

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2020**

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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INDEPENDENT AUDITOR'S MANAGEMENT REPORT

Honorable President and Members
of the Board of Trustees
Rockaway Township School District
Hibernia, New Jersey

We have audited in accordance with generally accepted audit standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Rockaway Township School District in the County of Morris for the fiscal year ended June 30, 2020, and have issued our report thereon dated January 4, 2021.

As part of our audit, we performed procedures required by the New Jersey, Department of Education and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information of management, the Board of Trustees, others within the District and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants

Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
January 4, 2021

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 and the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on the Insurance Schedule (Exhibit J-20) contained in the district's Comprehensive Annual Financial Report (CAFR).

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Rachel DeCarlo	Board Secretary/School Business Administrator	\$300,000
Lisa Palmieri	Treasurer of School Monies	\$300,000

Financial Planning, Accounting and Reporting

Examination of Claims

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

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of payroll taxes were deposited in the Payroll Agency Account.

All payrolls tested were certified by the President of the Board and the Board Secretary/School Business Administrator and approved by the Chief School Administrator.

Salary withholdings were promptly remitted to the proper agencies, including employee health benefit premium contribution amounts withheld due to the General Fund.

The School Business Administrator completed and filed the required Certification of Compliance with Federal and State Law respecting the reporting of compensation for certain employees.

The Board has implemented and maintains a personnel tracking and accounting (Position Control) system.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Financial Planning, Accounting and Reporting (Continued)

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

Travel

The District had an approved Board travel policy as required by NJAC 6A:23A-6.13 and NJSA 18A:11-12.

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, we also selected administrative coding classifications to determine overall reliability and compliance with NJAC 6A:23A-8.3. As a result of the procedures performed, no additional procedures were deemed necessary to test the property of expenditure classification.

Board Secretary's Records

The financial records, books of account and minutes maintained by the Board Secretary were in very good condition.

Acknowledgment of the Board's receipt of the Board Secretary's and Treasurer's monthly financial reports were included in the minutes.

The prescribed contractual order system was followed.

Bids received were summarized in the minutes.

Treasurer's Records

The Treasurer did perform cash reconciliations for all District's required accounts per (NJSA 18A:17-9).

All cash receipts were promptly deposited.

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

Unemployment Compensation Insurance Trust Fund

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. The financial transactions of this fund are reported in the Fiduciary Trust Funds.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Financial Planning, Accounting and Reporting (Continued)

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 within the Special Revenue section of the CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I, Title II, Title III and Title IV of the Elementary and Secondary Education Act as amended.

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Exhibit K-3 and K-4 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. Reimbursements

Our audit procedures included a test of the semi-monthly 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.

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

The amount of the expenditure charged to the current year's final reports for all federal awards for the school district to reimburse the State for the TPAF FICA payments made by the state on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period, required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-4 state, "Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of school funds, not included within the terms of N.J.S.A. 18A:18A-3, shall be made and awarded only by the board of education after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or calculated by the Governor pursuant to N.J.S.A. 18A:18A-3 except by contract or agreement".

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. If the District's purchasing agent is qualified pursuant to subsection b. of Section 9 of P.L. 1971, c. 198 (C.40A:11-9), the Board of Education may establish the bid threshold up to the \$40,000. The District's Business Administrator is qualified and the District, by Board resolution, has increased the bid threshold to \$40,000. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$19,600.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Board 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.

The results of our examination did not indicate any individual payments, contracts, or agreements which were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of statutory thresholds where there had been no advertising for bids in accordance with the provisions of N.J.S.A. 18A:18A-4, as 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. Our examination did reveal, however, that purchases were made through the use of State contracts for the purchase of computer equipment, buses and communication equipment.

Enterprise Funds

School Food Service

In accordance with the Governor's Declaration of Emergency pertaining to COVID-19, all public, charter and non-public schools were ordered to close effective as of March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, School Food Authorities (SFA) were required to institute alternate procedures to provide meals to free and reduced price eligible students during the period of school closures.

Therefore, SFA's were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A. 18A:18A-7. The SFA's were also authorized to submit contract modifications to their existing cost reimbursable or fixed price contracts as necessary to ensure the feeding of free and reduce priced meal eligible students.

SFA's were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all free and reduced price meal eligible students during the emergency.

