

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

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

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Honorable President and Members
of the Board of Education
Ridgefield Park Board of Education
Ridgefield Park, 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 Park Board of Education in the County of Bergen for the fiscal year ended June 30, 2015, and have issued our report thereon dated December 21, 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.

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

Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
December 21, 2015

**RIDGEFIELD PARK 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 and Accountant, 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 CAFR.

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Matthew Paladino	Board Secretary	\$250,000

There is Public Employee Dishonesty with Faithful Performance coverage for all other employees in the amount of \$100,000.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The sending/receiving tuition contract procedures set forth no certified tuition adjustment for 2014-15 school year.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review indicated that the required signatures and certifications were obtained on the respective purchase orders and/or vouchers.

Payroll Account

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

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

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

Payrolls were delivered to the Secretary of the Board who then deposited with warrants in separate bank accounts for net payrolls and withholdings.

The Board has implemented and maintains a personnel tracking and accounting (Position Control) system.

Reserve for Encumbrances and Accounts Payable

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

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

Financial Planning, Accounting and Reporting (Continued)

Classification of Expenditures

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

Board Secretary's Records

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

Bids received were summarized in the minutes (N.J.S.A. 18A:18A-21).

Acknowledgment of the Board's receipt of the Board Secretary's monthly financial reports was included in the minutes.

Finding – Our audit revealed the original budget per the District's revenue and appropriation reports for the General and Special Revenue Funds were not in agreement with the adopted budget.

Recommendation – The original budget per the District's revenues and appropriations reports for the General and Special Revenue Funds be in agreement with the adopted budget.

Finding (CAFR Finding 2015-001) – We noted certain liabilities which were unrecorded in the General Fund at June 30, 2015.

Recommendation – Internal control procedures be reviewed and enhanced to ensure purchase orders are issued and encumbered when goods/services are rendered/received in the General Fund.

Finding – Various budget appropriation line items were overexpended as a result of audit adjustments made for the accrual of certain liabilities and the adjustment of a General Fund budget appropriation. Since the overexpenditures were the result of audit adjustments and recommendations have been made relating to the issues causing the overexpenditures, no recommendation is warranted.

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 projects under Titles I, II and III of the Elementary and Secondary Education Act.

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.

**RIDGEFIELD PARK 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 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.

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.

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

Finding – The reimbursement to the State for the amount of the expenditure charged to the current year's Final Report(s) 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 N.J.S.A. 18A:66-90. Accordingly, the expenditure was not in accordance with State law (90 days).

Recommendation – The district should adopt internal control procedures designed to ensure that reimbursement(s) of TPAF/FICA paid by the State on-behalf of TPAF employees charged to federal grants are encouraged to remit payment within the 60 day grant liquidation period and/or certainly within the statutory 90 day liquidation period.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

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 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 school business administrator has been designated as the qualified purchasing agent and the Board has approved by resolution the bid threshold at \$36,000. This law regulating bidding for public school transportation contracts under NJSA 18A:39-3 is currently \$18,300.

The District 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 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 goods or service, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

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

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

The results of our examination indicated 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 threshold 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. 18-A:18A-5.

Finding – Our audit revealed payments for HVAC services were made in excess of the bid threshold where there was no documentation provided to support publicly advertised bids were sought in accordance with the Public School Contracts Law (N.J.S.A. 18A:18A).

Recommendation – The District publicly bid for HVAC services if anticipated services will exceed the bid threshold.

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.

School Food Service

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.

Cash receipts and bank records were reviewed for timely deposit.

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 price 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.

The District utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34 and 19-1 through 19-4.1. provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$38,000. The operating results provision has been met.

Expenditures were separately recorded as food, labor and other costs. 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 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 was maintained on a first-in, first-out basis.

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

The District has contracted with Pomptonian, Inc. to operate its school food service program.

Finding – Our audit revealed the unrestricted net position of the Food Service Fund was in a deficit of \$27,893 at year end.

Recommendation – The District take action to eliminate the deficit in the unrestricted net position in the Food Service Fund at year end.

