

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

**SADDLE BROOK BOARD OF EDUCATION
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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AUDITORS' MANAGEMENT REPORT

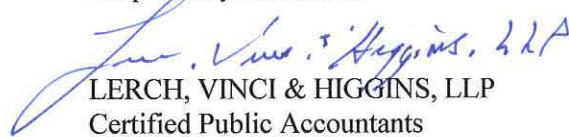
Honorable President and Members
of the Board of Trustees
Saddle Brook Board of Education
Saddle Brook, New Jersey

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 Saddle Brook Board of Education as of and for the fiscal year ended June 30, 2015, and have issued our report thereon dated December 21, 2015.

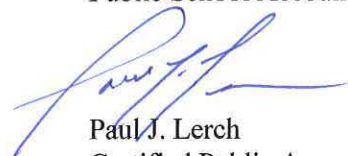
As part of our audit, we performed procedures required by the Office of School Finance, Department of Education, State of New Jersey and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

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.

Respectfully submitted,



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



Paul J. Lerch
Certified Public Accountant
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
December 21, 2015

**SADDLE BROOK 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 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

Fire insurance coverage was carried in the amounts as detailed on the Insurance Schedule contained in the district's CAFR.

Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32, 18A:13-13)

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Raymond Karaty, CPA, PSA	Board Secretary/School Business Administrator	\$ 250,000
Peter Bellani, CPA	Treasurer of School Monies	\$ 250,000

There is an Employees' Dishonesty Faithful Performance coverage with Selective Insurance Company of America, covering all other employees with multiple coverage of \$400,000.

Tuition Charges

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

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certifications or supporting documentation.

**SADDLE BROOK 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

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.

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

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

Travel

The District has a policy regulating travel.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6:20-2A.2(m) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C 6A:23-8.2. As a result of the procedures performed, there were no errors.

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 reserve for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

Board Secretary's Records

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

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

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

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

Financial Planning, Accounting and Reporting (Continued)

Treasurer's Records

The following items were noted during our review of the records of the Treasurer.

The Treasurer did perform cash reconciliation's for the general operating account and payroll accounts (N.J.S.A. 18A:17-36).

All cash receipts were promptly deposited.

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

Unemployment Compensation Insurance Trust Fund

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

Elementary and Secondary Education Act of 1965 (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./IASA financial exhibits are contained within the Special Revenue Fund of the CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I, Title IIA and Title III of the Elementary and Secondary Education Act.

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 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.

Finding 2015-001 – Our audit of the Extraordinary Aid Application revealed the following:

- Several instances where the tuition reported on the application could not be verified to tuition contract.
- One instance – additional costs reported on the application were not in agreement with the supporting documentation.
- Supporting documentation for the costs reported on the application were not maintained with the application.

Recommendation – It is recommended that all student's cost information reported on the Extraordinary Aid Application be supported with cost documentation and costs be calculated correctly.

T.P.A.F. Reimbursements

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

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

Financial Planning, Accounting and Reporting (Continued)

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

The reimbursement to the State for the amount of the expenditures 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.

Nonpublic State Aid

Project completion reports were finalized and transmitted to Department by the due date.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2010 and thereafter the bid thresholds in accordance with *N.J.S.A. 18A:18A-2* are \$36,000 (with a qualified purchasing agent) and \$26,000 (without a qualified purchasing agent), respectively. The District has appointed Raymond Karaty as a qualifying purchasing agent. The law regulating bidding for public school student transportation contracts under *NJSA 18A:39-3* is currently \$18,300.

The board of education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or 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.

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.

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

Enterprise Funds

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

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.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all school food services employees authorized by the board of education.

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.

Finding – Net cash resources exceeded three months average expenditures; the District has implemented corrective action for the 2015-16 year. Therefore no recommendation warranted.

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

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

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

Community Programs Fund

Cash receipts and cash disbursements were maintained in good condition and in accordance with established Board policy.

Student Activity Fund and Athletic Account

Finding – Our audit of the student activity accounts revealed the following:

Middle High School Organization Account

- There were numerous reimbursements to individuals utilizing their person credit cards.
- Two weeks checks issued without authorized signatures.

