

ROCHELLE PARK SCHOOL DISTRICT
COUNTY OF BERGEN
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015

ROCHELLE PARK SCHOOL DISTRICT
COUNTY OF BERGEN
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FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
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November 23, 2015

The Honorable President and Members
of the Board of Education
Rochelle Park School District
County of Bergen, NJ

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 Rochelle Park School District in the County of Bergen for the fiscal year ended June 30, 2015, and have issued our report thereon dated November 23, 2015.

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, 2015, 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 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 Rochelle Park 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

Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

ROCHELLE PARK SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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FISCAL YEAR ENDED JUNE 30, 2015

Scope of Audit

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

Administrative Practices and Procedures

Insurance

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

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Christine Werner	Business Administrator	\$ 185,000
Peter Bellani	Treasurer of School Monies	185,000

Tuition Charges

The District did not receive any tuition revenue from other school districts.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid on a test basis, during the period under review was completed to determine compliance with respect to signatures, certification and supporting documentation.

Finding:

During our examination of claims paid on a test basis we noted that certain purchase orders and related supporting documentation such as a bill or invoice were not available for audit review.

Recommendation:

It is recommended that purchase orders for all claims paid including related supporting documentation such as a bill or invoice be maintained on file for audit review.

Management's Response:

The District will ensure that purchase orders for all claims paid including related supporting documentation such as a bill or invoice are maintained on file for audit review.

ROCHELLE PARK SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Payroll Account

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 tested were approved by the Chief School Administrator and certified by the President of the Board and the School Business Administrator and the Chief School Administrator.

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

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendent, and business administrator) to the NJ Department of Treasury was filed in a timely manner.

Findings:

1. During our review of the net payroll bank reconciliation at June 30, 2015, we noted that there was a deficit balance of \$10,570 in the Net Payroll Account. Per direction of the Business Administrator, this deficit was resolved with an interfund transfer from the General Fund.
2. An analysis of the activity in the Net Payroll Account was not prepared. Also, while an analysis of the activity in the Payroll Agency account was prepared it was not reconciled with the ending cash balance.
3. During our review of the employee health benefits withholdings on a test basis, it was noted that the withholdings were not accurately calculated. Also, during our testing of salaries paid to employees, we noted one instance where the 2014-15 salary per the individual employee's contract was not correct and reflected the employee's 2015-2016 salary amount. The employee was paid the correct salary for the year. However, the employee's health benefit withholding was calculated based on the 2015-16 contractual salary in error.

Recommendations:

It is recommended that:

1. The balance in the Net Payroll account is monitored on an ongoing basis and the District ensure that sufficient funds are transferred to the account for each payroll.
2. An analysis of the activity in the Net Payroll Account is prepared. Also, the analysis of the activity in the Payroll Agency account is reconciled with the cash balance in the account on a monthly basis.
3. Every effort be made to ensure that the employee health benefit withholdings are accurately calculated and that the salaries noted in the individual employees' contracts are correct.

ROCHELLE PARK SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
 (Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Payroll Account (Cont'd)

Management's Response:

The District will make every effort to ensure that the balance in the Net Payroll account is monitored on an ongoing basis and ensure that sufficient funds are transferred to the account for each payroll. Also, an analysis of the activity in the Net Payroll Account will be prepared and the analysis of the activity in the Payroll Agency account will be reconciled with the cash balance in the account on a monthly basis. Finally, every effort be made to ensure that the employee health benefit withholdings are accurately calculated and that the salaries noted per the individual employees' contracts are correct.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders as of June 30 was made on a test basis for proper classification of orders as reserve for encumbrances or accounts payable.

Classification of General and Administrative Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. In addition to randomly selecting a test sample, we reviewed administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. As a result of the procedures performed, no significant 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 the following comments:

Findings:

- 1) Certain grant expenditures reported on the final expenditure reports for the federal grants were not properly reflected in the accounting records for the Special Revenue Fund. At the direction of the current Business Administrator, certain expenditures were reclassified between the General and Special Revenue Funds to ensure that the accounting records and final expenditure reports were in agreement.
- 2) The general ledger for the General Fund reflects a payable to the Township of Rochelle Park for an overpayment of the tax levy in the prior year which was not resolved in the current fiscal year.

