

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2015**

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS**

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

	<u>Page No.</u>
Report of Independent Auditors	1
Scope of Audit	2
Administrative Practices and Procedures	2
Financial Planning, Accounting and Reporting	2-4
School Purchasing Programs	4-5
Enterprise Funds	5
Student Body Activities	6
Application for State School Aid	6
Pupil Transportation	6
Facilities and Capital Assets	6
Follow-up on Prior Year Findings	6
Number of Milks Served and (Over)/Underclaim – Not Applicable	7
Comparison of Net Cash Resources to Average Expenditures – Not Applicable	8
Schedule of Audited Enrollments	9-11
Calculation of Excess Surplus	12
Recommendations	13
Acknowledgment	14



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Honorable President and Members
of the Board of Trustees
Rockaway Township School District
Hibernia, New Jersey

We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Rockaway Township School District in the County of Morris for the fiscal year ended June 30, 2015, and have issued our report thereon dated December 14, 2015.

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

This report is intended for the information of management, the Board of Trustees, others within the District and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.

LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants

Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
December 14, 2015

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE 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 and the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on the Insurance Schedule (Exhibit J-20) contained in the district's Comprehensive Annual Financial Report (CAFR).

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Donna Marie Palmiere	Board Secretary/School Business Administrator	\$300,000
Lisa Palmieri	Treasurer of School Monies	300,000

Financial Planning, Accounting and Reporting

Examination of Claims

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

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of payroll taxes were deposited in the Payroll Agency Account.

All payrolls tested were certified by the President of the Board, the Board Secretary/School Business Administrator and the Chief School Administrator.

Salary withholdings were promptly remitted to the proper agencies, including employee health benefit premium contribution amounts withheld due to the General Fund.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Financial Planning, Accounting and Reporting (Continued)

Classification of 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. 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, we also selected administrative coding classifications to determine overall reliability and compliance with NJAC 6A:23A-8.3. As a result of the procedures performed no additional procedures were deemed necessary to test the propriety of expenditure classifications.

The District had an approved Board travel policy as required by NJAC 6A:23A-6.13 and NJSA 18A:11-12.

Finding – Solar lease principal and interest payments were misclassified and misbudgeted to capital outlay custodial service. The expenditure and related appropriations were reclassified to facilities acquisition and construction services lease purchase agreement –principal and central service interest on lease purchase agreement.

Recommendation – The District to reference the Uniform Minimum Chart of Accounts for New Jersey Public Schools 2015-16 Edition for the proper classifications required to be in compliance with N.J.A.C. 6A:23A.16.2(f).

Board Secretary's Records

The financial records, books of account and minutes maintained by the Board Secretary were in good condition.

Acknowledgment of the Board's receipt of the Board Secretary's and Treasurer's monthly financial reports were included in the minutes.

The prescribed contractual order system was followed.

Bids received were summarized in the minutes.

Treasurer's Records

The Treasurer did perform cash reconciliations for all District accounts (NJSA 18A:17-9).

All cash receipts were promptly deposited.

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

Unemployment Compensation Insurance Trust Fund

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. The financial transactions of this fund are reported in the Fiduciary Trust Funds.

Elementary and Secondary Education Act (E.S.E.A./Improving America's Schools Act (I.A.S.A.) as Reauthorized by the No Child Left Behind Act (NCLB) 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 I, Title II and Title III of the Elementary and Secondary Education Act as amended.

Our examination of the E.S.E.A./NCLB 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.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Financial Planning, Accounting and Reporting (Continued)

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Exhibit K-3 and K-4 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. Reimbursements

Our audit procedures included a test of the semi-monthly reimbursement forms filed with the Department of Education for district employees who are members of the Teachers' Pension and Annuity Fund.

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

None.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2010 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(A) are \$36,000 (with a Qualified Purchasing Agent) and \$26,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$18,300.

If the purchasing agent is qualified pursuant to subsection b 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 \$36,000. 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. The Board has designated the Business Administrator as the qualified purchasing agent.

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 Board 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.

The results of our examination did not indicate any individual payments, contracts, or agreements which were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of statutory thresholds where there had been no advertising for bids in accordance with the provisions of N.J.S.A. 18A:18A-4, as amended.

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. Our examination did reveal, however, that purchases were made through the use of State contracts for the purchase of computer equipment, buses and communication equipment.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

School Purchasing Programs (Continued)

Enterprise Funds

Food Service Fund

The financial transactions and statistical records of the school food services were maintained in good condition. The financial accounts were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

The District utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the Food Service will have a minimum profit of \$40,000. The operating results provision has been met.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process the edit check worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

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

Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

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

Food Distribution Program commodities were reviewed and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds.

Finding – Our audit noted the Food Service Funds' net cash resources at June 30, 2015 exceeded the three month average of expenditures.

Recommendation – Appropriate action be taken in the Food Service Fund to ensure net cash resources do not exceed the three month average of expenditures.

Summer Enrichment/After School Program

Cash disbursements had proper supporting documentation.

Finding – Our audit of summer enrichment collections revealed that deposits were not made within 48 hours of receipt.

