                 | -3     | 10                              | 10                                   |               |
| Totals                | 31                                  | 5                       | 5               | -0-           | 382                            | 378                                  | -4     | 35                              | 35                                   | -0-           |
| Percentage Error      |                                     |                         |                 | 0.00%         |                                |                                      | -1.05% |                                 |                                      | 0.00%         |

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 13, 2017

|                       | Resident LEP Low Income        |                                      |        |                                 |   |               |
|-----------------------|--------------------------------|--------------------------------------|--------|---------------------------------|---|---------------|
|                       | Reported on ASSA as Low Income | Reported on Workpapers as Low Income | Errors | Sample Selected from Workpapers | Verified to Application, Test Scores and Register | Sample Errors |
| Full Day Kindergarten | 4                              | 4                                    |        | 1                               | 1   |               |
| Grade One             | 8                              | 8                                    |        | 1                               | 1   |               |
| Grade Two             | 5                              | 5                                    |        | 1                               | 1   |               |
| Grade Three           | 6                              | 6                                    |        | 1                               | 1   |               |
| Grade Four            | 2                              | 2                                    |        | 1                               | 1   |               |
| Grade Five            | 3                              | 3                                    |        | 1                               | 1   |               |
| Grade Six             | 1                              | 1                                    |        | 1                               | 1   |               |
| Grade Seven           | 6                              | 6                                    |        | 1                               | 1   |               |
| Grade Eight           | 5                              | 5                                    |        | 1                               | 1   |               |
| Grade Nine            | 8                              | 8                                    |        | 1                               | 1   |               |
| Grade Ten             | 3                              | 3                                    |        | 1                               | 1   |               |
| Grade Twelve          | 2                              | 2                                    |        | 1                               | 1   |               |
| Subtotal              | 53                             | 53                                   |        | 12                              | 12  |               |
| Special Education:    |                                |                                      |        |                                 |   |               |
| Elementary School     | 1                              | 1                                    |        | 1                               | 1   |               |
| Middle School         | 2                              | 2                                    |        | 1                               | 1   |               |
| High School           | 1                              | 1                                    |        | 1                               | 1   |               |
| Subtotal              | 4                              | 4                                    |        | 3                               | 3   |               |
| Totals                | 57                             | 57                                   | -0-    | 15                              | 15  | -0-           |
| Percentage Error      |                                |                                      | 0.00%  |                                 |   | 0.00%         |

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 13, 2017

|                       | Resident LEP NOT Low Income            |  |        |                                 |                                      |               |
|-----------------------|--|--|--------|---------------------------------|--------------------------------------|---------------|
|                       | Reported on ASSA as LEP NOT Low Income | Reported on Workpapers as LEP NOT Low Income | Errors | Sample Selected from Workpapers | Verified to Test Scores and Register | Sample Errors |
| Full Day Kindergarten | 5                                      | 5  |        | 1                               | 1                                    |               |
| Grade One             | 8                                      | 8  |        | 1                               | 1                                    |               |
| Grade Two             | 7                                      | 7  |        | 1                               | 1                                    |               |
| Grade Three           | 4                                      | 4  |        | 1                               | 1                                    |               |
| Grade Four            | 2                                      | 2  |        | 1                               | 1                                    |               |
| Grade Five            | 2                                      | 2  |        | 1                               | 1                                    |               |
| Grade Six             | 1                                      | 1  |        | 1                               | 1                                    |               |
| Grade Seven           | 4                                      | 4  |        | 1                               | 1                                    |               |
| Grade Eight           | 4                                      | 4  |        | 1                               | 1                                    |               |
| Grade Nine            | 3                                      | 3  |        | 1                               | 1                                    |               |
| Grade Ten             | 3                                      | 3  |        | 1                               | 1                                    |               |
| Grade Eleven          | 3                                      | 3  |        | 1                               | 1                                    |               |
| Grade Twelve          | 2                                      | 2  |        | 1                               | 1                                    |               |
| Subtotal              | 48                                     | 48   |        | 13                              | 13                                   |               |
| Special Education:    |  |  |        |                                 |                                      |               |
| High School           | 1                                      | 1  |        | 1                               | 1                                    |               |
| Subtotal              | 1                                      | 1  |        | 1                               | 1                                    |               |
| Totals                | 49                                     | 49   | -0-    | 14                              | 14                                   | -0-           |
| Percentage Error      |  |  | 0.00%  |                                 |                                      | 0.00%         |

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 13, 2017

|                             | Transportation                 |                                     |            |           |           |          |
|-----------------------------|--------------------------------|-------------------------------------|------------|-----------|-----------|----------|
|                             | Reported<br>on DRTRS<br>by DOE | Reported<br>on DRTRS<br>by District | Errors     | Tested    | Verified  | Errors   |
| Regular - Public Schools    | 2,127                          | 2,128                               | (1)        | 25        | 25        |          |
| Regular - Special Education | 386.5                          | 386.5                               |            | 25        | 23        | 2        |
| Transported - Non Public    | 89                             | 89                                  |            | 9         | 9         |          |
| AIL - Non Public            | 137                            | 137                                 |            | 14        | 12        | 2        |
| Special Needs - Public      | 100.5                          | 100.5                               |            | 10        | 10        |          |
| Special Needs - Private     | 28                             | 28                                  |            | 5         | 5         |          |
| <b>Totals</b>               | <b>2,868</b>                   | <b>2,869</b>                        | <b>(1)</b> | <b>88</b> | <b>84</b> | <b>4</b> |
| Percentage Error            |                                |                                     | -0.03%     |           |           | 4.55%    |