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ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Board Secretary's Records (Cont'd)

Findings: (Cont'd)

- 3) County Superintendent's approval was not obtained for a transfer from the Personal Services-Employee Benefits line item accounts in excess of 10%. Line item transfers from an advertised appropriation account as defined in N.J.A.C. 6A:23A-13.3(e) which on a cumulative basis exceed 10% of the amount included in the original budget, require County Superintendent's approval.
- 4) The July 1, 2014 opening balances remaining on the Capital Projects Fund referendum project were not properly reflected in the District's accounting records.
- 5) Overall, many audit journal entries and adjustments were required to adjust the District's accounting records to their correct balances. All of these adjustments were under the direction of the District's current Business Administrator.
- 6) The District did not submit the June Board Secretary and Treasurer's Reports to the County Superintendent by the required deadline of August 1, 2015.
- 7) Policies and procedures were not in place to ensure that new passwords were assigned to new employees, that former employees did not have their password access removed and that each employee was assigned their own password and that there was no sharing of passwords for access to the accounting software system and various Department of Education systems. As the District had already ensured that new employees are assigned their own passwords, that former employees' access is removed and that passwords are not shared amongst employees and is in the process of developing policies and procedures related to control over passwords, no formal recommendation is judged to be warranted.

Recommendations:

It is recommended that:

- 1) Every effort is made to ensure that expenditures reported in the federal grants final expenditure reports are in agreement with the related expenditures per the accounting records for the Special Revenue Fund.
- 2) The payable to the Township of Rochelle Park for an overpayment of the tax levy is resolved.
- 3) County Superintendent's approval is obtained for line item transfers from an advertised appropriation account as defined in N.J.A.C. 6A:23A-13.3(e) which on a cumulative basis exceed 10% of the amount included in the original budget.
- 4) The opening balances remaining on the Capital Projects Fund referendum project are properly reflected in the District's accounting records.

ROCHELLE PARK SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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 (Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Board Secretary's Records (Cont'd)

Recommendations: (Cont'd)

It is recommended that: (Cont'd)

- 5) Every effort is made to ensure that all necessary journal entries are recorded in the accounting records and that the balances reflected in the accounting records are accurate.
- 6) The June Board Secretary and Treasurer's Reports are submitted to the County Superintendent by the required deadline of August 1 in the future.

Management's Response:

The District will ensure the accounting records/balances are accurate and reconciled with any grant expenditure reports, that the County Superintendent's approval for transfers is obtained where needed and that the June Board Secretary and Treasurer's Reports are submitted to the County Superintendent by the required deadline of August 1 in the future.

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. Also, see the finding under the Board Secretary's Records with respect to the June Treasurer's report.

Finding:

There are various older reconciling items on the various bank reconciliations prepared by the Treasurer.

Recommendation:

It is recommended that the older reconciling items on the bank reconciliations prepared by the Treasurer be reviewed for validity and that all reconciling items be resolved in a timely manner in the future.

Management's Response:

The District will ensure that all older reconciling items are reviewed for validity and that all reconciling items are resolved in a timely manner in the future.

No Child Left Behind (N.C.L.B.)

The N.C.L.B. financial exhibits are contained herein 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 and Title II of the No Child Left Behind Act. The study of compliance for the N.C.L.B. did not indicate any area of noncompliance.

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(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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

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. Additionally, our audit procedures included a review of the T.P.A.F. Reimbursement to the State for Federal Salary Expenditures.

Findings:

1. The amounts posted in the District's accounting records for the amount of the T.P.A.F. social security reimbursement payments did not agree with the amounts submitted for reimbursement. The amounts requested for reimbursement did agree with the associated payroll reports.
2. The T.P.A.F. Reimbursement to the State for Federal Salary Expenditures was not remitted to the State by October 1, 2015. No exceptions were noted in our review of the reimbursement.

Recommendation:

It is recommended that the District ensures that amounts posted in the District's accounting records for the amount of the T.P.A.F. social security reimbursement payments agree with the amounts submitted for reimbursement and that the T.P.A.F. Reimbursement to the State for Federal Salary Expenditures is remitted to the State by the October 1 due date.

Management's Response:

The District will ensure that amounts posted in the District's accounting records for the amount of the T.P.A.F. social security reimbursement payments agree with the amounts submitted for reimbursement and that the T.P.A.F. Reimbursement to the State for Federal Salary Expenditures is remitted to the State by the October 1 due date.

ROCHELLE PARK SCHOOL DISTRICT
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 (Continued)

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"

Effective July 1, 2010 and thereafter, the bid threshold in accordance with N.J.S.A. 18A:18A-3 is \$26,000 and with a qualified purchasing agent the threshold may be up to \$36,000. The bid threshold for public school transportation contracts in accordance with N.J.S.A 18A:39-3 is currently \$18,300.

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., except as noted below.

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

ROCHELLE PARK SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

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.

