

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, 2015*

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

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SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Roselle Borough 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, 2015, and have issued our report dated December 16, 2015.

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. 93

December 16, 2015

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 Roselle Borough School District and the records under the auspices of the Board of Education.

ADMINISTRATIVE PRACTICES AND PROCEDURES

Insurance

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 BOND</u>
Richard J. Biddulph	Treasurer of School Monies	\$310,000.00
All Employees	Blanket Bond	\$250,000.00

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

FINANCIAL PLANNING, ACCOUNTING AND REPORTING

Examination of Claims

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

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

Payroll Accounts

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

All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/Business Administrator.

Salary withholdings were promptly remitted to the proper agencies.

2015-01 Finding: An analysis of the balance on deposit in the Payroll Agency and Salary Accounts were not maintained.

2015-01 Recommendation: That balances on deposit in the Salary and Payroll Agency Accounts be analyzed monthly.

Employee 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 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 purchases 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, 2015.

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 selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23-8.2. As a result of the procedures performed, no errors were noted and no additional procedures were deemed necessary to the test the propriety of expenditure classification.

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

Board Secretary's Records

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

2015-02 Finding: Our audit revealed instances of missing journal entries, which resulted in several inaccurate account balances and revenue not being recorded.

2015-02 Recommendation: That the business office implement controls to ensure all journal entries are made to the accounting records on a timely basis.

2015-03 Finding: Our audit of the district included reviewing fiscal year opening balances to ensure they matched to the prior year's CAFR ending balances, it was determined that prior year's audit adjusting entries were not recorded on the records.

2015-03 Recommendation: That the district record all audit adjustments in the computerized accounting records.

2015-04 Findings: There is a substantial grant balance receivable from the Schools Development Authority (SDA) for capital projects expenditures funded under the Educational Facilities Construction Financing Act (EFCFA). This receivable is several years old and the required reimbursement reports have not been filed with the SDA.

2015-04 Recommendation: That the district make every effort to file all the necessary reimbursement reports in order to receive its funding from the School Development Authority.

Treasurer's Records

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

2015-05 Finding: Our examination revealed multiple instances of the treasurer's bank reconciliations being inaccurate due to improper accounting of outstanding checks, void checks, and other transactions. As a result, the Treasurer's cash records were not in agreement with the records of the Board Secretary. Numerous adjustments were made to bring the records into agreement with the Board Secretary.

2015-05 Recommendation: That the Treasurer perform accurate bank reconciliations that are in agreement with the records of the Board Secretary.

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

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

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

2015-06 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.

2015-06 Recommendation: That program expenditure reimbursements reports be filed for all federal programs on a timely basis.

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 examination of the State and Federal 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 represent an accurate statement of the financial position pertaining to the aforementioned special projects.

T.P.A.F. Reimbursement

Our audit procedures included a test of the bimonthly reimbursement filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

2015-07 Finding: The amount of the expenditures charged to the current year's Final Report 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 was made subsequent to the end of the 60 day grant liquidation period required by the Office of Grants Management and also subsequent to the 90 days required by NJSA 18A:66-90.

2015-07 Recommendation: That the TPAF/FICA reimbursement report be filed on a timely basis as required by NJSA 18A:66-90.

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

SCHOOL PURCHASING PROGRAMS

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-1, et seq. 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 \$26,000, 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 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 \$36,000.00. 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.”

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 January 1, 2010, the bid threshold in accordance with N.J.S.A. 18A:18A-3(a) and (c) is \$26,000.00. In accordance with N.J.S.A. 40A:11-9 (b) the bid threshold for all purchases made by the District's qualified purchasing agent is \$36,000.00. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18:39-3 is currently \$18,300.00.

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

SCHOOL PURCHASING PROGRAMS (CONTINUED)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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.

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 provisions of N.J.S.A.18A:18A-4.

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

2015-08 Finding: Our audit of purchasing procedures revealed, based on the sample tested, there is no evidence on file of professional service contracts being publicly advertised subsequent to the contract being approved, in accordance with NJSA 18A:18A-5a(1).

