

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MORRIS  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2021

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MORRIS  
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2021  
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November 1, 2021

The Honorable President and Members  
of the Board of Education  
Rockaway Township School District  
County of Morris, New Jersey

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 Rockaway Township School District in the County of Morris for the fiscal year ended June 30, 2021, and have issued our report thereon dated November 1, 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 letter does not affect our report dated November 1, 2021, on the financial statements of the Board.

We will review the status of the comments during our next audit engagement. We have already discussed these comments and suggestions, if any, 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 Rockaway 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*

NISIVOCCIA LLP

*Man C Lee*

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Man C. Lee  
Licensed Public School Accountant #2527  
Certified Public Accountant

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2021

Scope of Audit

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

Administrative Practices and Procedures

Insurance

Multi-peril insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the district's CAFR.

Officials in Office and Surety Bonds

| <u>Name</u>    | <u>Position</u>            | <u>Coverage</u> |
|----------------|----------------------------|-----------------|
| Lisa Palmieri  | Treasurer of School Monies | \$ 300,000      |
| Rachel DeCarlo | Business Administrator     | \$ 300,000      |

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The Board made a proper adjustment to the billings to sending districts for the difference in per pupil costs in accordance with N.J.A.C.6:23-3.1(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.

All payrolls were approved by the Superintendent and certified by the President of the Board and the School Business Administrator, and the Superintendent.

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

The required certification (ECERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents and business administrators) to the NJ Department of Treasury was filed by the March 15 due date.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2021  
(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

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6:23-2.2(g) 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 as a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-2.4. As a result of the procedures performed, no transaction errors were 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.

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.

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 District's 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.

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.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

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

Finding 2021-001

During our review of the District's Extraordinary Aid application, it was noted that the tuition and support costs for one student tested was overstated by \$3,894 and one was understated by \$3,657. As the net effect is an overstatement of \$237, which is minor, and tuition costs at the time the ExAid application was submitted was an estimate, a formal recommendation is not deemed warranted.

Finding 2021-002

During our review of the minutes, we noted that federal grant funds were not formally accepted by the governing body. However, as the District is aware of this and is in the process of correcting this, a formal recommended is not deemed necessary.

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, 2021. The reimbursement form was reviewed and no exceptions were noted.

Travel Expenses

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. Based upon the results of our testing, we have no comments.

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).

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.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

School Purchasing Programs (Cont'd)

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

N.J.S.A. 18A:18A-3 states:

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 . . . ."

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (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 \$19,600 for 2020-21.

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.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

School Food Service

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

Finding 2021-003:

During our test of the Food Service Management Company's ("FSMC") support for their billings, it was noted that the payroll records did not agree to the personnel costs reported on the monthly operating statement.

Recommendation:

It is recommended that payroll records for all reimbursable personnel expenses be reconciled to the monthly operating statements.

Management's Response:

The District will work with the FSMC to ensure that all records are available for review and agree with the operating statements.

Non-program foods were not purchased, prepared or offered for sale.

We inquired of management about public health emergency procedures/practices that the SFA instituted to provide meals to all 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. We also inquired if the FSMC received a loan in accordance with the Payroll Protection Plan and whether the funds were used to pay for costs applicable to the Food Service Programs. We also inquired if the PPP Loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA if the FSMC received a PPP loan.

Finding 2021-004:

As per review of the Food Service Management Company's ("FSMC") operating statement, the amount reported for governmental reimbursement was understated by \$18,790.

Recommendation:

It is recommended that monthly FSMC's operating statement be reconciled with the District's accounting records.

Management's Response:

FSMC's operating statements will be reconciled periodically.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Student Activities records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted below.

Finding 2021-005:

We noted several instances where receipt of goods signatures were not obtained for student activity vouchers. However, as the District has taken steps in the 2022 fiscal year to resolve this, a formal recommendation is not deemed necessary.

