

**AUDITORS MANAGEMENT REPORT  
ON ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
SCHOOL DISTRICT OF THE  
BOROUGH OF ROCKAWAY  
COUNTY OF MORRIS, NEW JERSEY  
JUNE 30, 2022**

**SCHOOL DISTRICT OF THE BOROUGH OF ROCKAWAY**  
**COUNTY OF MORRIS, NEW JERSEY**

**AUDITORS MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS**  
**- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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**REPORT OF INDEPENDENT AUDITOR**

Honorable President and  
Members of the Board of Education  
Borough of Rockaway 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 basic financial statements of the Board of Education of the Borough of Rockaway School District in the County of Morris for the year ended June 30, 2022, and have issued our report thereon dated February 6, 2023.

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 for the information of the Borough of Rockaway Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

*Steven D. Wielkötzy*

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Licensed Public School Accountant  
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*Wielkötzy & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

February 6, 2023



**BOROUGH OF ROCKAWAY BOARD OF EDUCATION**  
**ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

**YEAR ENDED JUNE 30, 2022**

**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 ACFR.

Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32)

<u>Name</u>	<u>Position</u>	<u>Amount</u>
William T. Stepka	RBSA/School Business Administrator/Board Secretary	\$200,000.00
Melissa Nestor	Treasurer of School Moneys	200,000.00

Treasurer of School Moneys was bonded in accordance with provisions of Title 18A:17-32 with the minimum limits of State Board promulgated schedules.

There is a Public Employees' Faithful Performance Blanket Position Bond with the Selective Insurance Company covering all other employees with multiple coverage of \$5,000.00.

P.L. 2020, c.44

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A. 18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by school district.

The school district data certification was completed by the chief school administrator. The school district Chapter 44 data was submitted timely.

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION**  
**ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

**YEAR ENDED JUNE 30, 2022**

**Administrative Practices and Procedures (continued)**

Tuition Charges

The provisions of N.J.A.C. 6A:23A-17.1 (F)3 are not applicable.

**Financial Planning, Accounting and Reporting**

Examination of Claims

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

Payroll Account and Position Control Roster

The net salaries of all 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 were certified by the President of the Board and the Board Secretary/Business Administrator.

Salary withholdings were promptly remitted to the proper agencies including health benefits premium withholding due to the General Fund.

The required certification (E-CERT1) 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.

Reporting of employee compensation for income tax related purposes did comply with federal and state regulations regarding the compensation which is required to be reported.

The Position Control Roster was reviewed and compared to payroll records, employee benefit records and charges made to the general ledger to ensure proper and consistent financial reporting and that employee benefits are only offered to current employees.

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION**  
**ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

**YEAR ENDED JUNE 30, 2022**

**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<sup>th</sup> for goods not yet received or services not 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 priority and to determine that goods were received and services were rendered as of June 30, 2022.

Classification of Expenditures - General and Administrative

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A:23A-16.2(f)* as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-8.3*. As a result of the procedures performed, a transaction error rate of 0.00% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

The Board Secretary's records were in satisfactory condition.

Treasurer's Records

The Treasurer performed cash reconciliations for the general operating account, payroll account and payroll agency account in accordance with *N.J.S.A. 18A:17-9*.

All cash receipts tested were promptly deposited.

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

Elementary and Secondary Education (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 ACFR. This section of the ACFR documents the financial position pertaining to the projects under Title I, Title II, and Title IV of the Elementary and Secondary Education Act as amended and reauthorized.

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION**  
**ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

**YEAR ENDED JUNE 30, 2022**

**Financial Planning, Accounting and Reporting (continued)**

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

The study of compliance for E.S.E.A. indicated that there were no areas of noncompliance and/or questionable costs.

**Other Special Federal and/or State Projects**

The District's Special Projects were approved as listed on Exhibits K-3 and K-4 located in the ACFR.

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 ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

The study of compliance for special projects indicated no areas of noncompliance.