2015-08 Recommendation: All professional services contracts awarded be advertised as required by in accordance with NJSA 18A:18A-5a(1).

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.

FOOD SERVICE FUND

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.

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 timely filed, and meals claimed agreed with meal count records.

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, times the number of operating days, on a school by school basis. The free and reduced priced meal policy is uniformly administered throughout the School system. The required verification procedures for free and reduced price applications was completed and available for review.

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

FOOD SERVICE FUND (Continued)

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 District is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34 and 19-1 through 19-4.1. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

Cash receipts and bank records were reviewed for timely deposit.

National Food Distribution Commodities were received and an inventory was maintained on a first-in, first-out basis.

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

STUDENT BODY ACTIVITIES

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

2015-09 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. There were also instances of checks being signed by personnel not authorized by district policy.

2015-09 Recommendation: That accurate monthly bank reconciliations be prepared and an ongoing analysis of the balances be maintained for each student activity account, and that all checks be signed by only authorized personnel in accordance with district policies.

APPLICATION FOR STATE SCHOOL AID

Our 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, and low-income. 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 work papers on the prescribed state forms or their equivalent.

The district has adequate written procedures for the recording of student enrollment data.

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

PUPIL TRANSPORTATION

Our audit procedures included a test of on roll status reported in the 2013-14 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. 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 the SDA grant agreements for consistency with recording of SDA revenue, transfer of local funds from the general or capital reserve account, and awarding of contracts for eligible facilities construction.

2015-10 Finding: The District did not update the Capital Assets ledger during fiscal year 2015.

2015-10 Recommendation: That the District maintain an accurate and detailed Capital Assets ledger.

FOLLOW-UP ON PRIOR YEAR'S FINDINGS:

In accordance with governmental auditing standards, our procedures included a review of all prior year recommendations. Corrective action has been taken on all of the prior year's findings except those marked with an asterisk on the following page.

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

RECOMMENDATIONS

***2015-01:** That balances on deposit in the Salary and Payroll Agency Accounts be analyzed monthly.

2015-02: That the business office implement controls to ensure all required journal entries are made to the accounting records on a timely basis.

2015-03: That the district record all audit adjustments in the accounting records.

2015-04: That the district make every effort to file all the necessary reimbursement reports in order to receive its funding from the School Development Authority.

2015-05: That the Treasurer file accurate bank reconciliations that are in agreement with the records of the Board Secretary.

2015-06: That program expenditure reimbursement reports be filed for all federal programs on a timely basis.

2015-07: That the TPAF/FICA reimbursement report be filed on a timely basis as required by NJSA 18A:66-90.

2015-08: That all awarded professional service contracts be advertised as required by NJSA 18A:18A-5a(1).

2015-09: That for all student activity funds accurate monthly bank reconciliations be prepared and an ongoing analysis of the balances be maintained for each student activity account, and that all checks be signed by only authorized personnel in accordance with district policies.

