

**RIDGEFIELD BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL COMPLIANCE AND PERFORMANCE
JUNE 30, 2015**

**RIDGEFIELD BOARD OF EDUCATION
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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Honorable President and Members
of the Board of Trustees
Ridgefield Board of Education
Ridgefield, 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 Ridgefield Board of Education as of and for the fiscal year ended June 30, 2015, and have issued our report thereon dated November 27, 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 solely for the information and use 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.

Respectfully submitted,

Lerch, Vinci & Higgins, LLP

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

Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
November 27, 2015

**RIDGEFIELD BOARD OF EDUCATION
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, 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

Fire insurance coverage was carried in the amounts as detailed on the Insurance Schedule contained in the District's Comprehensive Annual Financial Report (the "CAFR").

Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32)

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Richard Guarini	Board Secretary/School Business Administrator	\$250,000
Floro Villanueva	Assistant School Business Administrator	250,000

There is an Employees' Dishonesty Faithful Performance Crime Coverage through NESBIG covering all other employees with multiple coverage of \$100,000 per loss.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The Board made the proper adjustment to the billings to sending districts for the adjustment in per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f)3.

Financial Planning, Accounting and Reporting

Expenditures

An examination of claims paid during the period under review did not reveal any material discrepancies with respect to supporting documentation, signatures and 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 fringe benefits were deposited in the Payroll Agency Account.

Salary withholdings were promptly remitted to the proper agencies, including health benefit withholdings due to the general fund for the payroll periods tested.

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

**RIDGEFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Financial Planning, Accounting and Reporting (Continued)

Payroll Account (Continued)

- **Finding** – Our audit of salaries revealed five (5) eligible part-time employees who were not enrolled in the State’s Defined Contribution Retirement Program (DCRP).

Recommendation – The District implement procedures to enroll all eligible employees in the Defined Contribution Retirement Program (DCRP).

- **Finding** – We noted the detailed payroll deduction subsidiary ledger maintained by deduction category did not properly reflect all transactions during the year. In addition, we noted the monthly bank reconciliation balances were not in agreement with the subsidiary ledger balance.

Recommendation – The payroll deduction subsidiary ledger include all transactions by deduction category and be verified to the bank reconciliation balances on a monthly basis.

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 year end 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.

- **Finding (CAFR Finding 2015-003)** – Our audit of year end encumbrances revealed the following:
 - Certain encumbrances for contract awards were not reflected in the District’s accounting records at year end.
 - Certain encumbrances in the General Fund should have been classified as accounts payable at year end.
 - Certain encumbrances were deemed invalid at year end.

Recommendation – Procedures be reviewed and revised to ensure purchase orders are recorded when contracts are awarded and open purchase orders are reviewed at year end for validity and proper classification as accounts payable or encumbrances.

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, our sample selection included 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 classification.

**RIDGEFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Financial Planning, Accounting and Reporting (Continued)

Board Secretary's Records

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

Acknowledgement 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.

- **Finding (CAFR Finding 2015-001)** - Cash balances reported in the Board Secretary's monthly report for the General and Capital Project Funds for June 30, 2015 were not in agreement with the supporting bank account reconciliations.

Recommendation – Internal controls over financial reporting be reviewed and enhanced to ensure cash balances reflected on the Board Secretary's report are reconciled to the respective bank account reconciliation balances on a monthly basis.

- **Finding (CAFR Finding 2015-002)** – Our audit of the Capital Projects Fund and the related referendum projects revealed the following:
 - Expenditures for bond sale costs for the 2014 referendum project were incorrectly reported as General Fund expenditures.
 - The District approved a resolution during the school year for a withdrawal from the capital reserve to supplement the 2014 referendum project.
 - Encumbrances charged to the 2013 referendum project and 2014 referendum project were determined to be General Fund Capital Outlay project expenditures. Audit adjustments were made to reclassify these encumbrances.
 - The 2014 referendum project was overencumbered as of June 30, 2015 by approximately \$146,000.

Recommendation – Internal control procedures be reviewed and revised to ensure only allowable additional appropriations and charges are reflected for the approved referendum projects accounted for in the Capital Projects Fund. In addition, appropriate action be taken to fund the overencumbered balance of the 2014 referendum project.

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

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

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.

**RIDGEFIELD BOARD OF EDUCATION
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 Exhibit K-4 located in the CAFR.

Our examination 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.

