

**BOGOTA BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2017**

**BOGOTA BOARD OF EDUCATION
TABLE OF CONTENTS**

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

	<u>Page No.</u>
Report of Independent Auditor's	1
Scope of Audit	2
Administrative Practices and Procedures	2
Financial Planning, Accounting and Reporting	2-5
School Purchasing Programs	5-6
School Food Service	6-7
Student Activity Fund/School Athletics	7
Application for State School Aid	7
Pupil Transportation	8
Facilities and Capital Assets	8
Follow-up on Prior Year Findings	8
Suggestion to Management	8
Schedule of Meal Count Activity – Not Applicable	9
Schedule of Net Cash Resources - Not Applicable	9
Schedule of Audited Enrollments	10-12
Calculation of Excess Surplus	13
Recommendations	14-15
Acknowledgment	15



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, PSA

INDEPENDENT AUDITOR'S MANAGEMENT REPORT

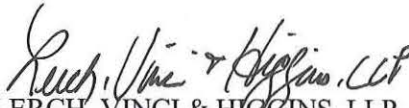
Honorable President and Members
of the Board of Trustees
Bogota Board of Education
Bogota, New Jersey

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 Bogota Board of Education as of and for the fiscal year ended June 30, 2017, and have issued our report thereon dated November 2, 2017.

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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 2, 2017

**BOGOTA BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator, the activities of the Board of Education and 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 reported on Exhibit J-20 as 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>
Robert Brown	Interim Board Secretary/School Business Administrator	\$430,000
Janet Behrmann	Treasurer (March 1, 2017 to June 30, 2017)	430,000

There is a Public Employee Dishonesty with Faithful Performance Bond with New Jersey School Boards Association Insurance Group covering all other employees with a limit of \$250,000.

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 signatures, certification, proper itemization and supporting documentation.

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.

All payrolls tested were approved by the Board President and the Board Secretary/Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including employee health benefits contribution withholdings due to the General Fund. 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.

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

Finding – Our audit revealed that a payroll deduction ledger (i.e., cash receipts/disbursements by deduction) is being maintained but is not in agreement with the monthly bank reconciliation.

Recommendation – The end of the month payroll deduction balances be in agreement with the bank reconciliations.

**BOGOTA BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Financial Planning, Accounting and Reporting (Continued)

Payroll Account (Continued)

Finding – Our audit revealed certain health benefit opt-out payments were not calculated in accordance with State regulations.

Recommendation – Health benefit opt-out payments be calculated in accordance with State regulations.

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.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2(g) 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 additional procedures were deemed necessary to test the propriety of expenditure classification.

Finding – Our audit revealed the appropriations and expenditures relating to the transfer of funds to charter schools were included in an incorrect budget account. This appears to be an isolated instance, thus an audit recommendation is not warranted.

Board Secretary's Records

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

Our review of the financial and accounting records maintained by the Board Secretary disclosed the following:

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

The Assistant to the Board Administrator/Board Secretary did perform cash reconciliations for all the accounts as required (N.J.S.A. 18A:17-36).

All cash receipts were promptly deposited.

Finding – Our audit revealed that certain General Fund and Food Service Fund revenues were not recorded in the District's accounting records. As a result, certain year-end receivable balances in the General Fund and Food Service Fund were understated.

Recommendation – Accounting procedures be reviewed and enhanced to ensure all current year revenues are realized when they are both measurable and available.

**BOGOTA BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Financial Planning, Accounting and Reporting (Continued)

Board Secretary's Records (Continued)

Finding – The Treasurer’s records were not in agreement with the records of the Board Secretary. Also, the Treasurer’s cash balance for the general operating account, payroll account, payroll agency account and unemployment account were not in agreement with the reconciled cash balance as determined during the audit.

Recommendation – The Treasurer’s monthly report be in agreement with the reconciled bank statements and the cash records of the Board Secretary.

Finding (CAFR Finding 2017-003) – Our audit noted the Treasurer’s monthly reports for 2016/2017 were not completed and submitted to the Board for their approval within sixty (60) days of month end.

