

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
COUNTY OF MORRIS
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2022

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
COUNTY OF MORRIS
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2022
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November 23, 2022

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, 2022, and have issued our report thereon dated November 23, 2022.

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 23, 2022, 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

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, 2022

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 ACFR.

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

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 the school district.

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

The data certification date does not reflect a submission date later than 60 days after the end of the enrollment period.

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.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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.

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.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the CAFR.

Our audit of the federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

T.P.A.F. Reimbursement

Our audit procedures included a test of the 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, 2022. The reimbursement form was reviewed and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

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

a. "When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefore, except that the Board of Education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations.

If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c. 198 the Board of Education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Commencing in the fifth year after the year in which P.L.1999, c. 440 takes effect and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made"

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the Board of Education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law"

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

School Purchasing Programs (Cont'd)

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

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 \$20,200 for 2021-22.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Attorney's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. General compliance was noted.

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4. Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5. The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained.

School Food Service

The financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts and meal count records were reviewed on a test-check basis. No exceptions were noted.

Cash receipts and bank records were reviewed for timely deposit. No exceptions were noted.

The District utilizes a food service management company (FMSC) 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 FMSC Cost Reimbursable Fixed Price contract were reviewed and audited. The FMSC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$30,000.

The operating results provision has been met. No exceptions were noted. All vendor discounts, rebates and credits from vendors and/or the FSMC were tracked and credited to the Food Service account and reconciled to supporting documentation at least annually. No exceptions were noted.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified on a test basis. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used. No exceptions were noted.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

School Food Service (Cont'd)

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 nonprofit status of the School Food Service Fund. No exceptions were noted. The SFA recorded and maintained separate supporting documentation for additional costs (food, supplies, transportation, etc.) applicable to the implementation of the COVID-19 meal service under SSO or SFSP program requirements. The FSMC did not apply for and receive a loan in accordance with the Payroll Protection Plan and did not use the funds to pay for costs applicable to the Food Service Programs.

Finding 2022-001:

Net cash resources of the Food Service Fund exceeded three months average expenditures by \$58,590. The District has attempted to bring net cash resources to the required level over the past few years, despite increasing prices in accordance with State regulations. As the District plans to reduce this excess, a formal recommendation is not warranted.

Time sheets and labor costs provided to the District by the Food Service contractor were reviewed on a test basis without exception. Payroll records were maintained on all School Food Service employees authorized by the Board of Education. No exceptions were noted except for the following:

Finding 2022-002:

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.

The number of meals claimed for reimbursement was compared to sales and meal count records on a test basis. 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/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 policy was reviewed for uniform administration throughout the school district. 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. No exceptions were noted.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

School Food Service (Cont'd)

U.S.D.A. Food Distribution Program commodities (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted. Non-program foods were purchased, prepared or offered for sale. The Statement of Revenue, Expenses and Changes in Net Position in the ACFR Schedule B-5 does separate program and non-program revenue and program and non-program cost of goods sold.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled "Proprietary Funds", Section G of the ACFR.

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.

Application for State School Aid

Our audit procedures included a test of enrollments and related services reported in the October 15, 2021 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low income students, and military connected 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 2021-2022 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, 2022
(Continued)

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).

Other Enterprise Fund – After School Program

Finding 2022-003:

During our test of deposits for the After School Program, it was noted that receipts are not always deposited in a timely manner.

Recommendation:

It is recommended that After School Program receipts be turned over to the business office for deposit in a timely manner.

Management's Response:

The District will make every effort to ensure receipts are deposited in a timely manner.

Management Suggestions

Surety Bond Coverage

The required surety bond coverage for the 2022-2023 fiscal year is calculated to be \$294,000. It is suggested that the surety bond coverage for the Treasurer and Business Administrator be increased for the 2022-23 fiscal year.

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.

Status of Prior Year's Findings/Recommendations

The prior year recommendation related to the food service fund has not been resolved and is included in this report.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF MEAL COUNT ACTIVITY
FOOD SERVICE FUND
ENTERPRISE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - FEDERAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>Program</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over)/ Under Claim</u>
Severe School Lunch:						
Seamless Summer Option:						
September - December 2021	86,215	22,509	22,509	-0-	\$ 4.32	\$ -0-
Seamless Summer Option:						
January - June 2022	148,941	60,461	60,461	-0-	4.56	-0-
Severe School Breakfast:						
Seamless Summer Option						
September - December 2021	1,036	251	251	-0-	2.46	-0-
Seamless Summer Option						
January - June 2022	3,983	1,584	1,584	-0-	2.61	-0-
Total Net Overclaim						<u>\$ -0-</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF NET CASH RESOURCES
FOOD SERVICE FUND
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Food
Service**

