

*Auditor's Management Report*

*for the*

*Borough of Roselle  
School District*

*in the*

*County of Union  
New Jersey*

*for the*

*Fiscal Year Ended  
June 30, 2017*



**AUDITOR'S MANAGEMENT REPORT OF ADMINISTRATIVE  
FINDINGS-FINANCIAL AND COMPLIANCE**

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## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Borough of Roselle School District  
County of Union  
Roselle, New Jersey 07203

We have audited, in accordance with U.S. generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Borough of Roselle School District in the County of Union for the year ended June 30, 2017, and have issued our report dated December 5, 2017.

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

This report is intended solely for the information of the Borough of Roselle School District, County of Union, New Jersey, the New Jersey Department of Education and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 962

December 5, 2017

**Independent Auditor's Management Report of Administrative Findings - Financial and Compliance**

**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 Borough of Roselle Board of Education, and the records of the various funds under the auspices of the Board of Education.

**ADMINISTRATIVE PRACTICES AND PROCEDURES**

**Insurance (N.J.S.A. 18A:17-26, 18A: 17-32)**

Insurance coverage was carried in the amounts as detailed in the District's CAFR (See Exhibit "J-20").

**Official Bonds**

<u>NAME</u>	<u>POSITION</u>	<u>AMOUNT OF BONDS</u>
Andrea Lawrence-Hyatt	Treasurer of School Monies	*
All Employees	Blanket Bond	\$250,000.00

Adequacy of insurance coverage is the responsibility of the Board of Education.

\* - No evidence of separate surety bond coverage provided for audit

**FINANCIAL PLANNING, ACCOUNTING AND REPORTING**

**Examination of Claims**

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

**Payroll Account**

The net salaries of all employees of the District were deposited in the Salary Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

**2017-01 Finding:** An analysis of the balance on deposit in the Salary and Payroll Agency accounts were not maintained.

**2017-01 Recommendation:** That balances on deposit in the Salary and Payroll Agency accounts be analyzed monthly.

**Independent Auditor's Management Report of Administrative Findings - Financial and Compliance**

**FINANCIAL PLANNING, ACCOUNTING AND REPORTING (CONTINUED)**

**Position Control Roster**

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.

**Reserve for Encumbrances, Liability (Current) for Accounts Payable**

A review of outstanding purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable.

**Unemployment Compensation Insurance Trust Fund**

The Board has adopted the 'Liability Method'. Under this plan, the District is required to calculate and pay the amount required on a quarterly basis based upon rates as determined by the New Jersey Department of Labor.

**Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with N.J.A.C.6A:23-2.2(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 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 errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

**Board Secretary's Records**

Our audit of the financial records and books of account of the Board Secretary revealed the following:

**2017-02 Finding:** Our audit revealed instances of missing journal entries, which resulted in several inaccurate account balances.

**2017-02 Recommendation:** That the business office implement controls to ensure all journal entries are made to the accounting records on a timely basis.

**2017-03 Finding:** There is a substantial grant balance receivable from the Schools Development Authority for capital projects expenditures funded under the Educational Facilities Construction Financing Act. This receivable is several years old and the required reimbursement reports have not been filed with the SDA.

**2017-03 Recommendation:** That the district make every effort to file all the necessary reimbursement reports in order to receive it's funding from the School Development Authority.

**Independent Auditor's Management Report of Administrative Findings - Financial and Compliance**

**FINANCIAL PLANNING, ACCOUNTING AND REPORTING (CONTINUED)**

**Board Secretary's Records (Continued)**

**2017-04 Finding:** Our auditing of the payroll processing department revealed that improvements are needed to the controls over: calculations used for health benefit waiver payments, health benefit waivers paid via purchase order instead of through payroll, imputed income for group term life coverage, submission of quarterly pension reports, removal of employees on unpaid leave from health benefit plans, payment of employment taxes due with quarterly reports, approval of payroll registers by the board president, board secretary, and chief school administrator, preparation and filing of E-Cert 1, payment of salaries within agreed upon salary guides, and maintaining documentation on file for audit for accumulated absences and year end W-2 reports.