Recommendation – The monthly reports of the Treasurer be completed and submitted to the Board for approval in a timely manner in accordance with N.J.S.A. 18A:17-36.

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 Fiduciary Trust Fund.

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./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 the various Titles of the Elementary and Secondary Education Act as amended.

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.

Finding (CAFR Finding 2017-001) – Our audit of the Title I grant program revealed certain employees and their respective salaries charged to the program were not formally approved in the official minutes of the Board.

Recommendation – Employees and their respective salaries charged to Title I grant programs be formally approved in the official minutes of the Board.

Finding (CAFR Finding 2017-002) – Our audit noted that the 2016/2017 reimbursement report for the Title I grant program and the 2015/2016 final reimbursement reports for IDEA Basic and Title I grant programs were not in agreement with the District’s records.

Recommendation – Grant reimbursement reports for the Title I and IDEA Federal programs be reconciled to and be in agreement with the District’s accounting records prior to their submission.

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 audit 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.

**BOGOTA BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Financial Planning, Accounting and Reporting (Continued)

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 without exception.

T.P.A.F. 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 (or charter school or renaissance school project) 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 Grant 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, 2015 and thereafter 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 District's Business Administrator is not qualified and the bid threshold utilized is \$29,000. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$18,800.

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 District's Business Administrator is not qualified.

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 did not indicate any individual payments, contracts, or agreements which were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of statutory thresholds where there had been no advertising for bids in accordance with the provisions of N.J.S.A. 18A:18A-4, as amended.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

Finding – The New Jersey Department of Education (NJDOE), Office of Fiscal Accountability and Compliance (OFAC), completed a review of the process utilized by the Board with the award of a legal service contract. As a result of this review, the OFAC has identified material instances of noncompliance with N.J.A.C. 6A:23A-5.2 et seq. As a result, the District is directed to refund the State-funded portion of the legal fee expenditures totaling \$32,611. On August 29, 2017, the District approved a corrective action plan to address the findings noted in the State's monitoring report.

**BOGOTA BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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.

Finding – We noted certain capital project change orders were not submitted to the Board for their approval, thus were not included in the official minutes in accordance with N.J.A.C. 6A:23A-21.1(c).

Recommendation – Change orders to original contract awards be approved by the Board and made part of the official minutes in accordance with N.J.A.C. 6A:23A-21.1(c).

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 under claims.

Finding – Our audit revealed the March 2017 through June 2017 monthly reimbursement vouchers for meals claimed were not filed in a timely manner. As a result, an underclaim in the amount of \$21,080 existed at June 30, 2017. The reimbursement vouchers were submitted to the State in September 2017 and subsequently approved by the State for reimbursement.

Recommendation – All monthly reimbursement vouchers for meals claimed be filed in a timely manner.

We also, 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.

The number of meals claimed for reimbursement was verified against sales and meal count records. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement vouchers were not filed timely. Meals claimed did agree with meal count records.

Applications for free and reduced priced meals were reviewed for completeness and accuracy. The number of free and reduced priced 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 priced meals and free milk policy is uniformly administered throughout the School System. The required verification procedures for free and reduced price applications were completed and available for review.

Cash receipts and bank records were reviewed for timely deposit.

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.

U.S.D.A. commodities were received and a separate inventory was maintained on a first-in, first-out basis.

**BOGOTA BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

School Food Service (Continued)

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

The Board utilizes a food service management company (FSMC) for the operation of the school food services. Provisions of the FSMC contract 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 \$28,038. The operating results provision has been met.

USDA Food Distribution Program (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

The Statement of Revenues, Expenses, and Changes in Net Assets (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

The school district/charter school/renaissance school project maintains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

Student Activity Fund/School Athletics

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

Finding – Our audit with regards to the student activities revealed the following:

- The detail ledger by High School Club and Activity ledger was not in agreement with monthly bank reconciliations.
- Bank reconciliations were not performed on a monthly basis.
- Cash receipt and cash disbursement ledgers were not maintained for the Steen Elementary Account and Bixby Elementary Accounts.
- Certain pre-numbered receipts were not available for audit in the High School Activities and Bixby Elementary Accounts.