Net Cash Resources:

ACFR	*	Current Assets		
B-4		Cash & Cash Equiv.	\$	341,485
B-4		Due from Other Gov'ts		105,663
ACFR		Current Liabilities		
B-4		Less Accounts Payable		(84,520)
B-4		Less Deferred Revenue		(31,622)
				<hr/>
		Net Cash Resources	\$	331,007 (A)
				<hr/> <hr/>

Net Adj. Total Operating Expense:

B-5		Tot. Operating Exp.		925,963
B-5		Less Depreciation		(17,906)
				<hr/>
		Adj. Tot. Oper. Exp.	\$	908,057 (B)
				<hr/> <hr/>

Average Monthly Operating Expense:

	B / 10		\$	90,806 (C)
				<hr/> <hr/>

Three times monthly Average:

	3 X C		\$	272,417 (D)
				<hr/> <hr/>

TOTAL IN BOX A		\$		331,007 (A)
LESS TOTAL IN BOX D		\$		272,417 (D)
NET				<hr/> <hr/>
		\$		58,590

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 TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2021

	2022-2023 Application for State School Aid						Sample for Verification							
	Reported on		Reported on		Errors		Sample		Verified per		Errors per			
	ASSA On Roll	Workpapers On Roll	Workpapers On Roll	Shared	Full	Shared	Selected from Workpapers	Full	Shared	Registers On Roll	Shared	Registers on Roll	Full	Shared
Full Day Preschool 3 Years Old	3	3					3			3				
Full Day Preschool 4 Years Old	16	16					16			16				
Full Day Kindergarten	222	222					222			222				
Grade One	203	204			(1)		203			204			(1)	
Grade Two	228	228					228			228				
Grade Three	170	170					170			170				
Grade Four	192	192					192			192				
Grade Five	198	198					198			198				
Grade Six	241	241					241			241				
Grade Seven	229	229					229			229				
Grade Eight	217	217					217			217				
Subtotal	1,919	1,920			(1)		1,919			1,920			(1)	
Special Education:														
Elementary School	257	258			(1)		15			15				
Middle School	163	162			1		10			10				
Subtotal	436	433					28			25				
Totals	2,355	-0-	2,353	-0-	(1)	-0-	1,947	-0-	1,945	-0-	(1)	-0-		
Percentage Error					-0.04%	0.00%							-0.05%	0.00%

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

	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									
Grade One					14	20	(6)	1	1
Grade Two					21	23	(2)	2	2
Grade Three					27	32	(5)	3	3
Grade Four					16	17	(1)	2	2
Grade Five					20	20		2	2
Grade Six					21	21		2	2
Grade Seven					33	33		3	2
Grade Eight					11	11		1	1
Grade Eight					23	23		2	2
Subtotal					186	200	(14)	18	17
Special Education:									
Elementary	6	2	2		47	38	(9)	5	5
Middle School	4	2	2		18	19	1	2	2
Subtotal	10	4	4		65	57	(8)	7	7
Totals	10	4	4	-0-	251	257	(22)	25	24
Percentage Error				0.00%			-8.76%		-4.00%

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

	Resident LEP Low Income			Sample for Verification		
	Reported on ASSA as LEP Not Low Income	Reported on Workpapers as LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Errors
Full Day Kindergarten		2	2			
Grade One	3	4	1			
Grade Two	6	6		1	1	
Grade Three	4	5	1	1	1	
Grade Four	3	3				
Grade Five		1	1			
Grade Six	1	1		1		(1)
Grade Eight	1	1				
Subtotal	<u>18</u>	<u>23</u>	<u>5</u>	<u>3</u>	<u>2</u>	<u>(1)</u>
Special Education:						
Elementary School	5	5		1	1	
Middle School	1	1				
Subtotal	<u>6</u>	<u>6</u>		<u>1</u>	<u>1</u>	
Totals	<u>24</u>	<u>29</u>	<u>5</u>	<u>4</u>	<u>3</u>	<u>(1)</u>
Percentage Error			<u>20.83%</u>			<u>-25.00%</u>