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

Student Body Activities

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

All cash receipts were promptly deposited.

All cash disbursements had proper supporting documentation.

Finding – Our audit revealed pre-numbered receipts were not utilized in the Student Activity Funds.

Recommendation – Pre-numbered receipts be utilized for all receipts in the Student Activity Funds.

Finding – Our audit indicated that the District only maintains a check register with outstanding balances rather than a detail monthly cash receipts and cash disbursements ledger for the Athletic bank accounts.

Recommendation – A detail monthly cash receipts and cash disbursements ledger be maintained for the Athletic bank accounts.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2014 Application for State School Aid (ASSA) for on-roll, private schools for the handicapped, related services, 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 exceptions. The information that was included on the workpapers was verified with exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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

Finding – Our audit revealed certain differences between amounts reported on the ASSA report verses the District workpapers. Additionally, 3 errors were noted on low-income applications for eligibility.

Recommendation – Internal controls be enhanced over the reporting of information on the ASSA report.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2014-2015 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with no exceptions.

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

The District had no SDA grant projects during the year.

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

SCHEDULE OF MEAL COUNT ACTIVITY

<u>Program</u>	<u>Meals Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>Under (Over) Claim</u>
National School Lunch (Regular Rate)	Paid	107,247	107,247	107,247	-	0.28	-
	Reduced	27,496	27,496	27,496	-	2.58	-
	Free	<u>89,201</u>	<u>89,201</u>	<u>89,201</u>	<u>-</u>	2.98	<u>-</u>
		<u>223,944</u>	<u>223,944</u>	<u>223,944</u>	<u>-</u>		<u>-</u>
National School Lunch	HHFKA-PB Lunch Only	<u>223,944</u>	<u>223,944</u>	<u>223,944</u>	<u>-</u>	0.06	<u>-</u>
National School Breakfast (Regular Rate)	Paid	6,825	6,825	6,825	-	0.28	-
	Reduced	3,151	3,151	3,151	-	1.32	-
	Free	<u>18,384</u>	<u>18,384</u>	<u>18,384</u>	<u>-</u>	1.62	<u>-</u>
		<u>28,360</u>	<u>28,360</u>	<u>28,360</u>	<u>-</u>		<u>-</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
CALCULATION OF NET CASH RESOURCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Net Cash Resources

Current Assets

Cash and Cash Equivalents	\$ (85,955)
Due from Other Governments	72,654
Accounts Receivable	326

Current Liabilities

Less:	
Accounts Payable	(24,986)

Net Cash Resources	\$ (37,961)
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Adjusted Total Operating Expense:

Total Operating Expenses	\$ 1,078,211
Less Depreciation	(2,622)
Adjusted Total Operating Expense	\$ 1,075,589

<u>Average Monthly Operating Expense:</u>	\$ 107,559
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<u>Three Times Monthly Average:</u>	\$ 322,677
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Total Net Cash Resources	\$ (37,961)
Three Times Monthly Average	322,677
Excess(Deficit) Cash Resources	\$ (360,638)