The school food service program was not selected as a major federal or state program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority 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.

The Statement of Revenues, Expenses, and Changes in Fund Net Position (CAFR Schedule B5) does separate program and non-program revenue and program and non-program cost of goods sold.

We also inquired of management about the emergency COVID-19 procedures/practices that the SFA instituted to provide meals to eligible students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Enterprise Funds (Continued)

School Food Service (Continued)

The financial transactions and statistical records of the school food services were maintained in good condition.

Cash receipts and bank records were reviewed for timely deposits.

The District utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the Food Service will have a minimum profit of \$30,000. The operating results provision has not been met due to COVID-19. All vendor discounts, rebates, and credits from vendors and/or FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation annually.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

Finding – Net cash resources did exceed three months average expenditures.

Recommendation – Efforts be made to reduce the net cash resources.

USDA Food Distribution Program (food and/or commodities) were received and a single inventory was maintained on a first in, first-out basis. No exceptions were noted.

The school district project maintains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds.

Summer Enrichment/After School Program

Cash receipts and bank records were reviewed for timely deposits.

Cash disbursements had proper supporting documentation.

Student Body Activities

The Board has a policy, which clearly established the regulation of student activity funds.

Cash receipts were deposited timely.

Cash disbursements had proper supporting documentation.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Application for State School Aid

Audit procedures included a test of information reported in the October 15, 2019 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. A review was performed of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers without exception. The information that was included on the workpapers was verified without exception. The results of these 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 2019-2020 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with no exceptions noted. The information that was included on the District report was verified with immaterial exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures 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 transfer of Local Funds from the General Fund or from the Capital Reserve Account, and awarding contracts for eligible facilities construction.

Miscellaneous

Testing for Lead of All Drinking Water in Educational Facilities

The school district adhered to all requirements of N.J.A.C. 26-1.2 AND 12.4 related to the testing for lead of all drinking water in educational facilities.

The school district submitted the Annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

Suggestions to Management

The fixed assets internal reporting should be updated for unrecorded assets and reconciled to the audit.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MILKS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

SCHEDULE OF MEAL COUNT ACTIVITY

NOT APPLICABLE

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE FUND
NET CASH RESOURCES SCHEDULE
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NET CASH RESOURCE SCHEDULE

Net Cash Resources:

Current Assets		
Cash & Cash Equiv.	\$	225,614
Due from Other Gov'ts		9,451
Accounts Receivable		2,061
Investments		
Current Liabilities		
Less Accounts Payable		13,985
Less Accruals		
Less Prepaid Sales		
Less Unearned Revenue		12,016
		<hr/>
Net Cash Resources	\$	211,125
		(A)

Net Adj. Total Operating Expense:

Tot. Operating Exp.	\$	639,050	
Less Depreciation		(18,514)	
		<hr/>	
Adj. Tot. Oper. Exp.	\$	620,536	(B)

Average Monthly Operating Expense:

B / 10	\$	62,054	(C)
		<hr/>	

Three times monthly Average:

3 X C	\$	186,161	(D)
		<hr/>	

TOTAL IN BOX A	\$	211,125
LESS TOTAL IN BOX D	\$	186,161
NET	\$	24,964
		<hr/>

From above:

**A is greater than D, cash exceeds 3 X average monthly operating expenses.
D is greater than A, cash does not exceed 3 X average monthly operating expenses.**