Finding:

During our testing of the bids awarded, it was noted that documentation was not maintained on file for one bid to support the determination that the bid was awarded to the lowest bidder and that this bid was not approved in the minutes. Additionally, for another bid awarded, the bid documents could not be located for audit review.

Recommendation:

It is recommended that the District maintain documentation for all bids awarded and ensure that all bid awards are approved in the Board's minutes.

Management's Response:

The District will ensure that required documentation for bids awarded are maintained on file and that all bid awards are approved in the Board's minutes.

School Food Service

The financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. Food Service accounting records maintained by the District's central administration office were reconciled with the records maintained by the food service contractor.

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 utilized.

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. Net cash resources did not exceed three months average expenditures.

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. The FMSC contract includes an operating results provision which guarantees that the food service program will breakeven. The operating results provision has been met.

Time sheets and payroll records provided to the District from the Food Service contractor were reviewed on a test basis.

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. Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served did not exceed the number of valid applications on file,

ROCHELLE PARK SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

School Food Service (Cont'd)

multiplied by the number of operating days, on a school by school basis. The free and reduced price 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.

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

The District has a Type 2 SOC1 report (Service Organization Controls Report) of the food service management company on file as required by state requirements.

Finding:

During our review of the federal and state meal reimbursements, it was noted that for one month the claim was not submitted to the State for reimbursement.

Recommendation:

It is recommended that the District ensure all monthly federal and state meal reimbursement requests are timely filed with the State to ensure reimbursement.

Management's Response:

The District will ensure all monthly federal and state meal reimbursements are filed in a timely manner with the State.

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the records of the Student Activities Fund 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, 2014 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, bilingual and low income students. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers with a few minor exceptions. The information that was included on the workpapers was verified on a test basis 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 written procedures for the recording of student enrollment data.

ROCHELLE PARK SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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(Continued)

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2014-2015 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report on a test basis 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.

Facilities and Capital Assets

Our procedures included a 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.

Finding:

While the current year additions were determined with the District's assistance, the capital assets records were not formally updated.

Recommendation:

It is recommended that the District formally updates its capital assets records for any additions, deletions or transfers on an annual basis.

Management's Response:

The District will ensure that the District's capital assets records are formally updated for any additions, deletions and transfers on an annual basis.

Travel Expenses and Travel Reimbursement Policy

Travel regulations require each District to adopt a formal policy and procedures pertaining to travel and expense reimbursements for its employee and board members. The regulations require the District to establish a maximum travel amount for the year and to ensure that the maximum is not exceeded. The regulations also require that all travel be preapproved by the Board of Education and the Superintendent and that the approval must be itemized by event, event total cost, and individuals attending.

Management Suggestions

Securities Exchange Commission's ("SEC") Municipalities Continuing Disclosure Cooperation Initiative

In connection with the issuance of bonds by a school district, the District agrees to the continuing disclosure of certain information to the Electronic Municipal Market Access ("EMMA") website under the auspices of the Municipal Securities Rulemaking Board. The District should ensure that all continuing disclosure requirements with respect to the District's bond issuances are met. These requirements include filing of certain financial information such as audit reports, budgets and certain operating data.

ROCHELLE PARK SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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FISCAL YEAR ENDED JUNE 30, 2015
 (Continued)

Management Suggestions (Cont'd)

Single Audit

Effective for the fiscal year ended June 30, 2016, there will be significant changes to the Single Audit. These changes include the following:

- An increase in the single audit threshold
- Low risk auditee criteria
- Type A and B threshold
- Coverage requirements for major programs tested for both low risk and non-low risk auditees.

Additionally, the cost principles and administrative requirements such as A-87 have been consolidated under the *OMB Uniform Guidance: Cost Principles, Audit and Administrative Requirements for Federal Awards*. This guidance was effective December 26, 2014 for all new federal awards and for any additional funding for existing awards made after December 26, 2014.

Governmental Accounting Standards Board Statements

The next Governmental Accounting Standards Board ("GASB") statement which will have a significant impact on the District will be GASB#75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, will be effective for the fiscal year ending June 30, 2018. This standard replaces GASB#45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. It is similar to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* GASB#68 in that successful implementation of this standard will require the provision of certain key financial and non-financial information from the New Jersey Division of Pensions.

Deferred Contribution Plans

The District has a fiduciary responsibility to its employees related to the deferred compensation plans offered by the District. The District should consider a periodic review of the benefits, features, costs, and performance of its deferred compensation plans and make that information available to employees to assist employees in making suitable choices for investing their retirement funds while fulfilling the District's fiduciary responsibilities.