**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 amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the school district to reimburse the State for the TPAF/FICA payments be 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.

**Non-Public State Aid**

Project completion reports were finalized and transmitted to the department by the due date.

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION**  
**ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

**YEAR ENDED JUNE 30, 2022**

**School Purchasing Programs**

**Contracts and Agreements Requiring Advertisement for Bids**

N.J.S.A. 18A:18A-2 contains definitions for terms used throughout N.J.S.A. 18A:18A-1 et seq. It includes as subsection (p) the term ‘competitive contracting’, which is defined as “the method described in N.J.S.A. 18A:18A-4.1 through 18A:18A-4.5 and in rules promulgated by DCA at N.J.A.C. 5:34-4 of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal proposals are evaluated by the purchasing agent or counsel or school business administrator; and the board of education awards a contract to a vendor or vendors from among the formal proposals received.” Also, subsection (aa) defines the term ‘concession’ to exclude vending machines.

N.J.S.A. 18A:18A-3(a) sets forth the bid threshold and requires award by board resolution. There is a higher threshold when there is a “Qualified Purchasing Agent” (QPA) in the district as defined at N.J.A.C. 5:34-1.1 and certified upon approval of an application submitted to DCA. Pursuant to N.J.S.A. 18A:18A-3(b), the bid threshold may be adjusted by the Governor, in consultation with the Department of Treasury, every five years.

N.J.S.A. 18A:18A-4.4 provides boards of education the authority to pass a resolution authorizing the use of competitive contracting. “In order to initiate competitive contracting, the board of education shall pass a resolution authorizing the use of competitive contracting each time specialized goods or services enumerated in sections 45 of L. 1999, c.440 are desired to be contracted.”

Effective July 1, 2020 and thereafter, 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 Agency) 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 currently \$20,200.

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, amended.

Resolutions were adopted authorizing the awarding of contract or agreements for "Professional Services" per *N.J.S.A.* 18A:18A-5.



**BOROUGH OF ROCKAWAY BOARD OF EDUCATION**  
**ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

**YEAR ENDED JUNE 30, 2022**

**School Food Service**

**Public Health Emergency**

In accordance with the Governor's Declaration of Emergency pertaining to the public health emergency, all Public, Charter, 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 alternative procedures to provide meals to Free and Reduced Price eligible students during the period of school closures.

During SY 2021-2022, the public health emergency was still applicable. As a result, School Food Service Activities (SFAs) were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO) or the Summer Food Service Program (SFSP) Option.

SFAs 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 SFAs 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 Reduced Price meal eligible students.

SFAs 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 and/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 SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

The financial transactions and statistical records of the school food services were maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION**  
**ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

**YEAR ENDED JUNE 30, 2022**

**School Food Service (continued)**

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 cost reimbursable or fixed price contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$10,000. The operating results provision has been met.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food and 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.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education. No exceptions were noted.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner. No exceptions were noted.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications and/or to the list of directly certified students on file, times the number of operating days, on a school by school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. Sites approved to participate in provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review.

U.S.D.A. Food Distribution Program commodities were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

The School District Food Service Management Company maintains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION**  
**ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

**YEAR ENDED JUNE 30, 2022**

**School Food Service (continued)**

The Statement of Revenues, Expenses and Changes in Net Assets (ACFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold. We also inquired of management about the 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.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section B, of the ACFR.

**Student Body/Athletic Account Activities**

The cash receipts and disbursement records were maintained in good order.

All receipts were promptly deposited in the bank.

**Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2021 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. 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 and the information that was included on the workpapers was verified with the following exception:

**Finding 2022-01:**

There were various classification errors on the District's A.S.S.A.

**Recommendation:**

That school registers be updated for accurate A.S.S.A. reporting.

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.

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION**  
**ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

**YEAR ENDED JUNE 30, 2022**

**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 the following exception:

**Finding 2022-02:**

There were various classification errors on the District's D.R.T.R.S.

