

**RIDGEFIELD BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL COMPLIANCE AND PERFORMANCE
JUNE 30, 2016**

**RIDGEFIELD BOARD OF EDUCATION
TABLE OF CONTENTS**

**AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS
- FINANCIAL, COMPLIANCE AND PERFORMANCE**

	<u>Page No.</u>
Report of Independent Auditor	1
Scope of Audit	2
Administrative Practices and Procedures	2
Financial Planning, Accounting and Reporting	2-5
School Purchasing Programs	5-6
Food Service Fund	6
Saturday Happening Program Fund	6
Student Body Activities	7
Application for State School Aid	7
Pupil Transportation	7
Facilities and Capital Assets	8
Suggestions to Management	8
Follow-Up Prior Year Findings	8
Schedule of Meal Count Activity – N/A	9
Net Cash Resource Schedule	10
Schedule of Audited Enrollments	11-13
Calculation of Excess Surplus	14
Recommendations	15-16
Acknowledgement	16



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLosi, CPA
ROBERT AMPONSAH, CPA

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, 2016, and have issued our report thereon dated November 15, 2016.

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 15, 2016

**RIDGEFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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.

- **Finding** – Amounts invoiced for one to one aide services were not approved by Board resolution. In addition, District service contracts did not include fees charged in the contract terms.

Recommendation – Rates for one to one aide services be approved by resolution of the Board and be made part of service contract terms.

Financial Planning, Accounting and Reporting

Examination of Claims

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, 2016**

Financial Planning, Accounting and Reporting (Continued)

Payroll Account (Continued)

The District maintains a personnel tracking and accounting (Position Control) system.

The School Business Administrator completed and filed the required certification of compliance with federal and state law respecting the reporting of compensation for certain employees.

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.

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.

- **Finding (CAFR Finding 2016-001)** – We noted expenditures in the General Fund related to salary and capital outlay that were not charged to the proper budget line accounts. We also noted expenditures charged to the Capital Project Fund’s referendum projects that were determined to be General Fund capital outlay project expenditures.

Recommendation – Greater care be exercised over classifying expenditures to ensure amounts are budgeted and charged to the proper budget line accounts in accordance with The Uniform Chart of Accounts for New Jersey School Districts.

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 2016-002 and 2016-005)** – Our audit of the Capital Projects Fund and the related referendum projects revealed the following:
 - Expenditures for the 2014 referendum projects were not charged to the correct project location.
 - The 2014 referendum projects were overencumbered as of June 30, 2016 by approximately \$130,000 in total for all projects.

Recommendation – Internal control procedures be reviewed and revised to ensure only allowable charges are reflected by project location 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 projects.

**RIDGEFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Financial Planning, Accounting and Reporting (Continued)

- **Finding** - We noted the financial transactions of a capital lease bank account for the installation of modular classrooms were not being recorded in the District's accounting records. We noted the only transaction related to the account was the receipt of the lease proceeds as of June 30, 2016

Recommendation – The District record the transactions of its capital lease account in their financial accounting records.

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.

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 2016-003)** - Our audit of employee salary charges to Title I revealed the following:
 - Board resolution approving individuals to be charged to the Title I program did not reflect grant funded portion (i.e. percentage) of the respective individual's 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:

- Resolution approving individuals charged to the grant program reflect the portion (i.e. percentage) of the salary funded by Title I in addition to the salary amounts.
- Time and effort calculations be completed to support individual's salary allocations to the grant program.
- **Finding (CAFR Finding 2016-004)** – Our audit of reimbursement request forms for Title I revealed funds were requested for Title I expenditures prior to the expenditures being incurred and recorded in the District's accounting records and were not paid to the vendor during the liquidation period.

Recommendation - Requests for Title I reimbursement be made after the expenditures are incurred and recorded in the District's accounting records and payments are made within the liquidation period.

**RIDGEFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Financial Planning, Accounting and Reporting (Continued)

Other Special Federal and/or State Projects (Continued)

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

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 \$40,000. 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.

**RIDGEFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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 school food service program was not selected as a major federal or state program. However, the program expenditures exceeded \$100,000 in federal support. Accordingly, we inquired of school management as to whether the School Food Authority (the "SFA") had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted. In addition, we inquired as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

The financial transactions and records of the school food services were maintained in good condition. The financial accounts and records were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

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.

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.

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 operating account and reimbursed by the Saturday Happening Program account.

- **Finding** – Our audit of the Saturday Happening Program revenue collection accounting system revealed the following:
 - Attendance records or rosters were not available for some programs
 - Registration forms were not provided for the Spring Saturday Happenings Program
 - A registration fee may not have been deposited in a certain instance.

Recommendation – Internal controls over the Saturday Happening Program revenue collection accounting system be reviewed and revised to enhance and strengthen procedures and recordkeeping over program fees.

**RIDGEFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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:
 - Bank account was not properly reconciled.
 - No formal cash receipts and cash disbursements ledger was maintained for the school year.
 - With regards to the Bergen Boulevard student activity account:
 - Bank account was not properly reconciled.
 - No formal cash receipt and cash disbursement ledger was maintained for the school year.
 - Check request forms were not utilized for vendor payments
 - Prenumbered receipts or deposit authorization forms were not utilized for amounts collected.

Recommendation: Internal controls in the Bergen Boulevard and Shaler Academy student accounts be reviewed to ensure proper accounting records and procedures are implemented over financial transactions and activities.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2015 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 without exception. The information that was included on the workpapers was verified with immaterial 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 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 2015-2016 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 information that was included on the workpapers was verified with immaterial exceptions. 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.

**RIDGEFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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. As previously discussed under Board Secretary Records, we noted certain findings related to the 2014 referendum projects that were funded in part by SDA grants.

Suggestions to Management

- The District perform a review of the athletic account payments for issuance of IRS Form 1099 for individuals paid \$600 or more in the calendar year.
- Continued efforts be made to reflect payroll deduction balances by deduction category and agreement to the payroll agency account balance.
- The District submit to the State the pension contribution report for the retro salary payments that were made during the 2015/2016 school year.

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, 2016**

N/A – INFORMATION NOT REQUIRED

**RIDGEFIELD BOARD OF EDUCATION
FOOD SERVICE FUND
SCHEDULES OF NET CASH RESOURCE
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

		Food Service	
<u>Net Cash Resources:</u>			
CAFR	*	Current Assets	
B-4		Cash	\$ -
B-4		Intergovernmental Receivables	18,249
B-4		Accounts Receivable	10,227
B-4		Due from Other Funds	0
CAFR		Current Liabilities	
B-4		Less Accounts Payable	(37,538)
B-4		Less Due to Other Funds	(1,655)
B-4		Less Unearned Revenue	(6,368)
		Net Cash Resources	\$ (17,085) (A)
<u>Net Adj. Total Operating Expense:</u>			
B-5		Total Operating Expenses	684,198
B-5		Less Depreciation	(24,454)
		Adj. Tot. Oper. Exp.	\$ 659,744 (B)
<u>Average Monthly Operating Expense:</u>			
		B / 10	\$ 65,974 (C)
<u>Three times monthly Average Operating Expense:</u>			
		3 X C	\$ 197,923 (D)

TOTAL IN BOX A	\$	(17,085)	
LESS TOTAL IN BOX D	\$	(197,923)	
NET	\$	(215,008)	

Net Cash Resources Did Not Exceed Three Months Expenditures.

