

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

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

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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 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, 2016, and have issued our report thereon dated October 28, 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.

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

Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
October 28, 2016

**RIDGEFIELD PARK 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 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	Business Administrator/ Board Secretary (7/1/15-2/29/16)	\$250,000
Michael Leary	Interim Business Administrator/ Board Secretary (12/22/15-4/27/16)	\$250,000
Marlene Wendolowski	Interim Business Administrator/ Board Secretary (5/23/16-6/30/16)	\$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 2015-16 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.

Finding – Our audit revealed purchases of goods or rendering of services were made prior to the approval and issuance of a purchase order.

Recommendation – A properly executed purchase order should be approved and issued prior to the purchase of goods or rendering of services.

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.

**RIDGEFIELD PARK 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)

Finding – There exists a deficit in the payroll agency account at June 30, 2016. After review of payments made subsequent to June 30, 2016 relating to the 2015/16 fiscal year, the deficiency in the payroll agency account is approximately \$11,000.

Recommendation – The District review the detail account balances in the payroll agency account and appropriate action be taken to eliminate all deficit balances.

Finding – Our audit revealed employee health benefit contributions in the amount of \$118,139 were misposted to the Food Service Fund. These contributions were reclassified by an audit adjustment to the General Fund.

Recommendation – All employee health benefit contributions be properly remitted to the General Fund.

Finding – The audit indicated that certain scholarship funds were maintained in the payroll agency account.

Recommendation – All scholarship funds be maintained in the Private Purpose Scholarship Fund.

Finding – The audit disclosed that supporting documentation for employees electing a health benefit waiver annual payment was not available for audit.

Recommendation – Supporting documentation relating to employee health benefit waiver payments be retained for audit.

Finding – The audit of payroll indicated the following:

Bus Drivers

- The standard timesheet utilized references “for use by lunch aides”.
- Certain timesheets were missing the supervisors’ approval signature and date.

Substitute Teachers

- Timesheets from individual schools were not available for audit.
- The “substitute account listing by date” report provided to the business office for payroll processing excluded in certain instances the name, location and department of the covered employee for which the substitute was hired.

Recommendation – Documentation and the related procedures pertaining to the processing of bus driver and substitute teachers wages be reviewed and enhanced and all supporting timesheets for substitutes be retained and available for audit.

Finding – Our audit noted that the liability for compensated absences was not calculated in detail as of June 30, 2016. Management has estimated the June 30, 2016 liability for reporting purposes.

Recommendation – The liability for compensated absences be calculated in detail for each employee as of June 30.

Finding – Our audit revealed certain employees may be eligible for enrollment in the Defined Contribution Retirement Program that are not enrolled.

Recommendation – The District review its procedures for eligibility into the Defined Contribution Retirement Program.

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.

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

Financial Planning, Accounting and Reporting (Continued)

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.

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 included in 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 included in the District's revenue and appropriation reports for the General and Special Revenue Funds be in agreement with the adopted budget.

Finding – The Board resolution establishing the 2015/16 petty cash accounts includes a limit of \$50 for an individual petty cash transaction, however, the related Board policy did not establish an amount not to exceed for a single petty cash expenditure. Additionally, certain individual petty cash transactions exceeded the \$50 limit.

Recommendation – The District update the petty cash Board policy to include an amount not to exceed for a single petty cash expenditure and individual petty cash transactions be limited to the established limit.

Finding – Our audit noted the original budget on the District's year-to-date transfer report did not agree to the adopted budget.

Recommendation – The original budget on the District's year-to-date transfer report be in agreement with the adopted budget.

Finding (CAFR Finding 2016-001) – The audit of the District's 2015/16 General Fund budget indicated certain anticipated revenues were significantly overstated and certain appropriations were underfunded.

Recommendation – The District develop and prepare its General Fund budget based upon accurate documentation and the anticipated fiscal operating plan of the District.

Finding – The audit of tuition revenue indicated that certain tuition receipts were misclassified between regular and special education in the revenue report.

Recommendation – Greater care be exercised when posting tuition cash receipts to the revenue report.

Finding – The audit revealed that certain prior year payments of accounts payable were posted to the 2015/16 budget appropriation report. No recommendation is warranted since this was reported in the 2014/15 audit.