**Recommendation:**

That school registers be updated for accurate D.R.T.R.S. reporting.

**Management Response:**

The District will make sure to use the most up-to-date registers for the D.R.T.R.S. in the future.

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. Exceptions were noted in our review of transportation related purchases of goods and services as follows:.

**Facilities and Capital Assets**

The general fixed asset records were updated for the additions and disposals of general fixed assets made during the year.

Our procedures included a review of the SDA grant agreements, if any, for consistency with recording SDA revenue, transfer of local funds from the general fund, and awarding of contracts for eligible facilities construction.

**Testing for Lead of All Drinking Water in Educational Facilities**

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

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION**  
**ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

**YEAR ENDED JUNE 30, 2022**

**Follow-up on Prior Years' Findings**

In accordance with government auditing standards, our procedures included a review of all prior year recommendations including findings. Corrective action has been taken on all prior year audit findings.

**Acknowledgment**

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.

*Steven D. Wielkotz*

Steven D. Wielkotz, CPA  
Licensed Public School Accountant  
No. 816

*Wielkotz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants

SCHEDULE OF AUDITED ENROLLMENTS

**ROCKAWAY BOROUGH SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2021**

**2020-2021 Application for State  
School Aid**

	Reported on A.S.S.A. On Roll			Reported on Workpapers On Roll			Errors			Sample Selected from Workpapers			Verified per Registrars On Roll			Errors per Registers On Roll			Reported on Private Schools			Sample for Disabled			
	Full	Shared		Full	Shared		Full	Shared		Full	Shared		Full	Shared		Full	Shared		Full	Shared		Full	Shared		
Half Day Preschool	18			18			0			18			18			0			463			0			0
Full Day Preschool	5			3			2			3			3						0			0			0
Half Day Kindergarten	0			0			0			0			0						63			1			1
Full Day Kindergarten	61			61			0			61			61			0			39			2			2
One	59			59			0			59			59			0			102			3			3
Two	65			65			0			65			65			0			565			0			0
Three	53			53			0			53			53			0			0			0			0
Four	37			37			0			37			37			0			0			0			0
Five	47			47			0			47			47			0			0			0			0
Six	35			35			0			35			35			0			0			0			0
Seven	42			42			0			42			42			0			0			0			0
Eight	43			43			0			43			43			0			0			0			0
Subtotal	465	0		463	0		2	0		463	0		463	0		0	0		0	0		0	0		0
Special Ed - Elementary	63			63			0			63			63			0			63			1			1
Special Ed - Middle School	41			39			2			39			39			2			39			2			2
Subtotal	104	0		102	0		2	0		102	0		102	0		0	0		102	0		3	3		3
Total	569	0		565	0		4	0		565	0		565	0		0	0		565	0		3	3		3
Percent Error							0.70%	0.00%								0.00%	0.00%					0.00%	0.00%		0.00%

SCHEDULE OF AUDITED ENROLLMENTS

**ROCKAWAY BOROUGH SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2021**

Enrollment Category	Resident Low Income				Sample for Verification				Resident LEP Low Income				Sample for Verification			
	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Error	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to lication and Reg	Error	Sample Selected from Workpapers	Verified to lication and Reg	Error	
Half Day Preschool	12	12	0	12	12	0	4	4	0	4	0	0	4	4	0	
Full Day Kindergarten	14	14	0	14	13	-1	2	2	0	2	0	0	2	2	0	
One	15	15	0	15	15	0	3	2	1	2	1	1	2	2	0	
Two	5	5	0	5	5	0	1	0	1	1	0	1	1	0	0	
Three	9	8	-1	8	8	0	0	0	0	0	0	0	0	0	0	
Four	9	9	0	9	8	-1	0	0	0	0	0	0	0	0	0	
Five	9	9	0	9	9	0	0	0	0	0	0	0	0	0	0	
Six	14	14	0	14	14	0	1	1	0	1	1	0	1	1	0	
Seven	14	14	0	14	12	-2	0	1	-1	1	1	0	1	1	0	
Eight	101	100	-1	100	96	-4	11	10	1	11	10	1	11	10	1	
Subtotal	14	15	1	15	14	1	2	3	-1	3	3	0	3	3	0	
Special Ed - Elementary	13	13	0	13	13	0	1	0	1	0	1	0	0	0	0	
Special Ed - Middle School	27	28	1	28	27	1	3	3	0	3	0	0	3	3	0	
Subtotal	128	128	0	128	123	-5	14	13	1	14	13	1	14	13	1	
Total	0.00%															
Percent Error	-2.34%															
	7.14%															