Application for State School Aid

Our audit procedures included a test of enrollments and related services reported in the October 15, 2020 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, and low income 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 2020-2021 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.

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. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

Management Suggestions:

Surety Bond Coverage

The required surety bond coverage for the 2021-2022 fiscal year is calculated to be \$302,000. It is suggested that the surety bond coverage for the Treasurer and Business Administrator be increased for the 2021-22 fiscal year.

Governmental Accounting Standards Board (GASB) Statements

GASB Statement No. 87, *Leases*, is effective for the fiscal year ended June 30, 2022. Under this statement, the District will be required to recognize a lease liability and an intangible right-to-use asset for each lease agreement with a lease term in excess of 12 months. This statement will enhance the comparability of financial statements among governments by requiring the reporting of leases under a single model. Additionally, certain leases that are currently not reported will be under this statement.

COVID-19 Federal Funding

It is likely that the District will undergo some review of its COVID-19 federal funding if only at a desk review level by state and/or federal agencies. We strongly suggest that the District ensures that these funds are utilized in accordance with the applicable federal requirements especially with respect to procurement. Additionally, we strongly suggest that the District ensures that these funds are accounted for in the state account numbers designated by the NJ Department of Education and that any applicable Board policies are current with respect to federal grant requirements.

Sick and Vacation Leave

It is suggested that the District consult with its attorney to ensure that its negotiated labor contracts, individual employee agreements and employee policies, as applicable, are in accordance with New Jersey statutes regarding unused sick and vacation leave.

Status of Prior Year's Findings/Recommendations

There were no prior year audit findings or recommendations.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2020

|                                | 2021-2022 Application for State School Aid |         |             |         |        |        | Sample for Verification |        |              |        |            |        |
|--------------------------------|--|---------|-------------|---------|--------|--------|-------------------------|--------|--------------|--------|------------|--------|
|                                | Reported on                                |         | Reported on |         | Errors |        | Sample                  |        | Verified per |        | Errors per |        |
|                                | ASSA                                       | On Roll | Workpapers  | On Roll | Full   | Shared | Full                    | Shared | Full         | Shared | Full       | Shared |
| Full Day Preschool 3 Years Old | 5  |         | 5           |         |        |        | 5                       |        | 5            |        |            |        |
| Full Day Preschool 4 Years Old | 14   |         | 14          |         |        |        | 14                      |        | 14           |        |            |        |
| Full Day Kindergarten          | 180  |         | 180         |         |        |        | 180                     |        | 180          |        |            |        |
| Grade One                      | 233  |         | 233         |         |        |        | 233                     |        | 233          |        |            |        |
| Grade Two                      | 168  |         | 169         |         | (1)    |        | 169                     |        | 168          |        | 1          |        |
| Grade Three                    | 197  |         | 197         |         |        |        | 197                     |        | 197          |        |            |        |
| Grade Four                     | 194  |         | 195         |         | (1)    |        | 195                     |        | 194          |        | 1          |        |
| Grade Five                     | 236  |         | 236         |         |        |        | 236                     |        | 236          |        |            |        |
| Grade Six                      | 219  |         | 219         |         |        |        | 219                     |        | 219          |        |            |        |
| Grade Seven                    | 206  |         | 204         |         | 2      |        | 204                     |        | 206          |        | (2)        |        |
| Grade Eight                    | 210  |         | 210         |         |        |        | 210                     |        | 210          |        |            |        |
| Subtotal                       | 1,862                                      |         | 1,862       |         |        |        | 1,862                   |        | 1,862        |        |            |        |
| Special Education:             |  |         |             |         |        |        |                         |        |              |        |            |        |
| Elementary School              | 249  |         | 249         |         |        |        | 25                      |        | 25           |        |            |        |
| Middle School                  | 159  |         | 159         |         |        |        | 16                      |        | 16           |        |            |        |
| Subtotal                       | 424  |         | 421         |         |        |        | 44                      |        | 41           |        |            |        |
| Totals                         | 2,286                                      | -0-     | 2,283       | -0-     | -0-    | -0-    | 1,906                   | -0-    | 1,903        | -0-    | -0-        | -0-    |
| Percentage Error               |  |         |             |         | 0.00%  | 0.00%  |                         |        |              |        | 0.00%      | 0.00%  |