- **Finding (CAFR Finding 2015-004)** - Our audit of employee salary charges to Title I revealed the following:
 - Amounts charged to the Title I Grant Program were not charged consistently by pay period for each approved individual.
 - Board resolution approving individuals to be charged to the Title I program did not reflect grant funded portion of salary.
 - Time and effort calculations were not specifically completed to support salary allocations to the Title I Program.

Recommendation – With respect to the salary amounts charged to the Title I grant program:

- Salary and wages be charged by each specific pay period throughout the year.
- Resolution approving individuals charged to the grant program reflect the portion of the salary funded by Title I.
- Time and effort calculations be completed to support individual's salary allocations to the grant program.

The financial exhibits contained herein represent a true statement of 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. No exceptions were noted.

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure 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 prior to the end of the 60 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

**RIDGEFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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-3 (as amended) and 18A:39-3 (public school student transportation) are \$26,000 and \$18,300 respectively.

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 appointed the Board Secretary/School 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 indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

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.

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 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. The FSMC contract includes an operating results provisions which guarantees that the food service program will break even. The operating results provision has been met.

The number of meals claimed for reimbursement was verified against meal count records with no exceptions noted. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement vouchers were timely filed.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The free and reduced price meal and free milk policy is uniformly administered throughout the school system. The required verification procedures for free and reduced price applications was completed and available for review.

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

**RIDGEFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Food Service Fund (Continued)

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

Food Distribution Program commodities were received and a separate inventory were maintained on a first-in, first-out basis.

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

Saturday Happening Program Fund

Separate cash receipts and disbursement journals and billing records were maintained for the various programs provided by Saturday Happenings.

All disbursements are processed through the District's General account and reimbursed by the Saturday Happening Program account.

Student Body Activities

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

Cash receipts and disbursements records for the various schools were maintained in satisfactory condition.

- **Findings** – We noted the following:
 - With regards to Shaler Academy student activity account:
 - Formal bank reconciliations, as well as bank statements and cancelled checks were not provided for our review.
 - With regards to the Bergen Boulevard student activity account:
 - Formal bank reconciliations were not provided for our review.
 - With regards to the Slocum Skewes student activity account:
 - No formal cash receipt and cash disbursement ledger was maintained for the school year.
 - We noted twenty seven (27) checks issued with only one (1) authorized signature.
 - With regards to the High School student activity account:
 - Receipts from sporting event gate admissions were not deposited timely.

**RIDGEFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Student Body Activities (Continued)

Recommendation: With respect to the student activity accounts:

1. Formal bank reconciliations be prepared monthly and all records related to the Bergen Boulevard and the Shaler Academy student activity accounts be provided for audit.
2. A formal cash receipt and cash disbursement ledger be maintained for the Slocum-Skewes student activity account.
3. Checks issued from the Slocum-Skewes student activity account contain two (2) authorized signatures as required.
4. Receipts collected from sporting event gate admissions be deposited timely.

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, low-income and bilingual. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers with immaterial exceptions noted. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

The District had 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 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 of transportation related purchases of goods and services, the District complied with proper bidding procedures and award of contracts.

Facilities and Capital Assets

Our procedures included a review of the State Schools Development Authority (SDA) grant agreements for consistency with recording SDA revenue, transfer of local funds from the general fund or from the capital reserve account, and awarding of contracts for eligible facilities construction.

Suggestions to Management

- Excess balances in the payroll deduction account be reviewed and cleared of record.
- Documentation be maintained to support state contract or WSCA contract purchase.