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

Financial Planning, Accounting and Reporting (Continued)

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.

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.

Finding (CAFR Finding 2016-002) – Our audit noted that the reimbursement requests for the IDEA and NCLB Federal grant programs were not in agreement with the District records.

Recommendation – Expenditure reimbursement reports for the IDEA and NCLB Federal grant programs be reconciled to and in agreement with the District's accounting records prior to their submission for reimbursement.

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

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 prior to the end of the 90 day grant liquidation period required by the Offices 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

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, 2015 the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The school business administrator for the period July 1, 2015 through February 29, 2016 has been designated as the qualified purchasing agent and the Board has approved by resolution the bid threshold at \$40,000. From March 1, 2016 to June 30, 2016 the bid threshold was \$29,000. This law regulating bidding for public school transportation contracts under NJSA 18A:39-3 is currently \$18,800.

**RIDGEFIELD PARK 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 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.

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, boiler maintenance and sewage pump maintenance and repairs were made in excess of the quote threshold where there was no documentation provided to support that the District received competitive quotations in accordance with (N.J.S.A. 18A:18A-37(a)).

Recommendation – Purchasing procedures be enhanced to ensure competitive quotations are solicited and attached to the purchase orders for all contract awards that exceed the quote threshold in accordance with N.J.S.A. 18A:18A-37(a).

Finding – A political contribution disclosure form was not on file and available for audit for certain vendors requiring such documentation.

Recommendation – Political contribution disclosure forms be obtained from vendors and maintained on file as required.

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 school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the SFA had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

The school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, 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 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.

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

School Food Service (Continued)

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.

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 of the Student Activity accounts revealed the following:

- Pre-numbered receipts were not always utilized at the Elementary Schools.
- Withdrawal authorization forms were not utilized at the Lincoln School.
- Athletic officials' payroll listing forms are not approved by a supervisor.

Recommendation – Internal controls over the Student Activity funds be reviewed and enhanced.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2015 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 without 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.

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

Application for State School Aid (Continued)

Finding – Our audit of the applications for free and reduced price meals noted the following exceptions:

- Three (3) applications approved as free or reduced did not meet the eligibility requirement for free or reduced meals. These applications should have been denied.
- One (1) application approved as a reduced price meal did not obtain proper signature approvals.

Recommendation – Greater care be exercised in the determination of eligibility for free and reduced price meals of the child nutrition programs.

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 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.

Finding – Our audit of the District's capital assets revealed unrecorded additions for the 2014/15 school year were not updated as of June 30, 2016.

Recommendation – The District update its capital asset records on a timely basis to reflect all activity.

Suggestions to Management

Old outstanding checks on the athletic expense bank reconciliation be reviewed and cleared of record.

**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, 2016**

NOT APPLICABLE

**FOOD SERVICE ENTERPRISE FUND
CALCULATION OF NET CASH RESOURCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOT APPLICABLE