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

	2015-2016 Application for State School Aid						Sample for Verification						On Roll - Special Education			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		Sample for Verifi- cation	Sample Verified	Sample Errors	Reported on A.S.S.A. as Private Schools	Sample Verifi- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared							
Half Day Preschool - 3 years					-	-													
Half Day Preschool - 4 years					-	-													
Half Day Kindergarten					-	-													
Full Day Kindergarten	134	-	134	-	-	-	134	-	134	-	-	-	-	-	-	-	-	-	-
1st Grade	149	-	149	-	-	-	67	-	67	-	-	-	-	-	-	-	-	-	-
2nd Grade	149	-	149	-	-	-	54	-	54	-	-	-	-	-	-	-	-	-	-
3rd Grade	156	-	156	-	-	-	43	-	43	-	-	-	-	-	-	-	-	-	-
4th Grade	139	-	139	-	-	-	55	-	55	-	-	-	-	-	-	-	-	-	-
5th Grade	143	-	143	-	-	-	33	-	33	-	-	-	-	-	-	-	-	-	-
6th Grade	120	-	120	-	-	-	42	-	42	-	-	-	-	-	-	-	-	-	-
7th Grade	141	-	141	-	-	-	141	-	141	-	-	-	-	-	-	-	-	-	-
8th Grade	129	-	129	-	-	-	129	-	129	-	-	-	-	-	-	-	-	-	-
9th Grade	239	1	238	1	1	-	238	1	238	1	-	-	-	-	-	-	-	-	-
10th Grade	198	3	198	3	-	-	198	3	198	3	-	-	-	-	-	-	-	-	-
11th Grade	207	6	207	6	-	-	207	6	207	6	-	-	-	-	-	-	-	-	-
12th Grade	186	1	184	3	2	(2)	184	3	184	3	-	-	-	-	-	-	-	-	-
Subtotal	2,090	11	2,087	13	3	(2)	1,525	13	1,525	13	-	-	-	-	-	-	-	-	-
Spec Ed - Elementary	90	-	90	-	-	-	41	-	41	-	-	21.0	21.0	-	4	3	3	-	-
Spec Ed - Middle School	52	-	52	-	-	-	30	-	30	-	-	12.0	12.0	-	-	-	-	-	-
Spec Ed - High School	112	-	112	-	-	-	-	-	-	-	-	25.0	25.0	-	5	4	4	-	-
Subtotal	254	-	254	-	-	-	71	-	71	-	-	58.0	58.0	-	9	7	7	-	-
Totals	2,344	11	2,341	13	3	(2)	1,596	13	1,596	13	-	-	58.0	58.0	-	9	7	7	-
Percentage Error					<u>0.13%</u>					<u>0.00%</u>				<u>0.00%</u>					<u>0.00%</u>

RIDGEFIELD PARK 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 Pre-School (3 Yrs)	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Pre-School (4 Yrs)	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	51	51	-	4	4	-	5	5	-	5	5	-
1st Grade	54	54	-	4	4	-	8	7	1	3	3	-
2nd Grade	65	65	-	5	4	1	8	8	-	2	2	-
3rd Grade	64	64	-	5	5	-	7	3	4	1	1	-
4th Grade	55	55	-	4	4	-	4	2	2	1	1	-
5th Grade	62	62	-	5	5	-	4	3	1	1	1	-
6th Grade	48	48	-	4	4	-	6	5	1	3	3	-
7th Grade	66	66	-	5	5	-	6	4	2	4	4	-
8th Grade	43	43	-	4	3	1	1	-	1	-	-	-
9th Grade	61	61	-	5	5	-	5	4	1	4	4	-
10th Grade	50	50	-	4	4	-	4	3	1	3	3	-
11th Grade	58	58	-	5	5	-	2	1	1	1	1	-
12th Grade	52	52	-	5	4	1	4	3	(1)	3	3	-
Subtotal	729	729	-	59	56	3	64	48	14	31	31	-
Spec Ed - Elementary	48	48	-	4	4	-	1	1	-	1	1	-
Spec Ed - Middle School	22	22	-	2	2	-	-	-	-	-	-	-
Spec Ed - High School	31	31	-	3	3	-	-	-	-	-	-	-
Subtotal	101	101	-	9	9	-	1	1	-	1	1	-
Totals	830	830	-	68	65	3	65	49	14	32	32	-
Percentage Error			<u>0.00%</u>			<u>4.41%</u>			<u>21.54%</u>			<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	12	12	-	6	6	-
Transported - Non-Public	-	-	-	-	-	-
AIL - Non-Public	-	-	-	-	-	-
Regular - Spec.	19	19	-	9	9	-
Special Needs - Public	72	72	-	34	34	-
Totals	102	102	-	49	49	-
			<u>0.00%</u>			<u>0.00%</u>