**2017-04 Recommendation:** That controls be improved over payroll processing and related activities.

**2017-05 Finding:** The District did not receive from the Borough of Roselle the full amount of district taxes due by June 30, 2017 in accordance with NJSA 54:4-75.

**2017-05 Recommendation:** That the District collect all taxes due by June 30 in accordance with NJSA 54:4-75.

**2017-06 Finding:** Our audit of the District travel reimbursement expenditures revealed: instances of reimbursements that exceed the amount approved by the board of education, no control or procedure to monitor cumulative totals by employee to ensure the maximum is not exceeded, and documentation not maintained on file to support reimbursement for employee professional development travel.

**2017-06 Recommendation:** That the District improve controls over travel reimbursement expenditures.

**2017-07 Finding:** Our examination of the District's issuance of IRS form 1099's issued to vendors revealed numerous instances where 1099's were not issued to applicable vendors.

**2017-07 Recommendation:** That the District issue 1099's to all applicable vendors each year.

**Independent Auditor's Management Report of Administrative Findings - Financial and Compliance**

**FINANCIAL PLANNING, ACCOUNTING AND REPORTING (CONTINUED)**

**Treasurer's Records**

Our audit included an examination of the Treasurer of School Monies' monthly report and bank reconciliations and revealed the following:

**2017-08 Finding:** Our examination revealed numerous months where bank reconciliations and treasurer's reports were not prepared and approved by the board of education. Reconciliations were subsequently performed by an accounting consultant for the operating and payroll accounts for the month ending June 30<sup>th</sup> 2017 just prior to the commencement of audit fieldwork.

**2017-08 Recommendation:** That the District ensures the Treasurer or other qualified personnel prepare and file bank reconciliations and a Treasurer's report on a monthly basis.

**Elementary and Secondary Education Act/ Improving America's Schools Act (IASA) as Reauthorized by the No Child Left Behind Act of 2001**

The E.S.E.A./NCLB financial exhibits are contained within the Special Revenue section of the CAFR. This section of the CAFR documents the financial position pertaining to projects under Title II and III of the Elementary and Secondary Education Act as amended and reauthorized.

**2017-09 Finding:** Our audit revealed reimbursements were not requested and received timely for program expenditures made during the grant period for the IDEA, NCLB, and Perkins programs. The result is a large receivable balance that can have a negative impact on the District's overall cash flow.

**2017-09 Recommendation:** That program expenditure reimbursement reports be filed for all federal programs on a timely basis.

**Other Special Federal and 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 reimbursement filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

**Independent Auditor's Management Report of Administrative  
Findings - Financial and Compliance**

**FINANCIAL PLANNING, ACCOUNTING AND REPORTING (CONTINUED)**

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

The District is required to reimburse the State for the amount of the expenditure charged to the current year's Final Reports for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds. The following exception was noted:

**2017-10 Finding:** The District did not complete the reimbursement voucher or make payment to the State as required for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds.

**2017-10 Recommendation:** That the TPAF/FICA reimbursement report be filed on a timely basis as required by NJSA18A-66-90.

**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 \$29,000.00, 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 therefor, 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. (pending before the Legislature as section 15 of this bill) of section 9 of P.L. 1971 c. 198 (C.40A:11-9) the board of education may establish that the bid threshold may be up to \$40,000.00. 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 \$1,000.00. 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 every year in which it is made. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection a. of N.J.S.A. 18A:18A-5 may be awarded for a period not exceeding 12 consecutive months."

**Independent Auditor's Management Report of Administrative  
Findings - Financial and Compliance**

**SCHOOL PURCHASING PROGRAMS (CONTINUED)**

**Contracts and Agreements Requiring Advertisement for Bids (Continued)**

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 therefor, except as is provided otherwise in this chapter or specifically by any other law.

The board of education may, by resolution approve by the majority of the board of education and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the board of education finds that it has had negative prior experience with the bidder."