***2015-10:** That the District maintain an accurate and detailed Capital Assets ledger.

* - unresolved prior year recommendations

BOROUGH OF ROSELLE SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

	2015-16 Application for State School Aid						Sample for Verification						Private School for Disabled			
	Reported 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 Verifi- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool 3-yr Old	4.0		4.0		-		1.0		1.0		-					
Full Day Preschool 3-yr Old	3.0		3.0		-		1.0		1.0		-					
Half Day Preschool 4-yr Old	15.0		15.0		-	-	1.0		1.0		-	-				
Full Day Preschool 4-yr Old	18.0		18.0		-		1.0		1.0		-					
Half Day Kindergarten					-		-		-		-					
Full Day Kindergarten	208.0		208.0		-	-	22.0		22.0		-	-				
One	225.0		225.0		-	-	24.0		24.0		-	-				
Two	212.0		212.0		-	-	22.0		22.0		-	-				
Three	231.0		231.0		-	-	24.0		24.0		-	-				
Four	210.0		210.0		-	-	23.0		23.0		-	-				
Five	180.0		180.0		-	-	19.0		19.0		-	-				
Six	195.0		195.0		-	-	20.0		20.0		-	-				
Seven	165.0		165.0		-	-	18.0		18.0		-	-				
Eight	173.0		173.0		-	-	18.0		18.0		-	-				
Nine	150.0		150.0		-	-	16.0		16.0		-	-				
Ten	141.0	1.0	141.0	1.0	-	-	14.0	1.0	14.0	1.0	-	-				
Eleven	124.0	10.0	124.0	10.0	-	-	9.0	4.0	9.0	4.0	-	-				
Twelve	171.0	2.0	171.0	2.0	-	-	17.0	1.0	17.0	1.0	-	-				
Post-Graduate					-		-		-		-					
Adult High School (15+ Credits)					-		-		-		-					
Adult High School (1-14 Credits)					-		-		-		-					
Subtotal	2,425.0	13.0	2,425.0	13.0	-	-	250.0	6.0	250.0	6.0	-	-	-	-	-	-
Sp. Ed. - Elementary	136.0		136.0		-	-	13.0		13.0		-	-	2.0	2.0	2.0	-
Sp. Ed. - Middle School	67.0		67.0		-	-	5.0		5.0		-	-	2.0	2.0	2.0	-
Sp. Ed. - High School	100.0	27.0	100.0	27.0	-	-	8.0	9.0	8.0	9.0	-	-	15.0	13.0	13.0	-
Subtotal	303.0	27.0	303.0	27.0	-	-	26.0	9.0	26.0	9.0	-	-	19.0	17.0	17.0	-
Co. Voc. - Regular					-		-		-		-					
Co. Voc. Ft. Post Sec.					-		-		-		-					
Totals	2,728.0	40.0	2,728.0	40.0	-	-	276.0	15.0	276.0	15.0	-	-	19.0	17.0	17.0	-
Percentage					0%						0%					0%

population based on workpapers provided by district
sample size per chart provided by the N.J. State B.O.E.

**BOROUGH OF ROSELLE SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014**

	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 Test Score and Register	Sample Errors
Half Day Preschool 3-yr Old												
Full Day Preschool 3-yr Old												
Half Day Preschool 4-yr Old												
Full Day Preschool 4-yr Old												
Half Day Kindergarten												
Full Day Kindergarten	161.0	161.0		24.0	24.0		44.0	44.0		25.0	25.0	
One	170.0	170.0		23.0	23.0		41.0	41.0		23.0	23.0	
Two	165.0	165.0		49.0	49.0		37.0	37.0		20.0	20.0	
Three	166.0	166.0		23.0	23.0		32.0	32.0		18.0	18.0	
Four	147.0	147.0		24.0	24.0		20.0	20.0		11.0	11.0	
Five	112.0	112.0		14.0	14.0		8.0	8.0		4.0	4.0	
Six	130.0	130.0		19.0	19.0		5.0	5.0		3.0	3.0	
Seven	100.0	100.0		16.0	16.0		3.0	3.0		2.0	2.0	
Eight	93.0	93.0		14.0	14.0		7.0	7.0		5.0	5.0	
Nine	111.0	111.0		15.0	15.0		9.0	9.0		5.0	5.0	
Ten	65.5	65.5		8.0	8.0		4.0	4.0		3.0	3.0	
Eleven	65.5	65.5		8.0	8.0		5.0	5.0		3.0	3.0	
Twelve	96.5	96.5		11.0	11.0		8.0	8.0		5.0	5.0	
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	1582.5	1582.5		248.0	248.0		223.0	223.0		127.0	127.0	
Special Ed - Elementary	83.0	83.0		11.0	11.0		6.0	6.0		3.0	3.0	
Special Ed - Middle	47.0	47.0		8.0	8.0							
Special Ed - High	78.5	78.5		12.0	12.0							
Subtotal	208.5	208.5		31.0	31.0		6.0	6.0		3.0	3.0	
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	1791.0	1791.0		279.0	279.0		229.0	229.0		130.0	130.0	
Percentage Error			0%			0%			0%			0%