Follow-up Prior Year Findings

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

**RIDGEFIELD BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

N/A – INFORMATION NOT REQUIRED

**SCHEDULES OF NET CASH RESOURCE
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

N/A – INFORMATION NOT REQUIRED

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

	2015-2016 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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool - 3 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Preschool - 4 years	11	-	11	-	-	-	11	-	11	-	-	-	-	-	-	-
Full Day Preschool - 4 years	14	-	14	-	-	-	14	-	14	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	84	-	84	-	-	-	84	-	84	-	-	-	-	-	-	-
1st Grade	102	-	102	-	-	-	102	-	102	-	-	-	-	-	-	-
2nd Grade	104	-	104	-	-	-	104	-	104	-	-	-	-	-	-	-
3rd Grade	98	-	98	-	-	-	98	-	98	-	-	-	-	-	-	-
4th Grade	94	-	94	-	-	-	94	-	94	-	-	-	-	-	-	-
5th Grade	82	-	82	-	-	-	82	-	82	-	-	-	-	-	-	-
6th Grade	109	-	109	-	-	-	109	-	109	-	-	-	-	-	-	-
7th Grade	99	-	99	-	-	-	99	-	99	-	-	-	-	-	-	-
8th Grade	112	-	112	-	-	-	112	-	112	-	-	-	-	-	-	-
9th Grade	102	-	102	-	-	-	102	-	102	-	-	-	-	-	-	-
10th Grade	92	-	92	-	-	-	92	-	92	-	-	-	-	-	-	-
11th Grade	90	-	90	-	-	-	90	-	90	-	-	-	-	-	-	-
12th Grade	113	1	114	-	(1)	1	114	-	114	-	-	-	-	-	-	-
Subtotal	1,306	1	1,307	-	(1)	1	1,307	-	1,307	-	-	-	-	-	-	-
Spec Ed - Elementary	160	-	160	-	-	-	21	-	21	-	-	-	1	1	1	-
Spec Ed- Middle School	64	-	66	-	(2)	-	10	-	10	-	-	-	1	1	1	-
Spec Ed - High School	202	1	202	1	-	-	31	-	31	-	-	-	1	1	1	-
Subtotal	426	1	428	1	(2)	-	62	-	62	-	-	-	3	3	3	-
Totals	1,732	2	1,735	1	(3)	1	1,369	-	1,369	-	-	-	3	3	3	-
Percentage Error					-0.17%	50.00%				0.00%					0.00%	

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

	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 Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool - 3 Yrs	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool - 3 Yrs	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Preschool - 4 Yrs	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool - 4 Yrs	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	29	29	-	4	4	-	11	11	-	7	7	-
1st Grade	27	27	-	4	4	-	9	9	-	5	5	-
2nd Grade	27	27	-	3	3	-	1	1	-	1	1	-
3rd Grade	35	35	-	4	4	-	6	6	-	4	4	-
4th Grade	29	29	-	4	4	-	1	1	-	1	1	-
5th Grade	21	21	-	3	3	-	1	1	-	1	1	-
6th Grade	38	38	-	5	5	-	1	1	-	1	1	-
7th Grade	30	30	-	4	4	-	1	1	-	1	1	-
8th Grade	31	31	-	4	4	-	2	2	-	1	1	-
9th Grade	26	26	-	4	4	-	2	2	-	2	2	-
10th Grade	18	18	-	3	3	-	-	-	-	-	-	-
11th Grade	24	24	-	4	4	-	-	-	-	-	-	-
12th Grade	28	28	-	4	4	-	-	-	-	-	-	-
Subtotal	363	363	-	50	50	-	35	35	-	24	24	-
Spec Ed - Elementary	39	36	3	5	5	-	-	-	-	-	-	-
Spec Ed - Middle School	11	11	-	3	3	-	-	-	-	-	-	-
Spec Ed - High School	25	24	1	4	4	-	1	-	1	-	-	-
Subtotal	75	71	4	12	12	-	1	-	1	-	-	-
Totals	438	434	4	62	62	-	36	35	1	24	24	-
Percentage Error			<u>0.91%</u>			<u>0.00%</u>			<u>2.78%</u>			<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	60	60	-	25	25	-
Transported - Non-Public	1	1	-	1	-	1
Regular - Spec.	36	36	-	15	15	-
Special Needs - Public	22	22	-	9	9	-
Totals	119	119	-	50	49	1
			<u>0.00%</u>			<u>2.00%</u>

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

	Resident 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 Yrs)	-	-	-	-	-	-
Full Day Preschool (3 Yrs)	-	-	-	-	-	-
Half Day Preschool (4 Yrs)	-	-	-	-	-	-
Full Day Preschool (4 Yrs)	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	9	9	-	5	5	-
1st Grade	10	10	-	7	7	-
2nd Grade	1	1	-	1	1	-
3rd Grade	2	2	-	2	2	-
4th Grade	-	-	-	-	-	-
5th Grade	3	3	-	3	3	-
6th Grade	-	-	-	-	-	-
7th Grade	2	2	-	1	1	-
8th Grade	3	3	-	2	2	-
9th Grade	3	3	-	2	2	-
10th Grade	3	3	-	2	2	-
11th Grade	-	-	-	-	-	-
12th Grade	3	3	-	2	2	-
Subtotal	39	39	-	27	27	-
Spec Ed - Elementary	2	2	-	1	1	-
Spec Ed- Middle School	-	-	-	-	-	-
Spec Ed - High School	3	3	-	2	2	-
Subtotal	5	5	-	3	3	-
Totals	44	44	-	30	30	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**RIDGEFIELD BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