Effective July 1, 2015 and thereafter, the bid thresholds in accordance with N.J.S.A. 18A:18A-3(a) are \$40,000.00 (with a Qualified Purchasing Agent) \$29,000.00 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18:39-3 is currently \$18,800.00.

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

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5. Our review of controls over professional contracts revealed the following:

**2017-11 Finding:** Our audit of the District's purchasing revealed that numerous items over the bid threshold were not awarded by the board of education in the minutes; and also that documentation for contracts that required bids and/or professional services contracts were not maintained on file for audit.

**2017-11 Recommendation:** That all items over the bid threshold be properly awarded by the board of education; and that all required documentation related to items over the bid threshold and professional services contracts be maintained on file and available for audit.

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.

**Independent Auditor's Management Report of Administrative  
Findings - Financial and Compliance**

**SCHOOL FOOD SERVICE FUND**

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 had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted. We also inquired 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. No exceptions were noted.

Cash receipts and bank records were reviewed for timely deposit without exception. The District is depositing and expending program monies in accordance with NJSA 18A:17-34 and 19-1 through 19-4.1.

The number of meals claimed for reimbursement was verified against sales and meal count records. As part of the claims review process the edit check worksheet was completed. Reimbursement vouchers were properly computed and timely filed. Meals claimed agreed with the meal count records tested. No exceptions were noted.

Applications for free and reduced meals were reviewed for completeness and accuracy. The number of free and reduced meals claimed as served did not exceed the number of valid applications on file, times the number of operating days, on a school by school basis. The free and reduced meal policy is uniformly administered throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions were noted.

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. No exceptions were noted. Payroll records were maintained on all school food service employees. No exceptions were noted.

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. Provisions of the food service management contract addendum were reviewed and audited. The food service management contract includes an operating results provision which guarantees that the food service program will have a net profit of \$20,000 or more. The operating results provision has been met.

Exhibits reflecting Child Nutrition Program operations are included in Exhibits B-4, B-5, and B-6 of the CAFR.

**Independent Auditor's Management Report of Administrative  
Findings - Financial and Compliance**

**STUDENT BODY ACTIVITIES**

**Student Activities & Athletics Accounts**

Our review of the student activity funds disclosed the following findings:

**2017-12 Finding:** Our examination of the District's student activity funds revealed that bank reconciliations are not being properly prepared each month. Also, an analysis of the balance of each account's activity, club, & class sub-accounts is not being maintained.

**2017-12 Recommendation:** That accurate bank reconciliations be prepared and the balance on deposit be analyzed monthly.

**APPLICATION FOR STATE SCHOOL AID**

Our audit procedures included a test of information reported in the October 14, 2016 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 work papers with minor exceptions. The information that was included on the workpapers was verified without exception. 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 procedures for the recording of student enrollment data.

**PUPIL TRANSPORTATION**

Our audit procedures included a test of on roll status reported in the 2016-17 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

**Independent Auditor's Management Report of Administrative  
Findings - Financial and Compliance**

**FACILITIES AND CAPITAL ASSETS**

Our procedures included review of the SDA grant agreement for consistency with recording SDA revenue, transfer of local funds from the general fund or from the capital reserve account, and awarding of contracts for eligible facilities construction.

**2017-13 Finding:** The Capital Assets ledger provided by the District for the fiscal year 2017 was inaccurate and incomplete.

**2017-13 Recommendation:** That the District maintain an accurate and detailed Capital Assets ledger.

Our procedures also included examination and interviews regarding the districts compliance with N.J.A.C. 26-1.2 and 1.4 relating to the testing for lead in drinking water. No exceptions were noted.

**TESTING FOR LEAD OF ALL DRINKING WATER IN EDUCATIONAL FACILITIES**

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

**FOLLOW-UP ON PRIOR YEAR'S FINDINGS**

In accordance with governmental auditing standards, our procedures included a review of all prior year recommendations. The items noted on the following page with an "\*" are repeat unresolved items.

**Independent Auditor's Management Report of Administrative Findings - Financial and Compliance**

It is recommended that:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

\*2017-01 Recommendation: That balances on deposit in the Salary and Payroll Agency accounts be analyzed monthly.

