

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

ROXBURY 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
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, 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.

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, 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, 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	\$ 355,000
Patricia Wilson	School Business Administrator/Board Secretary	100,000
Joseph Mondanaro	Assistant School Business Administrator/Board Secretary	100,000

The District has Employee Dishonesty and Faithful Performance coverage through the Western Surety Company and RLI Insurance Company 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, 2018
(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.

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, Title II, Title III, Title III Immigrant and Title IV of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for the E.S.E.A. 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, 2018
(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, 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.

As per N.J.S.A. 18A:18A-3, the Board passed a resolution 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
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2018
(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.

Finding

The catering/special events revenue reported on the food service management company's ("F.S.M.C.'s") operating statements does not agree to the District's accounting records. However, as the District has contracted with a new F.S.M.C. as of 7/1/18 and has implemented procedures to require prior approval of catering events through the board office, a formal recommendation is not deemed necessary.

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.

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

Student Body Activities (Cont'd)

Findings

- a.) During our review of claims for the Roxbury High School, Eisenhower Middle School and Lincoln Roosevelt Elementary School accounts, we noted certain instances where payments were made for purchases or events not related to student activities; such as teacher retirement party, teacher appreciations and agenda books.
- b.) During our review of claims for the Kennedy Elementary School account, we noted certain instances where vouchers did not have the required advisor, principal and/or receipt of goods signatures.
- c.) The year-end bank reconciliations for the Roxbury High School, Eisenhower Middle School and Lincoln Roosevelt Elementary School accounts have older reconciling items. However, as the District has cancelled a portion of older reconciling items during the year and is the process of cancelling the remaining items, a formal recommendation is not deemed necessary.

Recommendations

- a.) It is recommended that extra care be taken to ensure that only expenses relating to student activities be paid from the Roxbury High School, Eisenhower Middle School and Lincoln Roosevelt Elementary School accounts.
- b.) It is recommended that the required advisor, principal and/or receipt of goods signatures be obtained for all Kennedy Elementary School student activities purchases.

Management's Response

The District will carefully review purchases through the student activities accounts for allowable expenses and procedures will be implemented to ensure that all required signatures are obtained.

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 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 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's written procedures for the recording of student enrollment data appear to be adequate.

Finding

LEP low income students were inadvertently double counted in the resident low income category on the ASSA.

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

Application for State School Aid (Cont'd)

Recommendation

It is recommended that extra care be taken to ensure that the number of resident low income students reported on the A.S.S.A. is accurate.

Management's Response

The District will take extra care to ensure the correct number of resident low income students are reported on the A.S.S.A.

Pupil Transportation

Our audit procedures included a test of on-roll status reported on the 2017-2018 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. 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.

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.

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).

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

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, 2018, we suggest that the District apply for reimbursement for any funds that are available for reimbursement as soon as possible.

System and Organization Controls Reports

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.

Follow-up on Prior Year Findings/Recommendations

The prior year recommendations regarding reconciliation of revenue numbers reported on the F.S.M.S.'s operating statement to the District's accounting records, providing QuickBooks training to student activities custodians and reconciliation of capital assets inventory records have been resolved. Although the prior year recommendation regarding the receipt of goods signatures for student activities purchases has improved, it has not been completely resolved.

ROXBURY 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 ASOA as Private Schools	Reported on Workpapers as Private Schools	Sample for Verification	Sample Verified	Sample Errors	Reported on ASOA as Low Income	Reported on Workpapers as Low Income	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten										
Grade One						31.0	31.0	2	2	
Grade Two						26.0	22.0		2	4.0
Grade Three						33.0	31.0	1	1	2.0
Grade Four						27.0	21.0	1	1	6.0
Grade Five						29.0	30.0	2	2	(1.0)
Grade Six						34.0	30.0	2	2	4.0
Grade Seven						34.0	28.0	1	1	6.0
Grade Eight						29.0	24.0	2	2	5.0
Grade Nine						34.0	29.0	2	2	5.0
Grade Ten						34.0	32.0	1	1	2.0
Grade Eleven						30.0	34.0	2	2	(4.0)
Grade Twelve						28.5	29.5			(1.0)
Subtotal						389.0	360.5	19	19	28.5
Special Education:										
Elementary School	4	4	1	1		41.0	41.0	1	1	
Middle School	8	8	1	1		25.0	22.0	2	2	3.0
High School	22	22	3	3		31.0	32.0	3	3	(1.0)
Subtotal	34	34	5	5		97.0	95.0	6	6	2.0
Totals	34	34	5	5	-0-	486.0	455.5	25	25	30.5
Percentage Error					0.00%					6.28%
										0.00%

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

	LEP Low Income				LEP NOT Low Income				
	Reported on ASOA as LEP Low Income	Reported on Workpapers as LEP Low Income	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on ASOA as LEP NOT Low Income	Reported on Workpapers as LEP NOT Low Income	Sample Selected from Workpapers	Verified to Application and Register
Full Day Kindergarten	6	6				5	5		
Grade One	6	6	1	1		5	5		
Grade Two	3	3			3	3	3		
Grade Three	2	2			3	3	3		
Grade Four	3	3	1	1		7	7	1	1
Grade Five	1	1	1	1		3	3	1	1
Grade Six	1	1	1	1					
Grade Seven	2	2			2	2	2		
Grade Eight	2	2							
Grade Nine	3	3	1	1		3	3		
Grade Ten	1	1			1	1	1		
Grade Eleven	1	2				3	4		(1)
Grade Twelve	3	3				3	3		
Subtotal	34	35	5	5		38	39	2	2
Special Education:									
Elementary School	4	4				2	2		
Subtotal	4	4				2	2		
Totals	38	39	(1)	5	-0-	40	39	1	2
Percentage Error			-2.63%		0.00%			2.50%	0.00%