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

	<u>Resident LEP Not Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on ASSA as LEP Not Low Income</u>	<u>Reported on Workpapers as LEP Not Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Test Scores, Application and Register</u>	<u>Sample Errors</u>
Full Day Kindergarten		2	2			
Grade One	1	1				
Grade Two	1	1				
Grade Three	3	3		1	1	
Grade Four	3	3				
Grade Five	3	3		1	1	
Grade Six	3	3				
Grade Seven	5	5				
Grade Eight	6	6		1	1	
Subtotal	<u>25</u>	<u>27</u>	<u>2</u>	<u>3</u>	<u>3</u>	
Special Education:						
Middle School	2	2		1	1	
Subtotal	<u>2</u>	<u>2</u>		<u>1</u>	<u>1</u>	
Totals	<u>27</u>	<u>29</u>	<u>2</u>	<u>4</u>	<u>4</u>	
Percentage Error			<u>7.41%</u>			<u>0.00%</u>

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

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	691	691		14	14	
Regular - Special Education	291	291		6	6	
Transported - Non Public	47	47		1	1	
AIL - Non Public	61	61		1	1	
Special Needs - Public	111	111		2	2	
Special Needs - Private	9	9		1	1	
Totals	1,210	1,210	-0-	25	25	-0-
Percentage Error			0.00%			0.00%

	Reported	Re- calculated
Average Mileage - Regular Including Grade PK Students	3.8	3.8
Average Mileage - Regular Excluding Grade PK Students	3.8	3.8
Average Mileage - Special Education with Special Needs	4.5	4.5

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2022

REGULAR DISTRICT

SECTION 1

4% Calculation of Excess Surplus

2021-2022 Total General Fund Expenditures per the ACFR	<u>\$ 65,281,013</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>\$ 638,028</u>	(B1b)
Decreased by:		
On-Behalf TPAF Pension and Social Security	<u>\$ 11,619,436</u>	(B2a)
Assets Acquired Under Leases and Financed Purchases	<u>\$ 412,965</u>	(B2b)
 Adjusted 2021-2022 General Fund Expenditures [(B)+(B1's)-(B2's)]	 <u>\$ 53,886,640</u>	 (B3)
 4% of Adjusted 2021-2022 General Fund Expenditures [(B5) times .04]	 <u>\$ 2,155,466</u>	 (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 2,155,466</u>	(B5)
Increased by: Allowable Adjustment	<u>\$ 1,251,553</u>	(K)
 Maximum Unassigned Fund Balance [(B5)+(K)]		 <u>\$ 3,407,019</u> (M)

Section 2

Total General Fund - Fund Balances @ 6/30/2022	<u>\$ 18,303,839</u>	(C)
(Per ACFR Budgetary Comparison Schedule C-1)		
Decreased by:		
Year-End Encumbrances	<u>\$ 2,234,737</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u>	(C2)
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 1,800,000</u>	(C3)
Other Restricted Fund Balances	<u>\$ 8,363,126</u>	(C4)
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ 348,957</u>	(C5)
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		 <u>\$ 5,557,019</u> (U1)

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

Section 3

Restricted Fund Balance-Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0- \$ 2,150,000 (E)

Recapitulation of Excess Surplus as of June 30, 2022

Excess Surplus - Designated for Subsequent Year's Expenditures \$ 1,800,000 (C3)
Excess Surplus [(E)] \$ 2,150,000 (E)

Total [(C3)+(E)+(F)] \$ 3,950,000 (D)

Detail of Allowable Adjustments

Impact Aid \$ 439,131 (H)
Sale and Lease Back \$ -0- (I)
Extraordinary Aid \$ 470,455 (J1)
Additional Nonpublic School Transportation Aid \$ 21,385 (J2)
Military Impact Aid \$ 320,582 (J3)

Total Adjustments [(H)+(I)+(J1)+(J2)] \$ 1,251,553 (K)

Detail of Other Restricted Fund Balance

Statutory Restrictions \$ -0-
Approved Unspent Separate Proposal \$ -0-
Sale/Lease-Back Reserve \$ -0-
Capital Reserve \$ 7,553,438
Emergency Reserve \$ 50,000
Maintenance Reserve \$ 200,000
Tuition Reserve \$ -0-
Unemployment Compensation Reserve \$ 559,688
Other State/Governmental Mandated Reserve \$ -0-
Other Restricted Fund Balance not Noted Above \$ -0-

Total Other Restricted Fund Balance \$ 8,363,126 (C4)

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2022

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

2022-002: Payroll records for all reimbursable personnel expenses be reconciled to the monthly operating statements.

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

2022-003: After School Program receipts be turned over to the business office in a timely manner.

10. Status of Prior Year's Findings/Recommendations

The prior year recommendation related to the food service fund has not been resolved and is included in this report.