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

Student Activity Fund and Athletic Account (Continued)

Helen I Smith

- Our audit of the cash disbursements revealed that there were four check request forms that lacked the teacher's approval signature.
- One check was made payable to cash, furthermore there was no supporting invoice.

Long

- Our audit of cash receipt collection revealed that the deposit wasn't made timely.
- There were several checks that had only one authorized signature.
- There were several cash disbursements that lacked check request forms.

It is recommended that the internal control procedures over the student activity accounts be enhanced to ensure the following:

- Limit the use of personal credit cards.
- Check request forms are utilized for all cash disbursements and contain all the proper approval signatures.
- All checks issued have two authorized signatures and there are no checks payable to cash.
- Deposits are made timely after the point of collection.

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 school for the handicapped, low-income, related services 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 isolated exception. The information that was included on the workpapers was verified with isolated exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2014-15 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with an 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.

Follow-up on Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations and corrective action was taken on all prior year recommendations.

**SADDLE BROOK BOARD OF EDUCATION
FOOD SERVICE FUND
SCHEDULE OF MEAL COUNT ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOT APPLICABLE

**FOOD SERVICE FUND
SCHEDULE OF NET CASH RESOURCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOT APPLICABLE

**SADDLE BROOK BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2014**

	2015-2016 Application for State School Aid						Sample for Verification				Private Schools for Disabled					
	Reported on		Reported on		Errors		Sample Selected from Workpapers		Verified per Register On Roll		Errors per Registers On Roll		Reported on		Sample	
	Original A.S.S.A. On Roll		Workpapers On Roll										A.S.S.A. as Private Schools		for Verifi- cation	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Sample Verified	Sample Errors		
Half Day Pre K (3yrs)	5.0	-	5.0	-	-	-	5.0	-	5.0	-	-	-	-	-	-	-
Full Day Pre K (3yrs)	14.0	-	14.0	-	-	-	14.0	-	14.0	-	-	-	-	-	-	-
Half Day Pre K (4yrs)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Pre K (4yrs)	-	-	-	-	-	-	-	-	1.0	-	(1.0)	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	100.0	-	100.0	-	-	-	33.0	-	33.0	-	-	-	-	-	-	-
Grade 1	102.0	-	102.0	-	-	-	26.0	-	26.0	-	-	-	-	-	-	-
Grade 2	115.0	-	115.0	-	-	-	37.0	-	37.0	-	-	-	-	-	-	-
Grade 3	99.0	-	99.0	-	-	-	33.0	-	33.0	-	-	-	-	-	-	-
Grade 4	107.0	-	107.0	-	-	-	26.0	-	26.0	-	-	-	-	-	-	-
Grade 5	96.0	-	96.0	-	-	-	35.0	-	35.0	-	-	-	-	-	-	-
Grade 6	123.0	-	123.0	-	-	-	35.0	-	35.0	-	-	-	-	-	-	-
Grade 7	124.0	-	124.0	-	-	-	124.0	-	125.0	-	(1.0)	-	-	-	-	-
Grade 8	112.0	-	112.0	-	-	-	112.0	-	112.0	-	-	-	-	-	-	-
Grade 9	74.0	2.0	74.0	2.0	-	-	74.0	2.0	75.0	-	(1.0)	2.0	-	-	-	-
Grade 10	109.0	5.0	109.0	5.0	-	-	109.0	5.0	109.0	5.0	-	-	-	-	-	-
Grade 11	100.0	2.0	100.0	3.0	-	(1.0)	100.0	2.0	100.0	2.0	-	-	-	-	-	-
Grade 12	86.0	3.0	83.0	3.0	3.0	-	86.0	3.0	86.0	3.0	-	-	-	-	-	-
Subtotal	1,366.0	12.0	1,363.0	13.0	3.0	(1.0)	849.0	12.0	852.0	10.0	(3.0)	2.0	-	-	-	-
Sp Ed- Elementary	125.0	-	125.0	-	-	-	25.0	-	25.0	-	-	-	9.0	8.0	8.0	-
Sp Ed - Middle School	80.0	-	80.0	-	-	-	16.0	-	16.0	-	-	-	10.0	9.0	9.0	-
Sp Ed - High School	89.0	3.0	89.0	3.0	-	-	18.0	3.0	18.0	3.0	-	-	12.0	10.0	10.0	-
Subtotal	294.0	3.0	294.0	3.0	-	-	59.0	3.0	59.0	3.0	-	-	31.0	27.0	27.0	-
Totals	1,660.0	15.0	1,657.0	16.0	3.0	(1.0)	908.0	15.0	911.0	13.0	(3.0)	2.0	31.0	27.0	27.0	-
Percentage Error	<u>0.18%</u> <u>-6.67%</u>						<u>-0.33%</u> <u>0.00%</u>						<u>0.00%</u>			

