

ROXBURY TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MORRIS  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2015

ROXBURY TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MORRIS  
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2015  
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November 30, 2015

The Honorable President and Members  
of the Board of Education  
Roxbury Township School District  
County of Morris, 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 Roxbury Township School District in the County of Morris for the year ended June 30, 2015, and have issued our report thereon dated November 30, 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.

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 Roxbury Township School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

NISIVOCCIA LLP

William F. Schroeder  
Licensed Public School Accountant #2112  
Certified Public Accountant

ROXBURY TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
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>
Lisa Palmieri	Treasurer of School Monies	\$ 290,000
Susan Joyce	School Business Administrator/Board Secretary	290,000
Yvonne Hellwig	Assistant School Business Administrator/Board Secretary	290,000

The District has Employee Dishonesty and Faithful Performance coverage through the School Alliance Insurance Fund as detailed on Exhibit J-20 of the CAFR.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were different than estimated costs. The Board made a proper adjustment to the billings to sending districts for the change in per pupil costs in accordance with N.J.A.C. 6A:23A-3.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid on a test basis, during the period under review indicated overall compliance with respect to certification or supporting documentation.

Payroll Account and Position Control Roster

The net salaries of employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account. Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the general fund.

All payrolls tested were approved by the Superintendent and were certified by the President of the Board, the Board Secretary/Business Administrators and the Chief School Administrator. Payrolls were delivered to the Treasurer of School Monies with a warrant to her order for the full amount of the payroll.

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.

ROXBURY TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
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 (Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Reserve for Encumbrances and Accounts Payable

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

Classification of Expenditures – General and Administrative

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-8.2 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:23A-16.2(f). Overall compliance was noted.

Board Secretary's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Board Secretary's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted below.

Findings

- a.) The required journal entries to record General Fund accounts receivable other than state aid were not posted to the District's accounting records. Also, County Superintendent approval was not obtained for transfers into facilities acquisition and construction services line items and transfers in excess of 10% out of the tuition line items in the General Fund.
- b.) The employer's share of the DCRP contribution was charged to the "Social Security Contribution" line item instead of "Other Retirement Contribution – Regular" line item. Under the direction of the Business Administrator, audit adjustments have been made to reclassify expenditures to the appropriate budget line item. Therefore, a formal recommendation is not deemed necessary.
- c.) The District did not segregate the various capital projects in the District's accounting records. However, as the District has already implemented procedures to correct this, a formal recommendation is not judged to be warranted.

Recommendation

It is recommended that greater care is exercised to ensure that all necessary accounts receivable are correctly posted to the District's accounting records and that County Superintendent approval is obtained for transfers where required.

Treasurer's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Treasurer's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted on the next page.

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

Financial Planning, Accounting and Reporting (Cont'd)

Treasurer's Records (Cont'd)

Finding

Our review of the bank reconciliations for the General Fund bank account revealed certain older reconciling items. However, as the amounts are minor and the District is in the process of cancelling these items, a formal recommendation is not deemed necessary.

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, Title II and Title III of the No Child Left Behind Act.

The study of compliance for the N.C.L.B. did not indicate any area of noncompliance.

Other Special Federal and/or State Projects

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.

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.

Findings

- a.) During our review of the final expenditures reports for the fiscal year ended June 30, 2015 and 2014 for the IDEA Basic and Preschool grants, we noted that they did not reconcile with the District's accounting records. This resulted in overpayments which are due back to the State of New Jersey.
- b.) During the 2014-2015 fiscal year, the District did not submit any reimbursement requests for the IDEA Basic and Preschool grants or the N.C.L.B. grants, which resulted in large receivable balances at of June 30, 2015. However, as these receivables have be subsequently collected as of the date of this report, a formal recommendation is not deemed necessary. It is suggested that reimbursement requests be submitted periodically to the State of New Jersey to ensure sufficient cash on hand.

Recommendation

It is recommended that extra care be taken to ensure that expenditures on the IDEA Basic and Preschool final expenditure reports are in agreement with the District's accounting records.