Recommendation – Summer enrichment deposits be made in a timely manner.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Student Body Activities

Cash receipts were deposited timely.

Cash disbursements had proper supporting documentation.

The Board has a policy, which clearly established the regulation of student activity funds.

Application for State School Aid

Audit procedures included a test of information reported in the October 15, 2014 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. A review was performed of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers with isolated exceptions. The information that was included on the workpapers was verified without exception. The results of these 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 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 with an immaterial exception noted. The information that was included on the District report was verified with immaterial exceptions noted. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

Our procedures included a review of 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 contracts for eligible facilities construction.

Follow-up on Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations.

Corrective action has been taken.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MILKS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

SCHEDULE OF MEAL COUNT ACTIVITY

NOT APPLICABLE

**FOOD SERVICE FUND
COMPARISON OF NET CASH RESOURCES TO AVERAGE EXPENDITURES
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Current Assets	
Cash & Cash Equiv.	\$ 280,013
Due from Other Gov'ts	16,727
Accounts Receivable	2,546

Current Liabilities	
Accounts Payable	(44,313)
Prepaid Sales	<u>(11,204)</u>

Net Cash Resources	<u>\$ 243,769</u>
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Net Adj. Total Operating Expense:

Total Operating Exp.	690,785
Less Depreciation	<u>(46,678)</u>
Adj. Tot. Oper. Exp.	<u>\$ 644,107</u>

Average Monthly Operating Expense:

<u>\$ 64,411</u>

Three times monthly Average:

<u>\$ 193,233</u>

Total Net Cash Resources	\$ 243,769
Three Times Monthly Average	<u>193,233</u>

Excess Cash Resources	<u>\$ 50,536</u>
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**ROCKAWAY BOARD OF EDUCATION
A.S.S.A.
SCHEDULE OF AUDITED ENROLLMENTS
10/15/2014**

	2015-16 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Register On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool - 3 years	11	-	11	-	-	-	11	-	11	-	-	-	-	-	-	-
Full Day Preschool - 3 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Preschool - 4 years	16	-	16	-	-	-	16	-	16	-	-	-	-	-	-	-
Full Day Preschool - 4 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	169	-	169	-	-	-	31	-	31	-	-	-	-	-	-	-
Full Day Kindergarten	6	-	6	-	-	-	6	-	6	-	-	-	-	-	-	-
1st Grade	219	-	219	-	-	-	35	-	35	-	-	-	-	-	-	-
2nd Grade	208	-	208	-	-	-	48	-	48	-	-	-	-	-	-	-
3rd Grade	214	-	214	-	-	-	45	-	45	-	-	-	-	-	-	-
4th Grade	190	-	190	-	-	-	42	-	42	-	-	-	-	-	-	-
5th Grade	218	-	218	-	-	-	42	-	42	-	-	-	-	-	-	-
6th Grade	229	-	229	-	-	-	229	-	229	-	-	-	-	-	-	-
7th Grade	240	-	240	-	-	-	240	-	240	-	-	-	-	-	-	-
8th Grade	231	-	231	-	-	-	231	-	231	-	-	-	-	-	-	-
9th Grade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10th Grade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11th Grade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12th Grade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	1,951	-	1,951	-	-	-	976	-	976	-	-	-	-	-	-	-
Spec Ed - Elementary	248	-	248	-	-	-	36	-	36	-	-	-	6	4	4	-
Spec Ed - Middle School	165	-	165	-	-	-	27	-	27	-	-	-	5	5	4	1
Spec Ed - High School	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	413	-	413	-	-	-	63	-	63	-	-	-	11	9	8	1
Totals	2,364	-	2,364	-	-	-	1,039	-	1,039	-	-	-	11	9	8	1
Percentage Error	<u>0.00% #DIV/0!</u>						<u>0.00% #DIV/0!</u>						<u>11.11%</u>			

**ROCKAWAY BOARD OF EDUCATION
A.S.S.A.
SCHEDULE OF AUDITED ENROLLMENTS
10/15/2014**

	Low Income			Sample for Verification			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 Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool (3 years)	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool (3 years)	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Preschool (4 years)	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool (4 years)	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	15	15	-	5	5	-	-	-	-	-	-	-
Full Day Kindergarten	4	4	-	2	2	-	4	4	-	2	2	-
1st Grade	31	31	-	7	7	-	8	8	-	4	4	-
2nd Grade	32	32	-	7	7	-	5	5	-	2	2	-
3rd Grade	19	19	-	4	4	-	2	2	-	1	1	-
4th Grade	29	29	-	5	5	-	3	3	-	1	1	-
5th Grade	29	29	-	5	5	-	1	1	-	1	1	-
6th Grade	29	29	-	5	5	-	1	1	-	1	1	-
7th Grade	28	28	-	5	5	-	1	1	-	1	1	-
8th Grade	24	24	-	5	5	-	-	-	-	-	-	-
9th Grade	-	-	-	-	-	-	-	-	-	-	-	-
10th Grade	-	-	-	-	-	-	-	-	-	-	-	-
11th Grade	-	-	-	-	-	-	-	-	-	-	-	-
12th Grade	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	240	240	-	50	50	-	25	25	-	13	13	-
Spec Ed - Elementary	49	49	-	5	5	-	-	-	-	-	-	-
Spec Ed - Middle School	49	49	-	5	5	-	3	2	1	2	2	-
Spec Ed - High School	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	98	98	-	10	10	-	3	2	1	2	2	-
Totals	338	338	-	60	60	-	28	27	1	15	15	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>3.57%</u>			<u>0.00%</u>