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2020

|                       | Private Schools for Disabled        |                         |                 |               | 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 | Sample Selected from Workpapers | Verified to Application and Register | Sample Errors |
| Full Day Kindergarten |                                     |                         |                 |               | 16                             | 16                                   | 2                               | 2                                    |               |
| Grade One             |                                     |                         |                 |               | 31                             | 31                                   | 4                               | 4                                    |               |
| Grade Two             |                                     |                         |                 |               | 20                             | 20                                   | 2                               | 2                                    |               |
| Grade Three           |                                     |                         |                 |               | 18                             | 18                                   | 2                               | 2                                    |               |
| Grade Four            |                                     |                         |                 |               | 17                             | 17                                   | 2                               | 2                                    |               |
| Grade Five            |                                     |                         |                 |               | 35                             | 35                                   | 4                               | 4                                    |               |
| Grade Six             |                                     |                         |                 |               | 19                             | 19                                   | 2                               | 2                                    |               |
| Grade Seven           |                                     |                         |                 |               | 33                             | 33                                   | 4                               | 4                                    |               |
| Grade Eight           |                                     |                         |                 |               | 32                             | 32                                   | 4                               | 4                                    |               |
| Subtotal              |                                     |                         |                 |               | 221                            | 221                                  | 26                              | 26                                   |               |
| Special Education:    |                                     |                         |                 |               |                                |                                      |                                 |                                      |               |
| Elementary            | 6                                   | 2                       | 2               |               | 46                             | 41                                   | (5)                             | 5                                    |               |
| Middle School         | 4                                   | 2                       | 2               |               | 28                             | 29                                   | 1                               | 3                                    |               |
| Subtotal              | 10                                  | 4                       | 4               |               | 74                             | 70                                   | (4)                             | 8                                    |               |
| Totals                | 10                                  | 4                       | 4               | -0-           | 295                            | 291                                  | (4)                             | 34                                   | -0-           |
| Percentage Error      |                                     |                         |                 |               |                                |                                      | -1.36%                          |                                      | 0.00%         |

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2020

|                       | Resident LEP Low Income                         |   |              | Sample for Verification                  |  |                  |
|-----------------------|---|---|--------------|--|--|------------------|
|                       | Reported on<br>ASSA as<br>LEP Not<br>Low Income | Reported on<br>Workpapers<br>as LEP Not<br>Low Income | Errors       | Sample<br>Selected<br>from<br>Workpapers | Verified to<br>Test Scores,<br>Application<br>and Register | Sample<br>Errors |
| Full Day Kindergarten | 3   | 3   |              | 1  | 1  |                  |
| Grade One             | 6   | 6   |              | 2  | 2  |                  |
| Grade Two             | 7   | 6   | (1)          | 2  | 2  |                  |
| Grade Three           | 3   | 3   |              | 1  | 1  |                  |
| Grade Four            | 2   | 2   |              | 1  |  | (1)              |
| Grade Five            | 2   | 2   |              | 1  | 1  |                  |
| Grade Six             | 1   | 1   |              |  |  |                  |
| Grade Seven           | 3   | 3   |              | 1  | 1  |                  |
| Grade Eight           | 4   | 4   |              | 1  |  | (1)              |
| Subtotal              | <u>31</u>                                       | <u>30</u>   | <u>(1)</u>   | <u>10</u>                                | <u>8</u>   | <u>(2)</u>       |
| Special Education:    |   |   |              |  |  |                  |
| Elementary School     | 2   | 3   | 1            | 1  | 1  |                  |
| Middle School         | 1   | 3   | 2            |  |  |                  |
| Subtotal              | <u>3</u>  | <u>6</u>  | <u>3</u>     | <u>1</u>                                 | <u>1</u>   |                  |
| Totals                | <u>34</u>                                       | <u>36</u>   | <u>2</u>     | <u>11</u>                                | <u>9</u>   | <u>(2)</u>       |
| Percentage Error      |   |   | <u>5.88%</u> |  |  | <u>-18.18%</u>   |