Independent Contractors

The District should consider reviewing the status of "Independent Contractors" utilized by the District with the Internal Revenue Service guidelines for determination of employment status. The IRS has been reviewing employers, including governments, to determine compliance. A proactive approach may help to minimize or eliminate potential penalties related to incorrect employment status determination.

Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding the District's food service receipts and student activity receipts not being deposited in a timely manner, were resolved during the current fiscal year. The prior year recommendation regarding the District filing the June Board Secretary's and Treasurer's reports by August 1st with the County Superintendent has not been corrected and it is included as a current year recommendation.

TOWNSHIP OF ROCHELLE PARK SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

	2015-2016 Application for State School Aid						Sample for Verification					
	Reported on		Reported on		Errors		Sample		Verified per		Errors	
	ASSA as		Workpapers				Selected from		Registers			
	On Roll		as On Roll		Workpapers		On Roll					
Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	
Full Day Preschool 4 Years Old	16		16				16		16			
Full Day Kindergarten	50		50				50		50			
Grade One	43		43				43		43			
Grade Two	47		47				47		47			
Grade Three	45		45				45		45			
Grade Four	43		43				43		43			
Grade Five	40		40				40		40			
Grade Six	44		44				44		44			
Grade Seven	42		42				42		42			
Grade Eight	38		38				38		38			
Subtotal	408		408				408		408			
Special Education:												
Elementary	45		43		2		8		8			
Middle	12		13		(1)		4		4			
Subtotal	57	0	56	0	1		12		12			
Totals	465	0	464	0	1	-0-	420	0	420	0	-0-	-0-
Percentage Error					0.22%	0.00%					0.00%	0.00%

TOWNSHIP OF ROCHELLE PARK SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

	Private Schools for Disabled					Resident Low Income						
	Reported on ASSA as Private Schools	Reported on Workpapers as Private Schools	Errors	Sample for Verification	Sample Verified	Sample Errors	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Preschool 4 Years Old												
Full Day Kindergarten							10	10		1	1	
Grade One							13	13		1	1	
Grade Two							9	9		1	1	
Grade Three							10	10		1	1	
Grade Four							5	5		1	1	
Grade Five							8	8				
Grade Six							14	14		1	1	
Grade Seven							3	3		1	1	
Grade Eight							7	7		1	1	
Subtotal							79	79		8	8	
Special Education:												
Elementary School							15	15		2	2	
Middle School	2	2		1	1		7	7		2	2	
High School	2	2										
Subtotal	4	4		1	1		22	22		4	4	
Totals	4	4		1	1		101	101		12	12	
Percentage Error			0.00%				0.00%			0.00%		0.00%

TOWNSHIP OF ROCHELLE PARK SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

	Resident LEP Low Income					
	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Errors
Full Day Kindergarten	3	2	-1	1	1	
Grade One	1	2	1	1	1	
Grade Three						
Grade Four	1	1				
Grade Five	1	1		1	1	
Subtotal	<u>6</u>	<u>6</u>		<u>3</u>	<u>3</u>	
Special Education:						
Elementary School	5	5		1	1	
Subtotal	<u>5</u>	<u>5</u>		<u>1</u>	<u>1</u>	
Totals	<u><u>11</u></u>	<u><u>11</u></u>		<u><u>4</u></u>	<u><u>4</u></u>	
Percentage Error			<u><u>0.00%</u></u>			<u><u>0.00%</u></u>

TOWNSHIP OF ROCHELLE PARK SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

	Resident LEP Not Low Income					
	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 and Register	Sample Errors
Full Day Kindergarten						
Grade One	2	2		1	1	
Grade Two	2	2		1	1	
Grade Three	1	1		1	1	
Grade Four						
Grade Ten						
Totals	<u>5</u>	<u>5</u>		<u>3</u>	<u>3</u>	
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

TOWNSHIP OF ROCHELLE PARK SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	109	109		11	11	
Transported - Non Public	21	21		4	4	
AIL - Non Public	48	48		5	5	
Special Education - Special Needs	24	24		5	5	
Totals	<u>202</u>	<u>202</u>		<u>25</u>	<u>25</u>	
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