**ROCKAWAY BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2019
SCHEDULE OF AUDITED ENROLLMENTS**

	2020-21 Application for State School Aid						Sample for Verification						On Roll - Special Education			Private Schools for Disabled				
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Register On Roll		Errors per Registers On Roll		Sample for Verifi- cation	Sample Verified	Sample Errors	Reported on A.S.S.A. as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool 3 Years Old	8		8		-	-	8		8		-									
Half Day Preschool 4 Years Old	9		9		-	-	9		9		-									
Full Day Preschool 3 Years Old	-		-		-	-	-		-		-									
Full Day Preschool 4 Years Old	-		-		-	-	-		-		-									
Half Day Kindergarten	-		-		-	-	-		-		-									
Full Day Kindergarten	244		244		-	-	60		60		-									
Grade 1	183		183		-	-	34		34		-									
Grade 2	208		208		-	-	27		27		-									
Grade 3	207		207		-	-	34		34		-									
Grade 4	239		239		-	-	37		37		-									
Grade 5	213		213		-	-	45		45		-									
Grade 6	208		208		-	-	208		208		-									
Grade 7	205		205		-	-	205		205		-									
Grade 8	216		216		-	-	216		216		-									
Grade 9	-		-		-	-	-		-		-									
Grade 10	-		-		-	-	-		-		-									
Grade 11	-		-		-	-	-		-		-									
Grade 12	-		-		-	-	-		-		-									
Post- Graduate	-		-		-	-	-		-		-									
Adult High School (15+ Credits)	-		-		-	-	-		-		-									
Adult High School (1-14 Credits)	-		-		-	-	-		-		-									
Subtotal	1,940	-	1,940	-	-	-	883	-	883	-	-	-	-	-	-	-	-	-	-	-
Sp Ed - Elementary	250		250		-	-	43		43		-	38	38	-		6	5	5	-	
Sp Ed - Middle School	157		157		-	-	157		157		-	24	24	-		4	4	4	-	
Sp Ed - High School	-		-		-	-	-		-		-	-	-	-		-	-	-	-	
Subtotal	407	-	407	-	-	-	200	-	200	-	-	62	62	-		10	9	9	-	
County Vocational - Regular	-		-		-	-	-		-		-	-	-	-		-	-	-	-	
County Vocational - F.T. Post-Second	-		-		-	-	-		-		-	-	-	-		-	-	-	-	
Subtotal	-		-		-	-	-		-		-	-	-	-		-	-	-	-	
Totals	2,347	-	2,347	-	-	-	1,083	-	1,083	-	-	62	62	-		10	9	9	-	
Percentage Error					-	-					-			-		-	-	-		-

ROCKAWAY BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2019
SCHEDULE OF AUDITED ENROLLMENTS

	Low Income			Sample for Verification			Resdient LEP Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application	Sample Errors	Reported on ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected	Verified to Test Score and Register	Errors
Half Day Preschool 3 Years Old			-			-			-			-
Half Day Preschool 4 Years Old			-			-			-			-
Full Day Preschool 3 Years Old			-			-			-			-
Full Day Preschool 4 Years Old			-			-			-			-
Half Day Kindergarten			-			-			-			-
Full Day Kindergarten	27	27	-	6	6	-	5	5	-	4	4	-
Grade 1	13	13	-	3	3	-	2	2	-	2	2	-
Grade 2	15	15	-	3	3	-	2	2	-	2	2	-
Grade 3	10	10	-	2	2	-	1	1	-	1	1	-
Grade 4	25	25	-	6	6	-	3	3	-	3	3	-
Grade 5	16	16	-	3	3	-	2	2	-	2	2	-
Grade 6	19	19	-	4	4	-	3	3	-	2	2	-
Grade 7	24	24	-	5	5	-	2	2	-	2	2	-
Grade 8	12	15	(3)	3	3	-	3	3	-	2	2	-
Grade 9	-	-	-	-	-	-	-	-	-	-	-	-
Grade 10	-	-	-	-	-	-	-	-	-	-	-	-
Grade 11	-	-	-	-	-	-	-	-	-	-	-	-
Grade 12	-	-	-	-	-	-	-	-	-	-	-	-
Post- Graduate			-			-			-			-
Adult High School (15+ Credits)			-			-			-			-
Adult High School (1-14 Credits)			-			-			-			-
Subtotal	161	164	(3)	35	35	-	23	23	-	20	20	-
Sp Ed - Elementary	31	29	2	6	6	-	-	-	-	-	-	-
Sp Ed - Middle School	28	28	-	6	6	-	-	-	-	-	-	-
Sp Ed - High School	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	59	57	2	12	12	-	-	-	-	-	-	-
County Vocational - Regular			-			-			-			-
County Vocational - F.T. Post-Second			-			-			-			-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
Totals	220	221	(1)	47	47	-	23	23	-	20	20	-
Percentage Error			<u>-0.45%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	626	626	-	38	38	-
Transported - Non Public	52	52	-	3	3	-
ALL Non-Public	46	46	-	3	3	-
Regular - Special Ed	250	250	-	15	15	-
Special Needs	140	140	-	9	9	-
Totals	1,114	1,114	-	68	68	-