**RIDGEFIELD BOARD OF EDUCATION
A.S.S.A.
SCHEDULE OF AUDITED ENROLLMENTS
10/15/2015**

	2016-2017 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 Sample Verified 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	6	-	6	-	-	-	6	-	6	-	-	-	-	-	-	-	-	-
Full Day Preschool - 4 years	13	-	13	-	-	-	13	-	13	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	92	-	92	-	-	-	92	-	92	-	-	-	-	-	-	-	-	-
1st Grade	82	-	82	-	-	-	82	-	82	-	-	-	-	-	-	-	-	-
2nd Grade	97	-	97	-	-	-	97	-	97	-	-	-	-	-	-	-	-	-
3rd Grade	104	-	104	-	-	-	104	-	104	-	-	-	-	-	-	-	-	-
4th Grade	99	-	99	-	-	-	99	-	99	-	-	-	-	-	-	-	-	-
5th Grade	90	-	90	-	-	-	90	-	90	-	-	-	-	-	-	-	-	-
6th Grade	88	-	88	-	-	-	88	-	88	-	-	-	-	-	-	-	-	-
7th Grade	107	-	107	-	-	-	107	-	107	-	-	-	-	-	-	-	-	-
8th Grade	101	-	101	-	-	-	101	-	101	-	-	-	-	-	-	-	-	-
9th Grade	93	-	93	-	-	-	93	-	93	-	-	-	-	-	-	-	-	-
10th Grade	108	-	108	-	-	-	108	-	108	-	-	-	-	-	-	-	-	-
11th Grade	94	-	94	-	-	-	94	-	94	-	-	-	-	-	-	-	-	-
12th Grade	95	-	95	-	-	-	92	-	92	-	-	-	-	-	-	-	-	-
Subtotal	1,269	-	1,269	-	-	-	1,266	-	1,266	-	-	-	-	-	-	-	-	-
Spec Ed - Elementary	161	-	161	-	-	-	23	-	23	-	-	-	1	1	1	1	-	-
Spec Ed- Middle School	74	-	74	-	-	-	11	-	11	-	-	-	-	-	-	-	-	-
Spec Ed - High School	196	-	196	-	-	-	28	-	28	-	-	-	2	2	2	2	-	-
Subtotal	431	-	431	-	-	-	62	-	62	-	-	-	3	3	3	3	-	-
Totals	1,700	-	1,700	-	-	-	1,328	-	1,328	-	-	-	3	3	3	3	-	-
Percentage Error					<u>0.00%</u>	<u>0.00%</u>							<u>0.00%</u>	<u>0.00%</u>			<u>0.00%</u>	

RIDGEFIELD BOARD OF EDUCATION
A.S.S.A.
SCHEDULE OF AUDITED ENROLLMENTS
10/15/2015

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Work papers as Low Income	Errors	Sample Selected from Work papers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A as LEP Low Income	Reported on Work papers as LEP Low Income	Errors	Sample Selected from Work papers	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	26	26	-	3	3	-	2	2	-	2	2	-
1st Grade	31	31	-	4	4	-	7	7	-	5	5	-
2nd Grade	28	28	-	4	4	-	5	5	-	4	4	-
3rd Grade	31	31	-	4	4	-	1	1	-	1	1	-
4th Grade	40	40	-	5	4	1	1	1	-	1	1	-
5th Grade	32	32	-	4	4	-	-	-	-	-	-	-
6th Grade	25	25	-	3	3	-	-	-	-	-	-	-
7th Grade	34	34	-	5	5	-	1	1	-	1	1	-
8th Grade	35	35	-	5	5	-	2	2	-	2	2	-
9th Grade	30	30	-	4	4	-	4	4	-	3	3	-
10th Grade	29	29	-	4	4	-	1	1	-	1	1	-
11th Grade	21	21	-	3	3	-	1	1	-	1	1	-
12th Grade	29	29	-	4	4	-	-	-	-	-	-	-
Subtotal	391	391	-	52	51	1	25	25	-	21	21	-
Spec Ed - Elementary	37	37	-	5	3	2	-	-	-	-	-	-
Spec Ed - Middle School	16	16	-	2	2	-	-	-	-	-	-	-
Spec Ed - High School	27	27	-	4	3	1	1	1	-	1	1	-
Subtotal	80	80	-	11	8	3	1	1	-	1	1	-
Totals	471	471	-	63	59	4	26	26	-	22	22	-
Percentage Error			<u>0.00%</u>			<u>5.69%</u>			<u>0.00%</u>			<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	52	52	-	22	22	-
Transported - Non-Public	1	1	-	1	-	1
Regular - Spec.	48	48	-	20	19	1
Special Needs - Public	18	18	-	7	7	-
Totals	119	119	-	50	48	2
			<u>0.00%</u>			<u>4.00%</u>