**SADDLE BROOK BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2014**

	Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A	Reported on Workpapers	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A	Reported on Workpapers	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Pre K (3yrs)	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Pre K (3yrs)	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Pre K (4yrs)	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Pre K (4yrs)	-	1.0	(1.0)	1.0	1.0	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	18.0	18.0	-	8.0	8.0	-	1.0	1.0	-	1.0	1.0	-
Grade 1	21.0	21.0	-	8.0	8.0	-	2.0	2.0	-	1.0	1.0	-
Grade 2	16.0	16.0	-	6.0	6.0	-	1.0	1.0	-	1.0	1.0	-
Grade 3	18.0	19.0	(1.0)	7.0	7.0	-	2.0	2.0	-	1.0	1.0	-
Grade 4	23.0	23.0	-	8.0	8.0	-	1.0	1.0	-	1.0	1.0	-
Grade 5	13.0	14.0	(1.0)	5.0	5.0	-	2.0	2.0	-	2.0	2.0	-
Grade 6	24.0	24.0	-	8.0	8.0	-	-	-	-	-	-	-
Grade 7	15.0	15.0	-	6.0	6.0	-	-	-	-	-	-	-
Grade 8	18.0	18.0	-	5.0	5.0	-	2.0	2.0	-	2.0	2.0	-
Grade 9	7.0	6.0	1.0	2.0	2.0	-	1.0	1.0	-	1.0	1.0	-
Grade 10	16.5	16.5	-	5.0	5.0	-	2.0	2.0	-	2.0	2.0	-
Grade 11	16.0	16.0	-	5.0	5.0	-	1.0	1.0	-	1.0	1.0	-
Grade 12	8.0	8.0	-	3.0	3.0	-	-	-	-	-	-	-
Subtotal	213.5	215.5	(2.0)	77.0	77.0	-	15.0	15.0	-	13.0	13.0	-
Sp Ed - Elementary	35.0	35.0	-	14.0	14.0	-	-	-	-	-	-	-
Sp Ed - Middle School	21.0	21.0	-	8.0	8.0	-	-	-	-	-	-	-
Sp Ed - High School	19.0	19.0	-	6.0	6.0	-	-	-	-	-	-	-
Subtotal	75.0	75.0	-	28.0	28.0	-	-	-	-	-	-	-
Totals	288.5	290.5	(2.0)	105.0	105.0	-	15.0	15.0	-	# 13.0	13.0	-
Percentage Error			<u>-0.69%</u>		<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>	

	Transportation			Tested	Verified	Errors
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors			
Reg. - Public Schools	108.0	109.0	(1.0)	22.0	22.0	-
Special Ed. - Public	46.0	46.0	-	9.0	9.0	-
Transported - Non - Public	95.0	95.0	-	16.0	16.0	-
Special Needs - Public	46.0	46.0	-	9.0	9.0	-
Subtotal	295.0	296.0	(1.0)	56.0	56.0	-
Percentage Error			<u>-0.34%</u>		<u>0.00%</u>	