ROCHELLE PARK SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2015

REGULAR DISTRICT**SECTION 1****2% Calculation of Excess Surplus**

2014-2015 Total General Fund Expenditures per the CAFR, Ex. C-1	<u>\$ 11,871,415</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -0-</u> (B1b)
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ -0-</u> (B1c)
Decreased by:	
On-Behalf TPAF Pension and Social Security	<u>\$ 763,937</u> (B2a)
Assets Acquired Under Capital Leases	<u>\$ -0-</u> (B2b)
Adjusted 2014-2015 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 11,107,478</u> (B3)
2% of Adjusted 2014-2015 General Fund Expenditures [(B3) times .02]	<u>\$ 222,150</u> (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 250,000</u> (B5)
Increased by: Allowable Adjustments	<u>\$ 40,632</u> (K)
Maximum Unassigned Fund Balance [(B5)+(K)]	<u>\$ 290,632</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6/30/2015 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 1,131,778</u> (C)
Decreased by:	
Year-End Encumbrances	<u>\$ -0-</u> (C1)
Legally Restricted:	
Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C2)
Excess Surplus - Designated for Subsequent Year's Expenditures	<u> </u> (C3)
Other Restricted Fund Balance	<u>\$ 391,336</u> (C4)
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	<u>\$ 234,875</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	<u>\$ 505,567</u> (U1)

ROCHELLE PARK SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

SECTION 3

Restricted Fund Balance - Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0- \$ 214,935 (E)

Recapitulation of Excess Surplus as of June 30, 2015

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures \$ -0- (C3)

Restricted Excess Surplus [(E)] \$ 214,935 (E)

Total [(C3)+(E)] \$ 214,935 (D)

Detail of Allowable Adjustments

Impact Aid \$ -0- (H)

Sale & Lease-back \$ -0- (I)

Extraordinary Aid \$ 31,540 (J1)

Additional Nonpublic School Transportation Aid \$ 9,092 (J2)

Total Adjustments [(H)+(I)+(J1)+(J2)] \$ 40,632 (K)

Detail of Other Restricted Fund Balance

Statutory Restrictions:

Approved Unspent Separate Proposal \$ -0-

Sale/Lease-back Reserve \$ -0-

Capital Reserve \$ 322,647

Maintenance Reserve \$ -0-

Emergency Reserve \$ -0-

Tuition Reserve \$ 68,689

Other State/Government Mandated Reserve \$ -0-

Other Restricted Fund Balance Not Noted Above \$ -0-

Total Other Restricted Fund Balance \$ 391,336 (C4)

ROCHELLE PARK SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2015

It is recommended that:

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
 - a. Purchase orders for all claims paid including related supporting documentation such as a bill or invoice be maintained on file.
 - b. The balance in the Net Payroll account be monitored on an ongoing basis and the District ensure that sufficient funds are transferred to the account for each payroll.
 - c. An analysis of the activity in the Net Payroll Account be prepared. Also, the analysis of the activity in the Payroll Agency account be reconciled with the cash balance in the account on a monthly basis.
 - d. Every effort be made to ensure that the employee health benefit withholdings are accurately calculated and that the salaries noted in the individual employees' contracts are correct.
 - e. Every effort is made to ensure that expenditures reported in the federal grants final expenditure reports are in agreement with the related expenditures per the accounting records for the Special Revenue Fund.
 - f. The payable to the Township of Rochelle Park for an overpayment of the tax levy be resolved.
 - g. County Superintendent's approval be obtained for line item transfers from an advertised appropriation account as defined in N.J.A.C. 6A:23A-13.3(e) which on a cumulative basis exceed 10% of the amount included in the original budget.
 - h. The opening balances remaining on the Capital Projects Fund referendum project be properly reflected in the District's accounting records.
 - i. Every effort be made to ensure that all necessary journal entries are recorded in the accounting records and that the balances reflected in the accounting records are accurate.
 - j. The June Board Secretary and Treasurer's Reports be submitted to the County Superintendent by the required deadline of August 1 in the future.
 - k. The older reconciling items on the bank reconciliations prepared by the Treasurer be reviewed for validity and that all reconciling items be resolved in a timely manner in the future.
 - l. The District ensures that amounts posted in the District's accounting records for the amount of the T.P.A.F. social security reimbursement payments agree with the amounts submitted for reimbursement and that the T.P.A.F. Reimbursement to the State for Federal Salary Expenditures is remitted to the State by the October 1 due date.

ROCHELLE PARK SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

It is recommended that:

3. School Purchasing Program

The District maintain documentation for all bids awarded and ensure that all bid awards are approved in the Board's minutes.

4. School Food Service

The District ensure all monthly federal and state meal reimbursement requests are timely filed with the State to ensure reimbursement.

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

The District formally updates its capital assets records for any additions, deletions or transfers on an annual basis.

9. Travel Expenses and Travel Reimbursement Policy

None

10. Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding the District's food service receipts and student activity receipts not being deposited in a timely manner, were resolved during the current fiscal year. The prior year recommendation regarding the District filing the June Board Secretary's and Treasurer's reports by August 1st with the County Superintendent has not been corrected and it is included as a current year recommendation.