\*2017-02 Recommendation: That the business office implement controls to ensure all journal entries are made to the accounting records on a timely basis.

\*2017-03 Recommendation: That the district make every effort to file all the necessary reimbursement reports in order to receive it's funding from the School Development Authority.

2017-04 Recommendation: That controls be improved over payroll processing and related activities

\*2017-05 Recommendation: That the District collect all taxes due by June 30 in accordance with NJSA 54:4-75.

2017-06 Recommendation: That the District improve controls over travel reimbursement expenditures.

2017-07 Recommendation: That the District issue 1099's to all applicable vendors each year.

2017-08 Recommendation: That the District ensures the Treasurer or other qualified personnel prepare and file bank reconciliations and a Treasurer's report on a monthly basis.

\*2017-09 Recommendation: That program expenditure reimbursement reports be filed for all federal programs on a timely basis.

\*2017-10 Recommendation: That the TPAF/FICA reimbursement report be filed on a timely basis as required by NJSA18A-66-90.

3. School Purchasing Program

2017-11 Recommendation: That all items over the bid threshold be properly awarded by the board of education; and that all required documentation related to items over the bid threshold and professional services contracts be maintained on file and available for audit.

**Independent Auditor's Management Report of Administrative Findings - Financial and Compliance**

4. School Food Service

None

5. Student Body Activities

\*2017-12 Recommendation: That accurate bank reconciliations be prepared and the balance on deposit be analyzed monthly.

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

\*2017-13 Recommendation: That the District maintain an accurate and detailed Capital Assets ledger.

9. Testing for Lead of All Drinking Water in Educational Facilities

None

10. Status of Prior Year's Findings/Recommendations

Items notated above with an "\*\*" are repeated/unresolved findings.

BOROUGH OF ROSELLE SCHOOL DISTRICT  
 SCHEDULE OF AUDITED ENROLLMENTS  
 APPLICATION FOR STATE SCHOOL AID SUMMARY  
 ENROLLMENT AS OF OCTOBER 14, 2016

	2017-18 Application for State School Aid				Sample for Verification				Private School for Handicapped							
	Reported on A.S.S.A. as on Roll		Reported on Workpapers on Roll		Errors		Sample Selected from Workpapers		Verified per Registers on Roll		Errors per Registers on Roll		Reported on A.S.S.A. as Private Schools		Sample for Verification	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Pre-K 3yr	10		10				4		4							
Half Day Pre-K 4yr	18		18				3		3							
Full Day Pre-K 3yr	3		3				1		1							
Full Day Pre-K 4yr	16		16				2		2							
Full Day Kindergarten	189		189				21		21							
One	198		198				21		21							
Two	214		214				21		21							
Three	217		217				15		15							
Four	183		183				22		22							
Five	215		215				15		15							
Six	196		196				21		21							
Seven	166		166				20		20							
Eight	193		193				20		20							
Nine	156	1	156	1			15		15							
Ten	156	1	156	1			12		12							
Eleven	161	3	161	3			12		12							
Twelve	129	1	129	1			20		20							
Subtotal	2,420	6	2,420	6			245		245							
SpEd Elementary (PK-5)	171		171				30		30							
SpEd Middle School (6-8)	82		82				5		5							
SpEd High School	91	10	91	10			5		5					9		8
Subtotal	344	10	344	10			40		40					9		8
Totals	2,764	16	2,764	16			285		285					9.0		8

Percentage

BOROUGH OF ROSELLE SCHOOL DISTRICT  
 SCHEDULE OF AUDITED ENROLLMENTS  
 APPLICATION FOR STATE SCHOOL AID SUMMARY  
 ENROLLMENT AS OF OCTOBER 14, 2016