**RIDGEFIELD BOARD OF EDUCATION
A.S.S.A.
SCHEDULE OF AUDITED ENROLLMENTS
10/15/2015**

	Resident LEP Not Low Income			Sample for Verification		
	Reported on A.S.S.A as LEP Not Low Income	Reported on Work papers as LEP Not Low Income	Errors	Sample Selected from Work papers	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	11	11	-	9	9	-
1st Grade	8	8	-	7	7	-
2nd Grade	9	9	-	8	8	-
3rd Grade	1	1	-	1	1	-
4th Grade	-	-	-	-	-	-
5th Grade	1	1	-	1	1	-
6th Grade	2	2	-	2	2	-
7th Grade	1	1	-	1	1	-
8th Grade	1	1	-	1	1	-
9th Grade	1	1	-	1	1	-
10th Grade	1	1	-	1	1	-
11th Grade	2	2	-	2	2	-
12th Grade	-	-	-	-	-	-
Subtotal	38	38	-	34	34	-
Spec Ed - Elementary	2	2	-	1	1	-
Spec Ed- Middle School	-	-	-	-	-	-
Spec Ed - High School	2	2	-	1	1	-
Subtotal	4	4	-	2	2	-
Totals	42	42	-	36	36	-
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, 2016**

SECTION 1A

2015-2016 Total General Fund Expenditures per the CAFR	\$ 39,418,993	
Decreased by:		
On-Behalf TPAF Pension & Social Security	(3,994,062)	
Supplies Acquired Under Lease Purchase Expenses	<u>(288,032)</u>	
Adjusted 2015-2016 General Fund Expenditures	<u>\$ 35,136,899</u>	
2% of Adjusted 2015-2016 General Fund Expenditures	<u>\$ 702,738</u>	
Enter Greater of 2% of Adjusted 2015-2016 General Fund Expenditures or \$250,000	\$ 702,738	
Increased by: Allowable Adjustments	<u>-</u>	
Maximum Unassigned Fund Balance		<u>\$ 702,738</u>

SECTION 2

Total General Fund - Fund Balance at June 30, 2016 (Per CAFR Budgetary Comparison Schedule/Statement)		\$ 2,914,800
Decreased by:		
Year End Encumbrances	\$ 50,627	
Other Reserved Fund Balances - Capital Reserve	713,100	
Other Restricted Fund Balances - Maintenance Reserve	373,900	
Other Reserved Fund Balances - Tuition Adjustments	900,000	
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	<u>174,435</u>	
		<u>2,212,062</u>
		<u>\$ 702,738</u>
Fund Balance - Excess Surplus		<u>\$ -</u>

SECTION 3

Recapitulation of Excess Surplus as of June 30, 2016

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

Detail of Allowable Adjustments

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

**RIDGEFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

RECOMMENDATIONS

I. Administrative Practices and Procedures

It is recommended that rates for one to one aide services be approved by resolution of the Board and be made part of service contract terms.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. Greater care be exercised over classifying expenditures to ensure amounts are budgeted and charged to the proper budget line accounts in accordance with The Uniform Chart of Accounts for New Jersey School Districts.
- * 2. Internal control procedures be reviewed and revised to ensure only allowable charges are reflected by project location 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 projects.
3. The District record the transactions of its capital lease account in their financial accounting records.
4. With respect to the salary amounts charged to the Title I grant program:
 - * • Resolution approving individuals charged to the grant program reflect the portion (i.e. percentage) of the salary funded by Title I in addition to the salary amounts.
 - * • Time and effort calculations be completed to support individual's salary allocations to the grant program.
5. Requests for Title I reimbursement be made after the expenditures are incurred and recorded in the District's accounting records and payments are made within the liquidation period.

III. School Purchasing Program

There are none.

IV. School Food Services

There are none.

V. Saturday Happening Program

It is recommended that internal controls over the Saturday Happening Program revenue collection accounting system be reviewed and revised to enhance and strengthen procedures and recordkeeping over program fees.

VI. Student Body Activities

It is recommended that internal controls in the Bergen Boulevard and Shaler Academy student accounts be revised to ensure proper accounting records and procedures are implemented over financial transactions and activities.

**RIDGEFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

RECOMMENDATIONS

VII. Application for State School Aid

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