**SCHEDULE OF AUDITED ENROLLMENTS**  
**ROCKAWAY BOROUGH SCHOOL DISTRICT**  
**APPLICATION FOR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 15, 2021**

Enrollment Category	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 and Register	Error
Half Day Preschool	2	2	0	2	2	0
Full Day Preschool	0	0	0	0	0	0
Half Day Kindergarten	3	2	1	2	2	0
Full Day Kindergarten	0	0	0	0	0	0
One	1	1	0	1	1	0
Two	0	0	0	0	0	0
Three	2	2	0	2	2	0
Four	1	1	0	1	1	0
Five	0	0	0	0	0	0
Six	2	2	0	2	2	0
Seven						
Eight						
Subtotal	9	8	1	8	8	0
Special Ed - Elementary	0	1	(1)	1	1	0
Special Ed - Middle School	0	0	0	0	0	0
Subtotal	0	1	-1	1	1	0
Total	9	9	0	9	9	0
Percent Error			0.00%			0.00%
Regular - Public Schools, col. 1	Reported on DRTRS by DOE/county 28	Reported on DRTRS by District 27	Errors 1	Tested 23	Verified 23	Errors 0
Regular - SpEd, col. 4	7	7	0	6	6	0
Transported - Non-Public, col. 2	2	2	0	2	2	0
Special Ed Spec, col. 6	11	11	0	9	9	0
Totals	48	47	1	40	40	0
Percentage Error			2.08%			0.00%



**EXCESS SURPLUS CALCULATION -**

**REGULAR DISTRICTS/CHARTER SCHOOL/RENAISSANCE SCHOOL PROJECT**

**SECTION 1**

**A. 4% Calculation of Excess Surplus**

2021-22 Total General Fund Expenditures per the ACFR, Ex.C-1	\$	<u>13,067,644</u>	(B)
Increased by:			
Transfer from Capital Outlay to Capital Projects Fund	\$	<u>                    </u>	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$	<u>                    </u>	(B1b)
Transfer from General Fund to SRF for PreK-Regular	\$	<u>                    </u>	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$	<u>                    </u>	(B1d)
Decreased by:			
On-Behalf TPAF Pension & Social Security	\$	<u>2,268,993</u>	(B2a)
Assets Acquired Under Capital Leases	\$	<u>                    </u>	(B2b)
Adjusted 2021-22 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$	<u>10,798,651</u>	(B3)
4% of Adjusted 2021-22 General Fund Expenditures [(B3) times .04]	\$	<u>431,946</u>	(B4)
Enter Greater of (B4) or \$250,000	\$	<u>431,946</u>	(B5)
Increased by: Allowable Adjustment *	\$	<u>827,533</u>	(K)
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]	\$	<u><u>1,259,479.05</u></u>	(M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-22 (Per ACFR Budgetary Comparison Schedule C-1)	\$	<u>3,827,156</u>	(C)
Decreased by:			
Year-end Encumbrances	\$	<u>569,641</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$	<u>                    </u>	(C2)
Legally Restricted Excess Surplus - Designated for Subsequent Year's Expenditures **	\$	<u>200,000</u>	(C3)
Other Restricted Fund Balances****	\$	<u>1,448,991</u>	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$	<u>49,044</u>	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$	<u><u>1,559,479</u></u>	(U1)