Management's Response

The District will exercise care to ensure that amounts reported on the final expenditure reports for the IDEA Basic and Preschool grants are in agreement with the accounting records.

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

T.P.A.F. Reimbursement

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

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

The T.P.A.F. Reimbursement to the State for Federal Salary Expenditures was remitted to the State of New Jersey prior to the required deadline of October 1, 2015. The reimbursement form was reviewed and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

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

a. "When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefore, except that the Board of Education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c. 198 the Board of Education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

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

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

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.

As per N.J.S.A. 18A:18A-3, the Board passed a resolution at its June 22, 2010 meeting, authorizing the Business Administrator as a qualified purchasing agent and increasing the bid threshold to \$36,000.

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.

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

School Purchasing Programs (Cont'd)

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

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. No exceptions were noted.

Based upon the results of our examination, we did not note any individual payments, contracts, or agreements for the performance of any work or goods or services, 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, 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.

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. No exceptions were noted. Food Service accounting records maintained by the District's central administration office were reconciled with the records maintained by the food service contractor.

The number of meals claimed for reimbursement was compared to sales and meal count records on a test basis. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal policy was reviewed for uniform administration throughout the school district. The required verification procedures for free and reduced price applications were completed and available for review.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified on a test basis. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

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.

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

The District utilizes a food service management company (FMSC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. The FMSC contract includes an operating results provision which guarantees that the food service program will generate a profit of \$12,692. The operating results provision has been met.

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

School Food Service (Cont'd)

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

Food Distribution Program commodities were received and a separate 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 "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.

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 noted the following comments.

Findings:

- a.) During our review of claims for the Roxbury High School, Eisenhower Middle School and the Athletics accounts, we noted certain instances where vouchers did not have required receipt of goods signatures.
- b.) During our review of the bank reconciliations for the Roxbury High School and the Kennedy Elementary School accounts, it was noted that they include old reconciling items, including stale checks which date back a few years.
- c.) The analysis of balance by club/activities for the Nixon Elementary School account did not reconcile with the June 30, 2015 reconciled book balance. Also, an analysis of balance by club/activity was not provided for the Jefferson and Kennedy elementary schools.

Recommendation:

It is recommended that receipt of goods signatures be obtained on vouchers for all student activities and athletic purchases and that all bank reconciliations be reviewed and old reconciling items be canceled/resolved. It is also recommended that an analysis of balance by club/activities be provided for all student activities accounts and that extra care be taken to ensure that they agree with the reconciled book balance.

Management's Response:

The District will ensure receipt of good signatures be obtained on vouchers for all student activities and athletic purchases and that all bank reconciliations be reviewed and old reconciling items be canceled/resolved. The District will also ensure that analysis of balances that reconcile with the book balances be provided for all student activities accounts.

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

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 disabled, low income students and bilingual education. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers with minor exceptions. The information that was included on the workpapers was verified on a test basis with minor exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed State forms or their equivalent.

The District's written procedures for the recording of student enrollment data appear to be adequate.

Pupil Transportation

Our audit procedures included a test of on-roll status reported on 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 one 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 the revenue and awarding of contracts for eligible facilities construction. No exceptions were noted as below.

Finding

The District hired a fixed asset appraisal company to tag and inventory its records for fiscal year 2015. However, the inventory was not performed until October 2015 and the June 30, 2015 fixed assets inventory list was not available as of the date of this report. However, since the District was able to provide a list of current year additions and deletions, a formal recommendation is not deemed necessary. It is suggested that the inventory records be updated in a timely manner in the future.

Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal policy and procedure pertaining to travel and expense reimbursement for its employees and board members. The regulations include requirements for the District to establish a maximum travel amount for the year and to ensure that the maximum amount is not exceeded. The regulations also require that all travel must be preapproved by the Board of Education and Superintendent and that a brief report detailing the key issues addressed at the travel event must be submitted after the travel event has occurred. Overall compliance was noted.