SECTION 1A

2014-2015 Total General Fund Expenditures per the CAFR	\$	37,047,667
Decreased by:		
On-Behalf TPAF Pension & Social Security		(3,333,557)
		-
Adjusted 2014-2015 General Fund Expenditures	\$	<u>33,714,110</u>
2% of Adjusted 2014-2015 General Fund Expenditures	\$	<u>674,282</u>
Enter Greater of 2% of Adjusted 2014-2015 General Fund Expenditures or \$250,000	\$	674,282
Increased by: Allowable Adjustments		<u>101,353</u>
Maximum Unassigned Fund Balance	\$	<u>775,635</u>

SECTION 2

Total General Fund - Fund Balance at June 30, 2015 (Per CAFR Budgetary Comparison Schedule/Statement)	\$	3,792,251
Decreased by:		
Year End Encumbrances		692,028
Other Reserved Fund Balances - Capital Reserve		618,688
Other Restricted Fund Balances - Maintenance Reserve		373,900
Other Reserved Fund Balances - Tuition Adjustments		600,000
Other Reserved Fund Balances - Tuition Adj.- Designated For Sub. Years Expend.		600,000
Other Reserved Fund Balances - Excess Surplus Designated for Subsequent Year Expenditures		83,723
Assigned Fund Balance - Designated for Subsequent Year's Expenditures		<u>48,277</u>
		<u>\$ 775,635</u>
Fund Balance - Excess Surplus	\$	<u>-</u>

SECTION 3

Recapitulation of Excess Surplus as of June 30, 2015

Excess Surplus	\$	-
Excess Surplus - Designated for Subsequent Year's Expenditures		<u>83,723</u>
		<u>\$ 83,723</u>

Detail of Allowable Adjustments

Extraordinary Aid	\$	101,353
Non Public School Transportation Aid		<u>-</u>
		<u>\$ 101,353</u>

**RIDGEFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

RECOMMENDATIONS

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. The District implement procedures to enroll all eligible employees in the Defined Contribution Retirement Program (DCRP).
2. The payroll deduction subsidiary ledger include all transactions by deduction category and be verified to the bank reconciliation balances on a monthly basis.
- * 3. Procedures be reviewed and revised to ensure purchase orders are recorded when contracts are awarded and open purchase orders are reviewed at year end for proper classification as accounts payable or encumbrances.
4. Internal controls over financial reporting be reviewed and enhanced to ensure cash balances reflected on the Board Secretary's reports are reconciled to the respective bank account reconciliation balances on a monthly basis.
5. Internal control procedures be reviewed and revised to ensure only allowable additional appropriations and charges are reflected for the approved referendum projects accounted for in the Capital Projects Fund. In addition, appropriate action be taken to fund the overencumbered balance of the 2014 referendum project.
6. With respect to the salary amounts charged to the Title I grant program:
 - * • Salary and wages be charged by each specific pay period throughout the year.
 - Resolution approving individuals charged to the grant program reflect the portion of the salary funded by Title I.
 - Time and effort calculations be completed to support individual's salary allocations to the grant program.

III. School Purchasing Program

There are none.

IV. School Food Services

There are none.

**RIDGEFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

RECOMMENDATIONS

V. Student Body Activities

It is recommended that:

1. Formal bank reconciliations be prepared monthly and all records related to the Bergen Boulevard and the Shaler Academy student activity accounts be provided for audit.
2. A formal cash receipt and cash disbursement ledger be maintained for the Slocum-Skewes student activity account.
3. Checks issued from the Slocum-Skewes student activity account contain two (2) authorized signatures as required.
4. Receipts collected from sporting event gate admissions be deposited timely.

VI. Application for State School Aid

There are none.

VII. Saturday Happening Program

There are none.

VIII. Transportation

There are none.

IX. Facilities and Capital Assets

There are none.

X. Status of Prior Years' Audit Findings/Recommendations

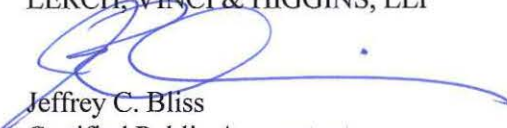
A review was performed on all prior years' recommendations and corrective action was taken on all prior year findings, except the recommendations denoted by an asterisk.

ACKNOWLEDGEMENT

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

Respectfully submitted,

LERCH, VINCI & HIGGINS, LLP


Jeffrey C. Bliss
Certified Public Accountant
Public School Accountant