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FISCAL YEAR ENDED JUNE 30, 2018

**EXCESS SURPLUS CALCULATION**

**Section 1 - REGULAR DISTRICT**

|   |                          |                             |
|---|--------------------------|-----------------------------|
| 2017-18 Total General Fund Expenditures per the CAFR                  | <u>\$ 100,046,878</u>    | (B)                         |
| Increased by:   |                          |                             |
| Transfer from Capital Outlay to Capital Projects Fund                 | _____                    | (B1a)                       |
| Transfer from Capital Reserve to Capital Projects Fund                | _____                    | (B1b)                       |
| Decreased by:   |                          |                             |
| On-Behalf TPAF Pension and Social Security                            | <u>\$ 11,622,961</u>     | (B2a)                       |
| Assets Acquired Under Capital Leases                                  | <u>\$ 2,070,000</u>      | (B2b)                       |
| <br>Adjusted 17-18 General Fund Expenditures [(B) + (B1's) - (B2's)]  | <br><u>\$ 86,353,917</u> | <br>(B3)                    |
| <br>2% of Adjusted 2017-18 General Fund Expenditures [(B3) times .02] | <br><u>\$ 1,727,078</u>  | <br>(B4)                    |
| Enter Greater or (B4) or \$250,000                                    | <u>\$ 1,727,078</u>      | (B5)                        |
| Increased by: Allowable Adjustment                                    | <u>\$ 320,430</u>        | (K)                         |
| <br>Maximum Unassigned Fund Balance [(B5) + (K)]                      |                          | <br><u>\$ 2,047,508</u> (M) |

**Section 2**

|  |                      |                              |
|--|----------------------|------------------------------|
| Total General Fund - Fund Balances @ 6/30/18   | <u>\$ 11,797,210</u> | (C)                          |
| (Per CAFR Budgetary Comparison Schedule C-1)   |                      |                              |
| Decreased by:  |                      |                              |
| Year - End Encumbrances  | <u>\$ 723,104</u>    | (C1)                         |
| Legally Restricted - Designated for Subsequent Year's Expenditures   | <u>\$ -0-</u>        | (C2)                         |
| Excess Surplus - Designated for Subsequent Year's Expenditures   | <u>\$ 833,306</u>    | (C3)                         |
| Other Restricted Fund Balances   | <u>\$ 7,028,137</u>  | (C4)                         |
| Assigned - Designated for Subsequent Year's Expenditures   | <u>\$ -0-</u>        | (C5)                         |
| Additional Assigned Fund Balance - Unreserved - Designated for<br>Subsequent Year's Expenditures 7/1/18-8/1/18 | <u>\$ -0-</u>        | (C6)                         |
| <br>Total Unassigned Fund Balance [(C) - (C1) - (C2) - (C3) - (C4) - (C5) - (C6)]                              |                      | <br><u>\$ 3,212,663</u> (U1) |

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

**EXCESS SURPLUS CALCULATION**

**Section 3**

|   |                         |
|---|-------------------------|
| Restricted Fund Balance - Excess Surplus [(U1 - (M))<br>IF NEGATIVE, ENTER \$ - 0 - | <u>\$ 1,165,155 (E)</u> |
|---|-------------------------|

**Recapitulation of Excess Surplus as of June 30, 2018**

|   |                         |
|---|-------------------------|
| Restricted Excess Surplus - Designated for Subsequent Year's Expenditures | <u>\$ 833,306 (C3)</u>  |
| Restricted Excess Surplus [(E)]   | <u>\$ 1,165,155 (E)</u> |

|                    |                         |
|--------------------|-------------------------|
| Total [(C3) + (E)] | <u>\$ 1,998,461 (D)</u> |
|--------------------|-------------------------|

**Detail of Allowable Adjustments**

|   |                           |
|---|---------------------------|
| Impact Aid                                      | <u>\$ -0- (H)</u>         |
| Sale and Lease-Back                             | <u>\$ -0- (I)</u>         |
| Extraordinary Aid                               | <u>\$ 258,899 (J1)</u>    |
| Additional Nonpublic School Transportation Aid  | <u>\$ 61,531 (J1)</u>     |
| <br>Total Adjustments [(H) + (I) + (J1) + (J2)] | <br><u>\$ 320,430 (K)</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>\$ 6,253,019</u>          |
| Maintenance Reserve                           | <u>\$ 775,118</u>            |
| Emergency Reserve                             | <u>\$ -0-</u>                |
| Tuition Reserve                               | <u>\$ -0-</u>                |
| Other State/Governmental Mandated Reserve     | <u>\$ -0-</u>                |
| Other Restricted Fund Balance not Noted Above | <u>\$ -0-</u>                |
| <br>Total Other Restricted Fund Balance       | <br><u>\$ 7,028,137 (C4)</u> |



RANDOLPH TOWNSHIP SCHOOL DISTRICT  
SUMMARY OF RECOMMENDATIONS  
FISCAL YEAR ENDED JUNE 30, 2018

It is recommended that:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Program

None

4. School Food Service

None

5. Student Body Activities

1) Gate tickets be issued in sequential order and adult and student gate tickets be issued to the proper individual.

2) All checks from the Center Grove School student activities account be written to vendors only.

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Status of Prior Year's Findings/Recommendations

The prior year recommendation regarding greater care in reporting students on the District Report of Transported Resident Students (DRTRS) has been resolved.