**SECTION 3**

Restricted Fund Balance - Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0-	\$	<u><u>300,000</u></u>	(E)
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**Recapitulation of Excess Surplus as of June 30, 2022**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 200,000 (C3)
Reserved Excess Surplus ***[(E)]	\$ 300,000 (E)
Total Excess Surplus [(C3) + (E)]	\$ <u>500,000 (D)</u>

**Footnotes:**

- \* Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:
  - (H) Federal Impact Aid. The passage of P.L. 2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve - General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
  - (I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);
  - (J1) Extraordinary Aid;
  - (J2) Additional Nonpublic School Transportation Aid;
  - (J3) Recognized current year School Bus Advertising Revenue; and
  - (J4) Family Crisis Transportation Aid.
  - (J5) Maintenance of Equity Aid and State Military Impact Aid received July 2022

**Detail of Allowable Adjustments**

Impact Aid		\$ - (H)
Sale & Lease-back		\$ - (I)
Extraordinary Aid		\$ 27,675 (J1)
Additional Nonpublic School Transportation Aid		\$ 1,060 (J2)
Current Year School Bus Advertising Revenue Recognized		\$ - (J3)
Family Crises Transportation Aid		\$ - (J4)
Maintenance of Equity Aid and State Military Impact Aid received July 2022		\$ 798,798 (J5)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]		\$ <u>827,533 (K)</u>

- \*\* This amount represents the June 30, 2022 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.
- \*\*\* Amount must agree to the June 30, 2022 ACFR and must agree to Audit Summary Worksheet Line 90030.
- \*\*\*\* Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by another type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Division of Administration and Finance prior to September 30.

**Detail of Other Restricted Fund Balance**

Statutory restrictions:

Approved unspent separate proposal	\$	<u>                    </u>
Sale/Lease-back reserve	\$	<u>                    </u>
Capital reserve	\$	<u>1,070,463</u>
Maintenance reserve	\$	<u>                    </u>
Emergency reserve	\$	<u>250,000</u>
Tuition reserve	\$	<u>                    </u>
School Bus Advertising 50% Fuel Offset Reserve-Current Year	\$	<u>                    </u>
School Bus Advertising 50% Fuel Offset Reserve-Prior Year	\$	<u>                    </u>
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$	<u>                    </u>
Impact Aid General Fund Reserve (Sections 8007 and 8008)	\$	<u>                    </u>
Other state/government mandated reserve	\$	<u>                    </u>
Reserve for Unemployment Fund	\$	<u>128,529</u>
[Other Restricted Fund Balance not noted above]****	\$	<u>                    </u>
 Total Other Restricted Fund Balance	\$	<u>1,448,991 (C4)</u>

**BOROUGH OF ROCKAWAY  
BOARD OF EDUCATION**

**AUDIT FINDINGS & RECOMMENDATIONS SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**RECOMMENDATIONS:**

**1. Administrative Practices and Procedures**

None

**2. Financial Planning, Accounting and Reporting**

None

**3. School Purchasing Programs**

None

**4. School Food Service**

None

**5. Student Activity Fund**

None

**6. Application for State School Aid**

**\*Finding 2022-01:**

There were various classification errors on the District's A.S.S.A.

**Recommendation:**

That school registers be updated for accurate A.S.S.A. reporting.

**7. Pupil Transportation**

**\*Finding 2022-02:**

There were various classification errors on the District's D.R.T.R.S.

**Recommendation:**

That school registers be updated for accurate D.R.T.R.S. reporting.

**BOROUGH OF ROCKAWAY  
BOARD OF EDUCATION**

**AUDIT FINDINGS & RECOMMENDATIONS SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(CONTINUED)**

**8. Facilities and Capital Assets**

None

**9. Miscellaneous**

None

**10. Follow-up on Prior Year Findings**

A review was performed on the prior year recommendations and corrective action was taken on all prior year findings except those denoted with an asterisk(\*).