RIDGEFIELD PARK BOARD OF EDUCATION
A.S.S.A.
SCHEDULE OF AUDITED ENROLLMENTS
OCTOBER 15, 2015

	2016-2017 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-	Sample Verified	Sample Errors	Reported on A.S.S.A. as Private Schools	Sample for Verifi-	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	cation			Schools	cation	Verified	Errors
Half Day Preschool - 3 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Preschool - 4 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	129	-	129	-	-	-	129	-	129	-	-	-	-	-	-	-	-	-	-
1st Grade	134	-	134	-	-	-	134	-	134	-	-	-	-	-	-	-	-	-	-
2nd Grade	155	-	155	-	-	-	47	-	47	-	-	-	-	-	-	-	-	-	-
3rd Grade	151	-	151	-	-	-	33	-	33	-	-	-	-	-	-	-	-	-	-
4th Grade	154	-	154	-	-	-	66	-	66	-	-	-	-	-	-	-	-	-	-
5th Grade	138	-	138	-	-	-	32	-	32	-	-	-	-	-	-	-	-	-	-
6th Grade	140	-	140	-	-	-	47	-	47	-	-	-	-	-	-	-	-	-	-
7th Grade	119	-	119	-	-	-	119	-	119	-	-	-	-	-	-	-	-	-	-
8th Grade	139	-	139	-	-	-	139	-	139	-	-	-	-	-	-	-	-	-	-
9th Grade	213	6	213	6	-	-	213	6	213	6	-	-	-	-	-	-	-	-	-
10th Grade	230	2	230	2	-	-	230	2	230	2	-	-	-	-	-	-	-	-	-
11th Grade	200	3	200	3	-	-	200	3	200	3	-	-	-	-	-	-	-	-	-
12th Grade	203	5	203	5	-	-	203	5	203	5	-	-	-	-	-	-	-	-	-
Subtotal	2,105	16	2,105	16	-	-	1,592	16	1,592	16	-	-	-	-	-	-	-	-	-
Spec Ed - Elementary	100	-	100	-	-	-	6	-	6	-	-	-	22.0	22.0	-	3	3	3	-
Spec Ed - Middle School	62	-	62	-	-	-	46	-	46	-	-	-	14.0	14.0	-	2	2	2	-
Spec Ed - High School	104	7	104	7	-	-	104	7	104	7	-	-	22.0	22.0	-	5	4	4	-
Subtotal	266	7	266	7	-	-	156	7	156	7	-	-	58.0	58.0	-	10	9	9	-
Totals	2,371	23	2,371	23	-	-	1,748	23	1,748	23	-	-	58.0	58.0	-	10	9	9	-
Percentage Error	<u>0.00%</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
OCTOBER 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 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	41.0	41.0	-	4	3	1	5	5	-	5	5	-
1st Grade	53.0	53.0	-	4	4	-	6	6	-	6	6	-
2nd Grade	58.0	58.0	-	5	5	-	8	8	-	8	8	-
3rd Grade	68.0	68.0	-	5	5	-	3	3	-	3	3	-
4th Grade	71.0	71.0	-	4	4	-	1	1	-	1	1	-
5th Grade	54.0	54.0	-	5	4	1	1	1	-	1	1	-
6th Grade	64.0	64.0	-	4	4	-	1	1	-	1	1	-
7th Grade	47.0	47.0	-	5	5	-	5	5	-	5	5	-
8th Grade	57.0	57.0	-	4	3	1	7	7	-	7	7	-
9th Grade	47.0	47.0	-	5	5	-	1	1	-	1	1	-
10th Grade	56.0	56.0	-	4	3	1	2	2	-	2	2	-
11th Grade	52.0	52.0	-	5	5	-	4	4	-	4	4	-
12th Grade	62.5	62.5	-	5	5	-	2	2	-	2	2	-
Subtotal	730.5	730.5	-	59	55	4	46	46	-	46	46	-
Spec Ed - Elementary	45.0	45.0	-	4	4	-	1	1	-	1	1	-
Spec Ed - Middle School	36.0	36.0	-	2	2	-	2	2	-	2	2	-
Spec Ed - High School	32.0	32.0	-	3	3	-	1	1	-	1	1	-
Subtotal	113.0	113.0	-	9	9	-	4	4	-	4	4	-
Totals	843.5	843.5	-	68	64	4	50	50	-	50	50	-
Percentage Error			<u>0.00%</u>			<u>5.88%</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	15.0	15.0	-	7.0	7.0	-
Transported - Non-Public	-	-	-	-	-	-
AIL - Non-Public	-	-	-	-	-	-
Regular - Spec.	22.5	22.5	-	10.0	10.0	-
Special Needs - Public	74.5	74.5	-	32.0	32.0	-
Totals	112.0	112.0	-	49.0	49.0	-
			<u>0.00%</u>			<u>0.00%</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
A.S.S.A.
SCHEDULE OF AUDITED ENROLLMENTS
OCTOBER 15, 2015**

	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	14	14	-	14	14	-
1st Grade	6	6	-	6	6	-
2nd Grade	4	4	-	4	4	-
3rd Grade	5	5	-	5	5	-
4th Grade	2	2	-	2	2	-
5th Grade	2	2	-	2	2	-
6th Grade	3	3	-	3	3	-
7th Grade	3	3	-	3	3	-
8th Grade	1	1	-	1	1	-
9th Grade	4	4	-	4	4	-
10th Grade	1	1	-	1	1	-
11th Grade	1	1	-	1	1	-
12th Grade	1	1	-	1	1	-
Subtotal	47	47	-	47	47	-
Spec Ed - Elementary	1	1	-	1	1	-
Spec Ed - Middle School	-	-	-	-	-	-
Spec Ed - High School	-	-	-	-	-	-
Subtotal	1	1	-	1	1	-
Totals	48	48	-	48	48	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