Transportation

	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors	Reported	Calculated	
	Reg. - Public Schools, col. 1	107.0	107.0		92.0	92.0			0.0
Reg -SpEd, col. 4									
Transported - Non-Public, col. 3	1.0	1.0		1.0	1.0				
Special Ed Spec, col. 6	31.0	31.0		26.0	26.0				
Totals	139.0	139.0		119.0	119.0	0.0			
Percentage Error			0%			0.0%	Avg. Mileage - Regular Including Grade PK students	6.9	6.9
							Avg. Mileage - Regular Excluding Grade PK students	6.9	6.9
							Avg. Mileage - Special Ed with Special Needs	11.8	11.8

BOROUGH OF ROSELLE SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

	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 Preschool 3-yr Old			0			0
Full Day Preschool 3-yr Old			0			0
Half Day Preschool 4-yr Old			0			0
Full Day Preschool 4-yr Old			0			0
Half Day Kindergarten			0			0
Full Day Kindergarten	8	8	0	7	7	0
One	5	5	0	4	4	0
Two	4	4	0	3	3	0
Three	6	6	0	5	5	0
Four	4	4	0	4	4	0
Five			0			0
Six			0			0
Seven	2	2	0	2	2	0
Eight	3	3	0	3	3	0
Nine	1	1	0	1	1	0
Ten			0			0
Eleven	4	4	0	3	3	0
Twelve	5	5	0	4	4	0
Post-Graduate						0
Adult H.S. (15+CR.)						0
Adult H.S. (1-14 CR.)						0
Subtotal	<u>42</u>	<u>42</u>	<u>0</u>	<u>36</u>	<u>36</u>	<u>0</u>
Special Ed - Elementary	1	1	0	1	1	0
Special Ed - Middle			0			0
Special Ed - High			0			0
Subtotal	<u>1</u> 0	<u>1</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>
Co. Voc. - Regular						0
Co. Voc. Ft. Post Sec.						0
Totals	<u>43</u>	<u>43</u>	<u>0</u>	<u>37</u>	<u>37</u>	<u>0</u>
Percentage Error			<u>0%</u>			<u>0%</u>

BOROUGH OF ROSELLE SCHOOL DISTRICT
SCHEDULE OF CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION 1

2% Calculation of Excess Surplus (2014-15 expenditures of \$100 million or less)

2014 - 2015 Total General Fund Expenditures	<u>50,798,885.11</u>	
Decreased by:		
On-Behalf TPAF Pension & Social Security	<u>4,083,089.39</u>	
Adjusted 2014 - 2015 General Fund Expenditures		<u>46,715,795.72</u>
2% of Adjusted 2014 - 2015 General Fund Expenditures		<u>934,315.91</u>
Greater of line above or \$250,000.00		<u>934,315.91</u>
Increased by: Allowable Adjustment		<u>51,996.00</u>
Maximum Unreserved/Undesignated Fund Balance		<u><u>986,311.91</u></u>

SECTION 2

Total General Fund Balances @ 6-30-15	<u>14,466,767.93</u>	
Decreased by:		
Year End Encumbrances	<u>1,121,926.60</u>	
Legally Restricted-Designated for Subsequent Year's Expenditures	<u>73,260.55</u>	
Legally Restricted-Excess Surplus-Designated For Subsequent Year's Expenditures	<u>3,606,954.08</u>	
Assigned Fund Balance-Unreserved-Designated For Subsequent Year's Expenditures	<u>106,901.92</u>	
Other Restricted Fund Balances (Capital Reserve, Maintenance Reserve, Emergency Reserve)	<u>4,796,412.87</u>	
Total Unreserved/Undesignated Fund Balance for Excess Surplus Calculation		<u>4,761,311.91</u>