Finding

The District did not approve a travel maximum for the fiscal year 2014-2015. In accordance to N.J.A.C.6A:23A-7.3, school districts are required to establish by board resolution a maximum travel expenditure amount for the budget year, which the school district shall not exceed.

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

Travel Expense and Reimbursement Policy (Cont'd)

Recommendation

It is recommended that a travel maximum be established through a board resolution on an annual basis.

Management's Response

The District will ensure a travel maximum is established for the 2015-2016 fiscal year.

Management Suggestions

SDA Expenditure Requests

As a number of School Districts have experienced difficulties in receiving reimbursement from the Schools Development Authority (SDA), we suggest that the District apply for reimbursement for any funds that are available for reimbursement as soon as possible.

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 Compensation 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.

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

Management Suggestions (Cont'd)

Independent Contractors vs. Employees

The District should consider reviewing the status of "Independent Contractors" utilized by the District with 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.

Follow-up on Prior Year Findings/Recommendations

The prior year recommendation regarding posting of the original budget in the accounting system and the accuracy of related transfer reports, carry over of purchase orders, over-expenditures of budget line items and grant awards, posting of credits, cancellation of older reconciling items for the general and payroll accounts, reconciliation of food service revenue and monitoring of food service deficits have been resolved. The prior year recommendations related to the posting of General Fund receivables, County Superintendent approval of transfers, reconciliation of the IDEA final expenditure reports, obtaining receipt of goods signature for student activities vouchers and cancellation of older reconciling items for student activities accounts have not been resolved.

ROXBURY TOWNSHIP 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 ASSA On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers on Roll	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Kindergarten	211		211					211		211		
Grade One	196		196					196		196		
Grade Two	203		203					203		203		
Grade Three	235		235					235		235		
Grade Four	202		202					202		202		
Grade Five	227		227					227		227		
Grade Six	245		245					245		245		
Grade Seven	222		222					222		222		
Grade Eight	253		253					253		253		
Grade Nine	313		313					313		313		
Grade Ten	278		278					278		278		
Grade Eleven	331	3	331	3				331	3	331	3	
Grade Twelve	290	3	290	3				290	3	290	3	
Subtotal	3,206	6	3,206	6				3,206	6	3,206	6	
Special Education:												
Elementary School	153		151		(2)			8		8		
Middle School	123		123					7		7		
High School	193	15	193	13		(2)		10		10		
Subtotal	469	15	467	13	(2)	(2)		25		25		
Totals	3,675	21	3,673	19	(2)	(2)		3,231	6	3,231	6	-0-
Percentage Error					-0.05%	-9.52%						0.00%

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

	Private Schools for Handicapped			Resident Low Income						
	Reported on ASSA as Private Schools	Sample for Verification	Sample Verified	Sample Errors	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Kindergarten					35.0	35.0		1.0	1.0	
Grade One					28.0	28.0		2.0	2.0	
Grade Two					28.0	28.0		2.0	2.0	
Grade Three					33.0	34.0	1.0	2.0	2.0	
Grade Four					25.0	26.0	1.0	1.0	1.0	
Grade Five					24.0	26.0	2.0	1.0		1.0
Grade Six					18.0	16.0	(2.0)	1.0	1.0	
Grade Seven					22.0	22.0		1.0	1.0	
Grade Eight					32.0	32.0		2.0	2.0	
Grade Nine					32.0	32.0		2.0	2.0	
Grade Ten					30.0	31.0	1.0	2.0	2.0	
Grade Eleven					34.0	36.0	2.0	2.0	2.0	
Grade Twelve					25.0	28.0	3.0	1.0	1.0	
Subtotal					366.0	374.0	8.0	20.0	19.0	1.0
Special Education:										
Elementary School	7.0	1.0	1.0		35.0	35.0		2.0	2.0	
Middle School	13.0	2.0	2.0		23.0	23.0		1.0	1.0	
High School	17.0	2.0	2.0		32.5	32.5		2.0	1.0	1.0
Subtotal	37.0	5.0	5.0		90.5	90.5		5.0	4.0	1.0
Totals	37.0	5.0	5.0	-0-	456.5	464.5	8.0	25.0	23.0	2.0
Percentage Error				0.00%			1.75%			8.00%