Percentage Error 0.00% 0.00%

**ROCKAWAY BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2019
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA as NOT Low Income	Reported on Workpapers as NOT low Income	Errors	Sample Selected From Workpapers	Verified to Application	Errors
Half Day Preschool 3 Years Old			-			-
Full Day Preschool 3 Years Old			-			-
Half Day Preschool 4 Years Old			-			-
Full Day Preschool 4 Years Old			-			-
Half Day Kindergarten			-			-
Full Day Kindergarten	2	2	-	2	2	-
Grade 1	2	2	-	2	2	-
Grade 2	1	1	-	1	1	-
Grade 3	2	2	-	2	2	-
Grade 4	1	1	-	1	1	-
Grade 5	3	3	-	2	2	-
Grade 6	2	2	-	2	2	-
Grade 7	1	1	-	1	1	-
Grade 8	2	2	-	1	1	-
Grade 9	-	-	-			-
Grade 10	-	-	-			-
Grade 11	-	-	-			-
Grade 12	-	-	-			-
Post- Graduate			-			-
Adult High School (15+ Credits)			-			-
Adult High School (1-14 Credits)			-			-
Subtotal	16	16	-	14	14	-
Sp Ed - Elementary						-
Sp Ed - Middle School						-
Sp Ed - High School						-
Subtotal	-	-	-	-	-	-
County Vocational - Regular						
County Vocational - F.T. Post-Second						
Subtotal						
Totals	16	16	-	14	14	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

SECTION 1

2019-2020 Total General Fund Expenditures per the C-1	\$ 55,047,352	
Increased by:		
Capital Reserve Funds Transferred to Capital Projects Fund	262,795	
Decreased by:		
On-Behalf TPAF Pension & Social Security	(7,411,759)	
Assets Acquired Under Capital Leases	(764,827)	
Adjusted 2019-2020 General Fund Expenditures	<u>\$ 47,133,561</u>	
2% of Adjusted 2019-2020 General Fund Expenditures	<u>\$ 942,671</u>	
Enter Greater of 2% of Adjusted 2019-2020 General Fund Expenditures or \$250,000	\$ 942,671	
Increased by: Allowable Adjustment*	<u>919,202</u>	
Maximum Unassigned Fund Balance		<u>\$ 1,861,873</u>

SECTION 2

Total General Fund - Fund Balance at June 30, 2020 (Per CAFR Budgetary Comparison Schedule/Statement)		\$ 15,720,914
Decreased by:		
Year End Encumbrances	\$ 304,425	
Restricted- Capital Reserve	9,415,757	
Restricted- Emergency Reserve	50,000	
Excess Surplus Designated for Subsequent Year's Expenditures	<u>2,075,396</u>	
Total Unassigned Fund Balance		<u>\$ 3,875,336</u>

SECTION 3

Restricted Fund Balance - Excess Surplus		<u>\$ 2,013,463</u>
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Recapitulation of Excess Surplus as of June 30, 2020

Reserved Excess Surplus		\$ 2,013,463
Excess Surplus-Designated for Subsequent Year's Expenditures		<u>2,075,396</u>
		<u>\$ 4,088,859</u>

**Detail of Allowable Adjustments*

Extraordinary aid-Excess over the amount budgeted in the 2019/2020 certified budget		\$ 445,272
Additional Nonpublic School Transportation Aid		2,479
Impact Aid		<u>471,451</u>
Total Adjustments		<u>\$ 919,202</u>

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

There are none.

III. School Purchasing Program

There are none.

IV. Enterprise Funds

It is recommended that efforts be made to reduce the net cash resources.

V. Student Body Activities

There are none.

VI. Application for State School Aid

There are none.

VII. Transportation

There are none.

VIII. Facilities and Capital Assets

There are none.

IX. Miscellaneous

There are none.

X. Status of Prior Years' Audit Findings/Recommendations

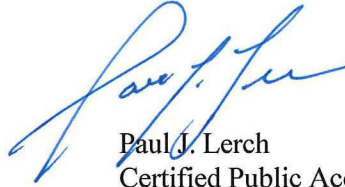
Not Applicable.

ACKNOWLEDGEMENT

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

LERCH, VINCI & HIGGINS, LLP



Paul J. Lerch
Certified Public Accountant
Public School Accountant