RIDGEFIELD PARK 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 Pre-School (3 Yrs)	-	-	-	-	-	-
Half Day Pre-School (4 Yrs)	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	9	9	-	9	9	-
1st Grade	7	8	(1)	3	3	-
2nd Grade	6	6	-	3	3	-
3rd Grade	3	4	(1)	3	3	-
4th Grade	3	1	2	1	1	-
5th Grade	2	1	1	1	1	-
6th Grade	2	3	(1)	2	2	-
7th Grade	-	2	(2)	2	2	-
8th Grade	1	2	(1)	2	2	-
9th Grade	-	2	(2)	2	2	-
10th Grade	2	3	(1)	3	3	-
11th Grade	1	2	(1)	2	2	-
12th Grade	-	1	(1)	1	1	-
Subtotal	36	44	(8)	34	34	-
Spec Ed - Elementary	-	-	-	-	-	-
Spec Ed - Middle School	-	-	-	-	-	-
Spec Ed - High School	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Totals	36	44	(8)	34	34	-
Percentage Error			<u>-18.18%</u>			<u>0.00%</u>

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

SECTION 1A - 2% Calculation of Excess Surplus

2014-2015 Total General Fund Expenditures per the CAFR	\$ 37,788,639
Decreased by:	
Assets Acquired Under Capital Leases	531,274
On-Behalf TPAF Pension & Social Security	3,587,338
Adjusted 2014-2015 General Fund Expenditures	\$ 33,670,027
2% of Adjusted 2014-2015 General Fund Expenditures	\$ 673,401
Enter Greater of 2% of Adjusted 2014-2015 General Fund Expenditures or \$250,000	\$ 673,401
Increased by:	
Allowable Adjustments	328,840
Maximum Unassigned Fund Balance	\$ 1,002,241

SECTION 2

Total General Fund - Fund Balance at June 30, 2015	\$ 852,984
Decreased by:	
Restricted - Capital Reserve	\$ 332,870
Assigned - ARRA/SEMI - Designated for Subsequent Year's Expenditures	9,727
Assigned - Year End Encumbrances	42,491
	385,088
Total Unassigned Fund Balance	\$ 467,896

SECTION 3

Excess Surplus	\$ -
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Detail of Allowable Adjustments

Extraordinary Aid (Excess of Amount Budgeted)	\$ 328,840
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**RIDGEFIELD PARK BOARD OF EDUCATION
RECOMMENDATIONS**

I. Administrative Practice and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. Internal control procedures be reviewed and enhanced to ensure purchase orders are issued and encumbered when services/goods are rendered/received in the General Fund.
2. The original budget per the District's revenue and appropriation reports for the General and Special Revenue Funds be in agreement with the adopted budget.
3. The District should adopt internal control procedures designed to ensure that reimbursement(s) of the TPAF/FICA paid by the State on-behalf of TPAF employees charged to federal grants are encouraged to remit payments within the 60 day grant liquidation period and/or certainly within the statutory 90 day liquidation period.

III. School Purchasing Program

It is recommended that the District publicly bid for HVAC services if anticipated services will exceed the bid threshold.

IV. School Food Service Program

It is recommended that the District take action to eliminate the deficit in the unrestricted net position in the Food Service Fund at year end.

V. Student Body Activities

It is recommended that:

1. Pre-numbered receipts be utilized for all receipts in the Student Activity funds.
2. A detail monthly cash receipts and cash disbursements ledger be maintained for the Athletic bank accounts.

VI. Application for State School

It is recommended that internal controls be enhanced over the reporting of information on the ASSA report.

VII. Pupil Transportation

There are none.

VIII. Facilities and Capital Assets

There are none.

**RIDGEFIELD PARK BOARD OF EDUCATION
RECOMMENDATIONS**

IX. **Miscellaneous**

There are none.

X. **Status of Prior Years' Audit Findings/Recommendations**

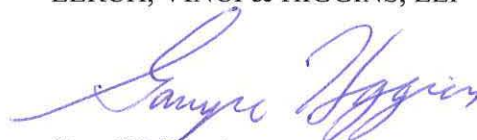
There were none.

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



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