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

	LEP Low Income						LEP NOT Low Income					
	Reported on ASSA as LEP NOT Low Income	Reported on Workpapers as LEP NOT Low Income	Sample Selected from Workpapers Errors	Verified to Application and Register	Sample Errors	Reported on ASSA as LEP NOT Low Income	Reported on Workpapers as LEP NOT Low Income	Sample Selected from Workpapers Errors	Verified to Application and Register	Sample Errors		
Half Day Kindergarten	4	4				7	7		1	1		
Grade One	3	3		1	1	7	7		1	1		
Grade Two	2	2				3	3					
Grade Three	3	3				3	3					
Grade Four	2	2		1	1	1	1					
Grade Five	1	1				2	2					
Grade Six												
Grade Seven	2	2				1	1					
Grade Eight	1	2	1				1	1				
Grade Nine						4	4		1	1		
Grade Ten	1	1										
Grade Eleven						1	1					
Grade Twelve						1	1					
Subtotal	19	20	1	2	2	30	31	1	3	3		
Special Education:												
Elementary School	2	2				1	1					
High School						1	1					
Subtotal	2	2				2	2					
Totals	21	22	1	2	2	32	33	1	3	3		
Percentage Error			4.76%		0.00%			3.13%		0.00%		

ROXBURY TOWNSHIP 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	1,677	1,677		20	20	
Regular - Special Education	61	60	1	1	1	
Transported - Non Public	80	80		1	1	
AIL - Non Public	102	102		1	1	
Special Needs - Public	14	14		1	1	
Special Needs - Private	36	36		1	1	
Totals	<u>1,970</u>	<u>1,969</u>	<u>1</u>	<u>25</u>	<u>25</u>	<u>-0-</u>
Percentage Error			<u>0.05%</u>			<u>0.00%</u>

	Reported	Re- calculated
Average Mileage - Regular Including Grade PK Students	4.65	4.65
Average Mileage - Regular Excluding Grade PK Students	4.65	4.65
Average Mileage - Special Education with Special Needs	20.00	20.00

ROXBURY TOWNSHIP SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FISCAL YEAR ENDED JUNE 30, 2015

**EXCESS SURPLUS CALCULATION****REGULAR DISTRICT****SECTION 1****A. 2% Calculation of Excess Surplus**

2014-15 Total General Fund Expenditures per the CAFR, Ex. C-1	<u>\$ 76,428,019</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -0-</u> (B1a)
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ 972,000</u> (B1b)
Transfer from General Fund to SRF for PreK-Regular	<u>\$ -0-</u> (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	<u>\$ -0-</u> (B1d)
Decreased by:	
On-Behalf TPAF Pension and Social Security	<u>\$ 6,047,920</u> (B2a)
Assets Acquired Under Capital Leases	<u>\$ 1,089,906</u> (B2b)
Adjusted 14-15 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 70,262,193</u> (B3)
2% of Adjusted 2014-15 General Fund Expenditures [(B3) times .02]	<u>\$ 1,405,244</u> (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 1,405,244</u> (B5)
Increased by: Allowable Adjustment	<u>\$ 275,756</u> (K)
Maximum Unassigned Fund Balance [(B5)+(K)]	<u>\$ 1,681,000</u> (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6/30/15 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 8,252,114</u> (C)
Decreased by:	
Year End Encumbrances	<u>\$ 967,310</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 500,000</u> (C3)
Other Restricted/Reserved Fund Balances	<u>\$ 4,134,681</u> (C4)
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ 293,833</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	<u>\$ 2,356,290</u> (U1)
Increased by:	
Adjustment for Disallowed Transfers per S1701	<u>\$ -0-</u> (C6)
Total Unassigned Fund Balance for Excess Surplus Calculation (U1 + C6)	<u>\$ 2,356,290</u> (U2)