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Pre-School	129	129		20	20		41	41		22	22	
Full Day Kindergarten	153	153		25	25		31	31		16	16	
One	183	183		25	25		48	48		25	25	
Two	174	174		15	15		28	28		15	15	
Three	142	142		25	25		16	16		9	9	
Four	177	177		15	15		8	8		4	4	
Five	158	158		15	15		12	12		7	7	
Six	128	128		15	15		5	5		2	2	
Seven	149	149		20	20		12	12		7	7	
Eight	120	120		20	20		8	8		4	4	
Nine	137.5	137.5		20	20		19	19		9	9	
Ten	123.5	123.5		15	15		7	7		3	3	
Eleven	88.5	88.5		15	15		7	7		3	3	
Twelve	1862.5	1862.5		245	245		242	242		126	126	
Subtotal												
SpEd Elementary	130	130		15	15		19	19		9	9	
SpEd Middle School	58	58		12	12		1	1		1	1	
SpEd High School	84	84		12	12							
Subtotal	272	272		39	39		20	20		10	10	
Totals	2134.5	2134.5		284	284		262	262		136	136	

Percentage Error

Transportation					
Reported on DRTS by DOE	Reported on DRTS by District	Errors	Tested	Verified	Errors
111	111		69	69	
57.5	57.5		36	36	
18.5	18.5		11	11	
187	187		116	116	

Reg - Public Schools, col. 1

Reg - SpEd, col. 4

Special Ed Spec, col. 6

Totals

Percentage Error

BOROUGH OF ROSELLE SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENTS  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 14, 2016

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Pre-School						
Full Day Pre-School						
Full Day Kindergarten	17	17		7	7	
One	3	3		1	1	
Two	5	5		2	2	
Three	1	1		1	1	
Four						
Five						
Six	1	1		1	1	
Seven						
Eight	1	1		1	1	
Nine	1	1		1	1	
Ten						
Eleven	3	3		2	2	
Twelve	1	1		1	1	
Subtotal	<u>33</u>	<u>33</u>		<u>17</u>	<u>17</u>	
SpEd Elementary	1	1		1	1	
SpEd Middle School						
SpEd High School						
Subtotal	<u>1</u>	<u>1</u>		<u>1</u>	<u>1</u>	
Totals	<u>34</u>	<u>34</u>		<u>18</u>	<u>18</u>	
Percentage Error						

BOROUGH OF ROSELLE SCHOOL DISTRICT  
SCHEDULE OF CALCULATION OF EXCESS SURPLUS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

SECTION 1

2% Calculation of Excess Surplus (2016-17 expenditures of \$100 million or less)

2016 - 2017 Total General Fund Expenditures	<u>54,467,562.67</u>	
Decreased by:		
On-Behalf TPAF Pension, PRM, LTD, & Social Security	<u>5,415,050.18</u>	
Adjusted 2016 - 2017 General Fund Expenditures		<u>49,052,512.49</u>
2% of Adjusted 2016 - 2017 General Fund Expenditures		<u>981,050.25</u>
Greater of line above or \$250,000.00		<u>981,050.25</u>
Increased by: Allowable Adjustment		<u>218,502.00</u>
Maximum Unreserved/Undesignated Fund Balance		<u><u>1,199,552.25</u></u>

SECTION 2

Total General Fund Balances @ 6-30-17	<u>13,181,199.03</u>	
Decreased by:		
Year End Encumbrances	<u>42,926.63</u>	
Legally Restricted-Excess Surplus-Designated For Subsequent Year's Expenditures	<u>3,750,000.00</u>	
Assigned Fund Balance-Unreserved-Designated For Subsequent Year's Expenditures	<u>25,806.00</u>	
Other Restricted Fund Balances (Capital Reserve, Maintenance Reserve, Emergency Reserve)	<u>4,422,914.15</u>	
Total Unreserved/Undesignated Fund Balance for Excess Surplus Calculation		<u>4,939,552.25</u>

SECTION 3

Reserved Fund Balance-Excess Surplus	<u><u>3,740,000.00</u></u>
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Recapitulation of excess surplus as of June 30, 2017

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	<u>3,750,000.00</u>
Reserved Excess Surplus	<u>3,740,000.00</u>
Total	<u><u>7,490,000.00</u></u>

Detail of Allowable Adjustments

Additional/Unbudgeted Extraordinary Aid	<u>218,502.00</u>
	<u><u>218,502.00</u></u>