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

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	1,399	1,399		18	18	
Regular - Special Education	255	255		3	3	
Transported - Non Public	59	59		1	1	
AIL - Non Public	36	36		1	1	
Special Needs - Public	133	133		1	1	
Special Needs - Private	28	28		1	1	
Totals	<u>1,910</u>	<u>1,910</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	4.20	4.20
Average Mileage - Regular Excluding Grade PK Students	4.20	4.20
Average Mileage - Special Education with Special Needs	6.70	6.70

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

		2018-2019 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	Full	Shared
	3					3							
Half Day Preschool 3 Year Olds													
Half Day Kindergarten													
Grade One	219		219					219		219			
Grade Two	199		199					199		199			
Grade Three	225		225					225		225			
Grade Four	202		202					202		202			
Grade Five	216		216					216		216			
Grade Six	212		212					212		212			
Grade Seven	233		233					233		233			
Grade Eight	219		219					219		219			
Grade Nine	246		246					246		246			
Grade Ten	288		288					288		288			
Grade Eleven	266		266					266		266			
Grade Twelve	284	9	284	9				284	9	284	9		
Subtotal	297	11	297	11				297	11	297	11		
	3,109	20	3,106	20		3		3,106	20	3,106	20		
Special Education:													
Elementary School	154		154					7		6		1	
Middle School	87		87					6		6			
High School	218	13	218	13				12		12			
Subtotal	459	13	459	13				25		24		1	
Totals	3,568	33	3,565	33		3		3,131	20	3,130	20	1	-0-
Percentage Error						0.08%						0.03%	0.00%

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

EXCESS SURPLUS CALCULATION

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2017-18 Total General Fund Expenditures per the CAFR, Ex. C-1	<u>\$ 77,912,686</u>	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ 150,000</u>	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ 2,605,826</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>\$ 8,792,537</u>	(B2a)
Assets Acquired Under Capital Leases	<u>\$ 734,977</u>	(B2b)
Adjusted 17-18 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 71,140,998</u>	(B3)
2% of Adjusted 2017-18 General Fund Expenditures [(B3) times .02]	<u>\$ 1,422,820</u>	(B4)
Enter Greater of (B4) or \$250,000	<u>\$ 1,422,820</u>	(B5)
Increased by: Allowable Adjustment	<u>\$ 526,425</u>	(K)
Maximum Unassigned Fund Balance [(B5)+(K)]		<u>\$ 1,949,245</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6/30/18 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 13,896,195</u>	(C)
Decreased by:		
Year End Encumbrances	<u>\$ 565,312</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>\$ 700,000</u>	(C3)
Other Restricted/Reserved Fund Balances	<u>\$ 8,227,593</u>	(C4)
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ 27,536</u>	(C5)
Additional Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures 7/1/18-8/1/18	<u>\$ -0-</u>	(C6)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]		<u>\$ 4,375,754</u> (U1)

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

SECTION 3

Restricted Fund Balance - Excess Surplus [(U2)-(M)] IF NEGATIVE, ENTER -0- \$ 2,426,509 (E)

Recapitulation of Excess Surplus as of June 30, 2018

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 700,000 (C3)
Restricted Excess Surplus [(E)]	<u>\$ 2,426,509</u> (E)
Fund Balance Restricted for 2017-18 per S1701	<u>\$ -0-</u> (F)
 Total [(C3)+(E)+(F)]	 <u>\$ 3,126,509</u> (D)

Detail of Allowable Adjustments

Impact Aid	\$ -0- (H)
Sale and Lease Back	<u>\$ -0-</u> (I)
Extraordinary Aid	<u>\$ 503,383</u> (J1)
Additional Nonpublic School Transportation Aid	<u>\$ 23,042</u> (J2)
Current Year School Bus Advertising Revenue Recognized	<u>\$ -0-</u> (J3)
Family Crisis Transportation Aid	<u>\$ -0-</u> (J4)
 Total Adjustments ((H)+(I)+(J1)+(J2)+(J3)+(J4))	 <u>\$ 526,425</u> (K)

Detail of Other Restricted Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	\$ -0-
Sale/lease-back reserve	<u>\$ -0-</u>
Capital reserve	<u>\$ 5,865,183</u>
Maintenance reserve	<u>\$ 2,307,410</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>\$ 8,227,593</u> (C4)

ROXBURY 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
 - a) Extra care be taken to ensure that only expenses relating to student activities be paid from the Roxbury High School, Eisenhower Middle School and Lincoln Roosevelt Elementary School accounts.
 - b) The required advisor, principal and/or receipt of goods signatures be obtained for all Kennedy Elementary School student activities purchases.
6. Application for State School Aid
 - a) Extra care be taken to ensure that the number of resident low income students reported on the A.S.S.A. is accurate.
7. Pupil Transportation
None
8. Facilities and Capital Assets
None
9. Travel Expense and Reimbursement Policy
None
10. Status of Prior Year's Finding/Recommendation

The prior year recommendations regarding reconciliation of revenue numbers reported on the F.S.M.S.'s operating statement to the District's accounting records, providing QuickBooks training to student activities custodians and reconciliation of capital assets inventory records have been resolved. Although the prior year recommendation regarding the receipt of goods signatures for student activities purchases has improved, it has not been completely resolved.