**SADDLE BROOK BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2014**

	Resident LEP Not Low Income			Sample for Verification		
	Reported on A.S.S.A	Reported on Workpapers	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Pre K (3yrs)	-	-	-	-	-	-
Full Day Pre K (3yrs)	-	-	-	-	-	-
Half Day Pre K (4yrs)	-	-	-	-	-	-
Full Day Pre K (4yrs)	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	1.0	1.0	-	1.0	1.0	-
Grade 1	3.0	3.0	-	2.0	2.0	-
Grade 2	2.0	2.0	-	2.0	2.0	-
Grade 3	-	-	-	-	-	-
Grade 4	-	-	-	-	-	-
Grade 5	1.0	1.0	-	1.0	1.0	-
Grade 6	2.0	2.0	-	2.0	2.0	-
Grade 7	1.0	1.0	-	1.0	1.0	-
Grade 8	-	-	-	-	-	-
Grade 9	2.0	2.0	-	1.0	1.0	-
Grade 10	1.0	1.0	-	1.0	1.0	-
Grade 11	2.0	2.0	-	2.0	2.0	-
Grade 12	-	-	-	-	-	-
Subtotal	15.0	15.0	-	13.0	13.0	-
Sp Ed - Elementary	-	-	-	-	-	-
Sp Ed - Middle School	-	-	-	-	-	-
Sp Ed - High School	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Totals	15.0	15.0	-	13.0	13.0	-
			<u>0.00%</u>			<u>0.00%</u>

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

SECTION 1 -Two Percent (2%) - Calculation of Excess surplus

SECTION 1A

2014-2015 Total General Fund Expenditures per the CAFR	\$	32,624,340
Decreased by:		
Assets Acquired by Capital Lease		242,386
On-Behalf TPAF Pension & Social Security		<u>2,677,899</u>
Adjusted 2014-2015 General Fund Expenditures	\$	<u>29,704,055</u>
2% of Adjusted 2014-2015 General Fund Expenditures	\$	594,081
Increased by: Allowable Adjustment- Non-Public Transportation		<u>32,700</u>
Maximum Unreserved/Undesignated Fund Balance	\$	<u>626,781</u>

SECTION 2

Total General Fund - Fund Balance at June 30, 2015 (Per CAFR Budgetary Comparison Schedule/Statement)	\$	1,833,927
Decreased by:		
Year End Encumbrances	\$	86,200
Capital Reserve		851,211
Assigned Fund Balance - ARRA/SEMI - Designated for Subsequent Year's Expenditures		<u>4,944</u>
		<u>(942,355)</u>
Total Unassigned Fund Balance for Excess Surplus Calculations	\$	<u>891,572</u>

SECTION 3

Reserved Fund Balance - Excess Surplus	\$	<u>264,791</u>
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**SADDLE BROOK BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

RECOMMENDATIONS

I. Administration Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. The District adopt internal control procedures designed to ensure that reimbursements (s) of 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.
2. All student's cost information reported on the Extraordinary Aid Application be supported with cost documentation and costs be calculated correctly.

III. School Purchasing Program

There are none.

IV. Food Service Fund

There are none.

V. Community School Fund

There are none.

VI. Student Activity Fund and Athletic Account

It is recommended that the internal control procedures over the student activity accounts be enhanced to ensure the following:

- Limit the use of personal credit cards.
- Check request forms are utilized for all cash disbursements and contain all the proper approval signatures.
- All checks issued have two authorized signatures and there are no checks payable to cash.
- Deposits are made timely after the point of collection.

VII. Application for State School Aid

There are none.

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

RECOMMENDATIONS

VIII. Pupil Transportation

There are none.

IX. Facilities and Capital Assets

There are none.

X Miscellaneous

There are none.

XI. Status of Prior Year Audit Findings/Recommendations

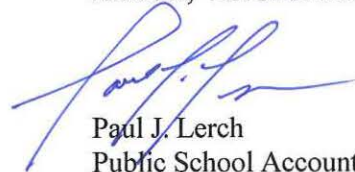
Corrective action was taken on all prior year audit findings/recommendations.

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



Paul J. Lerch
Public School Accountant
Certified Public Accountant