SECTION 1A - 1.5% Calculation of Excess Surplus

2015-2016 Total General Fund Expenditures per the CAFR	\$	40,899,786
Decreased by:		
On-Behalf TPAF Pension & Social Security		4,380,958
Adjusted 2015-2016 General Fund Expenditures	\$	36,518,828
1.5% of Adjusted 2015-2016 General Fund Expenditures	\$	547,782
Enter Greater of 1.5% of Adjusted 2015-2016 General Fund Expenditures or \$250,000	\$	547,782
Increased by:		
Allowable Adjustments		387,070
Maximum Unassigned Fund Balance	\$	934,852

SECTION 2

Total General Fund - Fund Balance at June 30, 2016	\$	1,313,884
Decreased by:		
Restricted - Capital Reserve	\$	332,870
Assigned - ARRA/SEMI - Designated for Subsequent Year's Expenditures		9,727
Assigned - Year End Encumbrances		45,258
		387,855
Total Unassigned Fund Balance	\$	926,029

SECTION 3

Excess Surplus	\$	-
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Detail of Allowable Adjustments

Extraordinary Aid (Excess of Amount Budgeted)	\$	387,070
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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. A properly executed purchase order should be approved and issued prior to the purchase of goods or rendering of services.
2. The District review the detail account balances in the payroll agency account and appropriate action be taken to eliminate all deficit balances.
3. All employee health benefit contributions be properly remitted to the General Fund.
4. All scholarship funds be maintained in the Private Purpose Scholarship Fund.
5. Supporting documentation relating to employee health benefit waiver payments be retained for audit.
6. Documentation and the related procedures pertaining to the processing of bus drivers and substitute teachers wages be reviewed and enhanced and all supporting timesheets for substitutes be retained and available for audit.
7. The liability for compensated absences be calculated in detail for each employee as of June 30.
8. The District review its procedures for eligibility into the Defined Contribution Retirement Program.
- * 9. The original budget included in the District's revenue and appropriation reports for the General and Special Revenue Funds be in agreement with the adopted budget.
10. The District update the petty cash Board policy to include an amount not to exceed for a single petty cash expenditure and individual petty cash transactions be limited to the established limit.
11. The original budget on the District's year-to-date transfer report be in agreement with the adopted budget.
12. The District develop and prepare its General Fund budget based upon accurate documentation and the anticipated fiscal operating plan of the District.
13. Greater care be exercised when posting tuition cash receipts to the revenue report.
14. Expenditure reimbursement reports for the IDEA and NCLB Federal grant programs be reconciled to and in agreement with the District's accounting records prior to their submission for reimbursement.

III. School Purchasing Program

It is recommended:

1. Purchasing procedures be enhanced to ensure competitive quotations are solicited and attached to the purchase orders for all contract awards that exceed the quote threshold in accordance with N.J.S.A. 18A:18A-37(a).
2. Political contribution disclosure forms be obtained from vendors and maintained on file as required.

IV. School Food Service Program

There are none.

**RIDGEFIELD PARK BOARD OF EDUCATION
RECOMMENDATIONS**

V. **Student Body Activities**

- * It is recommended that internal controls over the Student Activity funds be reviewed and enhanced.

VI. **Application for State School**

- * It is recommended that greater care be exercised in the determination of eligibility for free and reduced price meals of the child nutrition programs.

VII. **Pupil Transportation**

There are none.

VIII. **Facilities and Capital Assets**

It is recommended that the District update its capital asset records on a timely basis to reflect all activity.

IX. **Miscellaneous**

There are none.

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

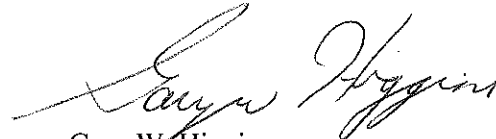
A review was performed on all prior years' recommendation and corrective action was taken on all, except those denoted with an asterisk (*).

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



Gary W. Higgins
Public School Accountant
Certified Public Accountant