	Transportation			Tested	Verified	Errors
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors			
Regular - Public Schools	634	633	1	58	58	-
Transported - Non-Public	76	76	-	7	7	-
Regular - Spec.	281	282	(1)	26	26	-
Special Needs - Public	147	147	-	13	13	-
Totals	1,138	1,138	-	104	104	-
			<u>0.00%</u>			<u>0.00%</u>

**ROCKAWAY BOARD OF EDUCATION
A.S.S.A.
SCHEDULE OF AUDITED ENROLLMENTS
10/15/2014**

	LEP Not 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 Register	Sample Errors
Half Day Preschool (3 years)	-	-	-	-	-	-
Full Day Preschool (3 years)	-	-	-	-	-	-
Half Day Preschool (4 years)	-	-	-	-	-	-
Full Day Preschool (4 years)	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	2	2	-	2	2	-
1st Grade	1	1	-	1	1	-
2nd Grade	1	1	-	1	1	-
3rd Grade	-	-	-	-	-	-
4th Grade	2	2	-	2	2	-
5th Grade	1	1	-	1	1	-
6th Grade	1	1	-	1	1	-
7th Grade	3	3	-	3	3	-
8th Grade	-	-	-	-	-	-
9th Grade	-	-	-	-	-	-
10th Grade	-	-	-	-	-	-
11th Grade	-	-	-	-	-	-
12th Grade	-	-	-	-	-	-
Subtotal	11	11	-	11	11	-
Spec Ed - Elementary	-	-	-	-	-	-
Spec Ed - Middle School	-	-	-	-	-	-
Spec Ed - High School	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Totals	11	11	-	11	11	-
Percentage Error			0.00%			0.00%

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

SECTION 1

2014-2015 Total General Fund Expenditures per the C-1	\$ 49,391,372	
Increase by:		
Transfer from Capital Reserve to Capital Projects Fund	800,475	
Decreased by:		
On-Behalf TPAF Pension & Social Security	4,069,423	
Assets Acquired Under Capital Leases	<u>542,628</u>	
Adjusted 2014-2015 General Fund Expenditures	<u>\$ 45,579,796</u>	
2% of Adjusted 2014-2015 General Fund Expenditures	<u>\$ 911,596</u>	
Enter Greater of 2% of Adjusted 2014-2015 General Fund Expenditures or \$250,000	\$ 911,596	
Increased by: Allowable Adjustment*	<u>640,172</u>	
Maximum Unassigned Fund Balance		<u>\$ 1,551,768</u>

SECTION 2

Total General Fund - Fund Balance at June 30, 2015 (Per CAFR Budgetary Comparison Schedule/Statement)		\$ 10,206,901
Decreased by:		
Year End Encumbrances	\$ 426,892	
Restricted- Capital Reserve	6,063,325	
Restricted- Maintenance Reserve	324,733	
Excess Surplus Designated for Subsequent Year's Expenditures	<u>685,457</u>	
Total Unassigned Fund Balance		<u>\$ 2,706,494</u>

SECTION 3

Restricted Fund Balance - Excess Surplus		<u>\$ 1,154,726</u>
<i>Recapitulation of Excess Surplus as of June 30, 2015</i>		
Reserved Excess Surplus		\$ 1,154,726
Excess Surplus-Designated for Subsequent Year's Expenditures		<u>685,457</u>
		<u>\$ 1,840,183</u>

**Detail of Allowable Adjustments*

Extraordinary aid-Excess over the amount budgeted in the 2014/2015 certified budget	\$ 235,065
Additional Nonpublic School Transportation Aid	19,921
Impact Aid	<u>385,186</u>
Total Adjustments	<u>\$ 640,172</u>

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that the District reference the Uniform Minimum Chart of Accounts for New Jersey Public Schools 2015-16 Edition for proper classification required to be in compliance with N.J.A.C. 6A:23A-16.2(f).

III. School Purchasing Program

There are none.

IV. Enterprise Funds

It is recommended that

1. Appropriate action be taken in the Food Service Fund to ensure net cash resources do not exceed three months average of expenditures.
2. Summer enrichment deposits be made in a timely manner.

V. Student Body Activities

There are none.

VI. Application for State School Aid

There are none.

VII. Transportation

There are none.

VIII. Facilities and Capital Assets

There are none.

IX. Miscellaneous

There are none.

X. Status of Prior Years' Audit Findings/Recommendations

A review was performed on all prior years' recommendations. Corrective action was taken on all prior year recommendations.

ACKNOWLEDGEMENT

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

LERCH, VINCI & HIGGINS, LLP



Paul J. Lerch
Certified Public Accountant
Public School Accountant