SECTION 3

Reserved Fund Balance-Excess Surplus		<u><u>3,775,000.00</u></u>
 <u>Recapitulation of excess surplus as of June 30, 2015</u>		
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures		<u>3,606,954.08</u>
Reserved Excess Surplus		<u>3,775,000.00</u>
Total		<u><u>7,381,954.08</u></u>
 <u>Detail of Allowable Adjustments</u>		
Additional/Unbudgeted Extraordinary Aid		<u>51,996.00</u>
		<u><u>51,996.00</u></u>

BOROUGH OF ROSELLE SCHOOL DISTRICT
SCHEDULE OF MEAL COUNT ACTIVITY
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -STATE
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
State Reimbursement - National School Lunch (Regular Rate)	Paid	80,846	80,846	80,846	0	0.040	0.00
State Reimbursement - National School Lunch (Regular Rate)	Reduced	51,320	51,320	51,320	0	0.055	0.00
State Reimbursement - National School Lunch (Regular Rate)	Free	274,407	274,407	274,407	0	0.055	0.00
	TOTAL	<u>406,573</u>	<u>406,573</u>	<u>406,573</u>			
	Total Net Overclaim						<u>0.00</u>

BOROUGH OF ROSELLE SCHOOL DISTRICT
SCHEDULE OF MEAL COUNT ACTIVITY
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -FEDERAL
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE (a)	(OVER) UNDER CLAIM (b)
National School Lunch (Severe Rate)	Paid	80,846	80,846	80,846	0	0.30	0.00
National School Lunch (Severe Rate)	Reduced	51,320	51,320	51,320	0	2.60	0.00
National School Lunch (Severe Rate)	Free	274,407	274,407	274,407	0	3.00	0.00
	TOTAL	<u>406,573</u>	<u>406,573</u>	<u>406,573</u>			<u>0.00</u>
National School Lunch	HHFKA - PB Lunch Only	<u>407,790</u>	<u>407,790</u>	<u>407,790</u>	0	0.06	<u>0.00</u>
School Breakfast (Severe Rate)	Paid	21,294	21,294	21,294	0	0.28	0.00
	Reduced	13,484	13,484	13,484	0	1.63	0.00
	Free	113,648	113,648	113,648	0	1.93	0.00
	TOTAL	<u>148,426</u>	<u>148,426</u>	<u>148,426</u>			<u>0.00</u>
After School Snacks	Free (Area Eligible)	<u>63624</u>	<u>63624</u>	<u>63624</u>	0	0.82	<u>0.00</u>
	TOTAL	<u>63624</u>	<u>63624</u>	<u>63624</u>			<u>0.00</u>
	Total Net Overclaim						<u>0.00</u>

BOROUGH OF ROSELLE SCHOOL DISTRICT
NET CASH RESOURCE SCHEDULE - FOOD SERVICE
JUNE 30, 2015

<u>Net Cash Resources:</u>		Food Service B - 4/5
CAFR	*	
B-4	Current Assets	
	Cash & Cash Equiv.	\$18,923.07
B-4	Due from Other Gov'ts	114,464.15
B-4	Accounts Receivable	92,483.59
CAFR	Current Liabilities	
B-4	Less Due to Other Funds	<u>(25,935.00)</u>
	Net Cash Resources	<u><u>\$199,935.81</u></u> (A)
 <u>Net Adj. Total Operating Expense:</u>		
B-5	Tot. Operating Exp.	\$1,796,086.19
B-5	Less Depreciation	<u>(19,120.20)</u>
	Adj. Tot. Oper. Exp.	<u><u>\$1,776,965.99</u></u> (B)
 <u>Average Monthly Operating Expense:</u>		
	B / 10	<u><u>\$177,696.60</u></u> (C)
 <u>Three times monthly Average:</u>		
	3 X C	<u><u>\$533,089.80</u></u> (D)

TOTAL IN BOX A		\$199,935.81
LESS TOTAL IN BOX D		<u>(\$533,089.80)</u>
NET		<u><u>(\$333,153.99)</u></u>
<p>A is greater than D, cash exceeds 3 X average monthly operating expenses. D is greater than A, cash does not exceed 3 X average monthly operating expenses.</p>		

* Inventories are not to be included in total current assets.