ROXBURY TOWNSHIP SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

**SECTION 3**

Restricted Fund Balance - Excess Surplus [(U2)-(M)] IF NEGATIVE, ENTER -0- \$ 675,290 (E)

**Recapitulation of Excess Surplus as of June 30, 2015**

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 500,000 (C3)</u>
Restricted Excess Surplus [(E)]	<u>\$ 675,290 (E)</u>
Fund Balance Restricted for 2014-15 per S1701	<u>\$ -0- (F)</u>
 Total [(C3)+(E)+(F)]	 <u>\$ 1,175,290 (D)</u>

**Detail of Allowable Adjustments**

Impact Aid	<u>\$ -0- (H)</u>
Sale and Lease Back	<u>\$ -0- (I)</u>
Extraordinary Aid	<u>\$ 255,224 (J1)</u>
Additional Nonpublic School Transportation Aid	<u>\$ 20,532 (J2)</u>
Current Year School Bus Advertising Revenue Recognized	<u>\$ -0- (J3)</u>
Family Crisis Transportation Aid	<u>\$ -0- (J4)</u>
 Total Adjustments ((H)+(I)+(J1)+(J2)+(J3)+(J4))	 <u>\$ 275,756 (K)</u>

**Detail of Other Restricted Fund Balance**

Statutory restrictions:	
Approved unspent separate proposal	<u>\$ -0-</u>
Sale/lease-back reserve	<u>\$ -0-</u>
Capital reserve	<u>\$ 1,470,349</u>
Maintenance reserve	<u>\$ 2,029,332</u>
Emergency reserve	<u>\$ 635,000</u>
Tuition reserve	<u>\$ -0-</u>
School Bus Advertising 50% Fuel Offset Reserve - current year	<u>\$ -0-</u>
School Bus Advertising 50% Fuel Offset Reserve - prior year	<u>\$ -0-</u>
Impact Aid General Fund Reserve (Sections 8002 and 8003)	<u>\$ -0-</u>
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	<u>\$ -0-</u>
Other state/governmental mandated reserve	<u>\$ -0-</u>
 Other Restricted Fund Balance not noted above	 <u>\$ -0-</u>
 Total Other Restricted Fund Balance	 <u>\$ 4,134,681 (C4)</u>

ROXBURY TOWNSHIP 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) Greater care is exercised to ensure that all necessary accounts receivable are correctly posted to the District's accounting records and that County Superintendent approval is obtained for transfers where required.
  - b) Extra care be taken to ensure that expenditures on the IDEA Basic and Preschool final expenditure reports are in agreement with the District's accounting records.
3. School Purchasing Program  
None
4. School Food Service  
None
5. Student Body Activities
  - a) Receipt of goods signatures be obtained on vouchers for all student activities and athletic purchases and that all bank reconciliations be reviewed and old reconciling items be canceled/resolved. It is also recommended that an analysis of balance by club/activities be provided for all student activities accounts and that extra care be taken to ensure that they agree with the reconciled book balance.
6. Application for State School Aid  
None
7. Pupil Transportation  
None
8. Facilities and Capital Assets  
None
9. Travel Expense and Reimbursement Policy
  - a) A travel maximum be established through a board resolution on an annual basis.

ROXBURY TOWNSHIP SCHOOL DISTRICT  
SUMMARY OF RECOMMENDATIONS  
FISCAL YEAR ENDED JUNE 30, 2015

It is recommended that:

10. Status of Prior Year's Finding/Recommendation

The prior year recommendation regarding posting of the original budget in the accounting system and the accuracy of related transfer reports, carry over of purchase orders, over-expenditures of budget line items and grant awards, posting of credits, cancellation of older reconciling items for the general and payroll accounts, reconciliation of food service revenue and monitoring of food service deficits have been resolved. The prior year recommendations related to the posting of General Fund receivables, County Superintendent approval of transfers, reconciliation of the IDEA final expenditure reports, obtaining receipt of goods signature for student activities vouchers and cancellation of older reconciling items for student activities accounts have not been resolved.