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2020

|                  | <u>Resident LEP Not Low Income</u>                        |   |               | <u>Sample for Verification</u>                     |  |                          |
|------------------|---|---|---------------|--|--|--------------------------|
|                  | <u>Reported on<br/>ASSA as<br/>LEP Not<br/>Low Income</u> | <u>Reported on<br/>Workpapers<br/>as LEP Not<br/>Low Income</u> | <u>Errors</u> | <u>Sample<br/>Selected<br/>from<br/>Workpapers</u> | <u>Verified to<br/>Test Scores,<br/>Application<br/>and Register</u> | <u>Sample<br/>Errors</u> |
| Grade One        | 6   | 4   | (2)           | 1  | 1  |                          |
| Grade Two        | 2   | 2   |               | 1  | 1  |                          |
| Grade Three      | 3   | 3   |               | 1  | 1  |                          |
| Grade Four       | 3   | 3   |               | 1  | 1  |                          |
| Grade Five       | 1   | 1   |               | 1  |  | (1)                      |
| Grade Six        | 3   | 3   |               | 1  |  | (1)                      |
| Grade Seven      | 4   | 4   |               | 1  | 1  |                          |
| Totals           | <u>22</u>   | <u>20</u>   | <u>(2)</u>    | <u>7</u>   | <u>5</u>   | <u>(2)</u>               |
| Percentage Error |   |   | <u>-9.09%</u> |  |  | <u>-28.57%</u>           |

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2020

|                             | Transportation                 |                                     |              |           |           |              |
|-----------------------------|--------------------------------|-------------------------------------|--------------|-----------|-----------|--------------|
|                             | Reported<br>on DRTRS<br>by DOE | Reported<br>on DRTRS<br>by District | Errors       | Tested    | Verified  | Errors       |
| Regular - Public Schools    | 636                            | 636                                 |              | 25        | 24        | 1            |
| Regular - Special Education | 334                            | 334                                 |              | 25        | 26        | (1)          |
| Transported - Non Public    | 51                             | 51                                  |              | 9         | 9         |              |
| AIL - Non Public            | 46                             | 46                                  |              | 8         | 8         |              |
| Special Needs - Public      | 43                             | 43                                  |              | 8         | 8         |              |
| Special Needs - Private     | 6                              | 6                                   |              | 2         | 2         |              |
| Totals                      | <u>1,116</u>                   | <u>1,116</u>                        | <u>-0-</u>   | <u>77</u> | <u>77</u> | <u>-0-</u>   |
| Percentage Error            |                                |                                     | <u>0.00%</u> |           |           | <u>0.00%</u> |

|  | Reported | Re-<br>calculated |
|--|----------|-------------------|
| Average Mileage - Regular Including Grade PK Students  | 3.6      | 3.6               |
| Average Mileage - Regular Excluding Grade PK Students  | 3.6      | 3.6               |
| Average Mileage - Special Education with Special Needs | 5.5      | 5.5               |

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FISCAL YEAR ENDED JUNE 30, 2021

**REGULAR DISTRICT**

**SECTION 1**

**2% Calculation of Excess Surplus**

|   |                          |                                    |
|---|--------------------------|------------------------------------|
| 2020-2021 Total General Fund Expenditures per the CAFR                  | <u>\$ 58,608,924</u>     | (B)                                |
| Increased by:   |                          |                                    |
| Transfer from Capital Outlay to Capital Projects Fund                   | <u>\$ -0-</u>            | (B1a)                              |
| Transfer from Capital Reserve to Capital Projects Fund                  | <u>\$ -0-</u>            | (B1b)                              |
| Decreased by:   |                          |                                    |
| On-Behalf TPAF Pension and Social Security                              | <u>\$ 8,959,768</u>      | (B2a)                              |
| Assets Acquired Under Capital Leases                                    | <u>\$ -0-</u>            | (B2b)                              |
| <br>Adjusted 2020-2021 General Fund Expenditures [(B)+(B1's)-(B2's)]    | <br><u>\$ 49,649,156</u> | <br>(B3)                           |
| <br>4% of Adjusted 2020-2021 General Fund Expenditures [(B5) times .04] | <br><u>\$ 1,985,966</u>  | <br>(B4)                           |
| Enter Greater of (B4) or \$250,000                                      | <u>\$ 1,985,966</u>      | (B5)                               |
| Increased by: Allowable Adjustment                                      | <u>\$ 1,166,602</u>      | (K)                                |
| <br>Maximum Unassigned Fund Balance [(B5)+(K)]                          |                          | <br><u><u>\$ 3,152,568</u></u> (M) |

**Section 2**

|  |                      |                                     |
|--|----------------------|-------------------------------------|
| Total General Fund - Fund Balances @ 6/30/2021<br>(Per CAFR Budgetary Comparison Schedule C-1) | <u>\$ 18,951,631</u> | (C)                                 |
| Decreased by:  |                      |                                     |
| Year-End Encumbrances  | <u>\$ 760,665</u>    | (C1)                                |
| Legally Restricted - Designated for Subsequent Year's Expenditures                             | <u>\$ -0-</u>        | (C2)                                |
| Excess Surplus - Designated for Subsequent Year's Expenditures                                 | <u>\$ 2,013,463</u>  | (C3)                                |
| Other Restricted Fund Balances   | <u>\$ 11,224,315</u> | (C4)                                |
| Assigned - Designated for Subsequent Year's Expenditures                                       | <u>\$ 620</u>        | (C5)                                |
| <br>Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]                               |                      | <br><u><u>\$ 4,952,568</u></u> (U1) |

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FISCAL YEAR ENDED JUNE 30, 2021

**Section 3**

Restricted Fund Balance-Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0- \$ 1,800,000 (E)

**Recapitulation of Excess Surplus as of June 30, 2021**

Excess Surplus - Designated for Subsequent Year's Expenditures \$ 2,013,463 (C3)  
 Excess Surplus [(E)] \$ 1,800,000 (E)

Total [(C3)+(E)+(F)] \$ 3,813,463 (D)

**Detail of Allowable Adjustments**

Impact Aid \$ 376,066 (H)  
 Sale and Lease Back \$ -0- (I)  
 Extraordinary Aid \$ 773,286 (J1)  
 Additional Nonpublic School Transportation Aid \$ 17,250 (J2)

Total Adjustments [(H)+(I)+(J1)+(J2)] \$ 1,166,602 (K)

**Detail of Other Restricted Fund Balance**

Statutory Restrictions \$ -0-  
 Approved Unspent Separate Proposal \$ -0-  
 Sale/Lease-Back Reserve \$ -0-  
 Capital Reserve \$ 10,463,977  
 Emergency Reserve \$ 50,000  
 Maintenance Reserve \$ 200,000  
 Tuition Reserve \$ -0-  
 Unemployment Compensation Reserve \$ 510,338  
 Other State/Governmental Mandated Reserve \$ -0-  
 Other Restricted Fund Balance not Noted Above \$ -0-

Total Other Restricted Fund Balance \$ 11,224,315 (C4)

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
SUMMARY OF RECOMMENDATIONS  
FISCAL YEAR ENDED JUNE 30, 2021

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

2021-003: Payroll records for all reimbursable personnel expenses be reconciled to the monthly operating statements.

2021-004: Monthly FSMC's operating statement be reconciled with the District's accounting records.

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

None

10. Status of Prior Year's Findings/Recommendations

There were no prior year audit findings or recommendations.