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 14, 2016 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low-income, related services 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 without 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's written procedures appear to be adequate for the recording of student enrollment data.

**BOGOTA BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Pupil Transportation

Our audit procedures were to include a test of on-roll status reported in the 2016-2017 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without 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, the District complied with proper bidding procedures and award contracts. No exceptions were noted in our review of transportation-related purchases of goods and services.

Facilities and Capital Assets

Our procedures included a review of the SDA grant agreement for consistency with recording SDA grant revenue, transfer of local funds from the General Fund or from the Capital Reserve Account, and awarding of contracts for eligible facilities construction

Follow-up on Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Corrective action had been taken on all prior year findings with the exception of those marked with an asterisk (*), which are identified in the recommendation section.

Suggestion to Management

- All interfund balances be liquidated prior to year end.
- Old outstanding checks and reconciling items in the general operating, food service and net payroll accounts be reviewed and cleared of record.

**BOGOTA BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
SCHEDULE OF MEAL COUNT ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOT APPLICABLE

**FOOD SERVICE ENTERPRISE FUND
CALCULATION OF NET CASH RESOURCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOT APPLICABLE

**BOGOTA BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
AS OF OCTOBER 14, 2016**

	2016-17 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 Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool																
Full Day Preschool																
Half Day Kindergarten																
Full Day Kindergarten	63		63				34		34							
One	95		95				46		46							
Two	80		80				30		30							
Three	64		64				28		28							
Four	66		66				34		34							
Five	61		61				29		29							
Six	71		71				34		34							
Seven	78		78				78		78							
Eight	68		68				68		68							
Nine	56		56				66		66							
Ten	77	1	77	1			77	1	77	1						
Eleven	53		53				63		63							
Twelve	81	1	81	1			81	1	81	1	-	-				
Subtotal	913	2	913	2	-	-	668	2	668	2	-	-	-	-	-	-
Special Ed - Elementary	65		65		-	-	10		10				2	2	2	
Special Ed - Middle School	47		47		-	-	8		8				2	2	2	
Special Ed - High School	46	1	46	1	-	-	7	-	7	-	-	-	7	7	7	-
Subtotal	158	1	158	1	-	-	25	-	25	-	-	-	11	11	11	-
Totals	1,071	3	1,071	3	-	-	693	2	693	2	-	-	11	11	11	-
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%

**BOGOTA BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
AS OF OCTOBER 14, 2016**

	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 LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten	22	22		3	3					1	1	
One	47	47		6	6		1	1		4	4	
Two	34	34		4	4		10	10		1	1	
Three	26	26		3	3		3	3		1	1	
Four	24	24		3	3		2	2		-	-	
Five	27	27		4	4					1	1	
Six	43	43		6	6		2	2		1	1	
Seven	34	34		4	4		1	1		1	1	
Eight	29	29		4	4		1	1		1	1	
Nine	32	32		4	4		1	1		1	1	
Ten	42	42		5	5		1	1		1	1	
Eleven	24	24		3	3		1	1		1	1	
Twelve	34	34	-	4	4	-	1	1	-	1	1	-
Subtotal	<u>417</u>	<u>417</u>	<u>-</u>	<u>53</u>	<u>53</u>	<u>-</u>	<u>25</u>	<u>25</u>	<u>-</u>	<u>15</u>	<u>15</u>	<u>-</u>
Special Ed - Elementary	33	33	-	4	4	-	2	2	-	2	2	-
Special Ed - Middle	30	30	-	4	4	-	2	2	-	2	2	-
Special Ed - High	27	27	-	3	3	-	1	1	-	1	1	-
Subtotal	<u>90</u>	<u>90</u>	<u>-</u>	<u>11</u>	<u>11</u>	<u>-</u>	<u>5</u>	<u>5</u>	<u>-</u>	<u>5</u>	<u>5</u>	<u>-</u>
Totals	<u>507</u>	<u>507</u>	<u>-</u>	<u>64</u>	<u>64</u>	<u>-</u>	<u>30</u>	<u>30</u>	<u>-</u>	<u>20</u>	<u>20</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools, col. 1	18	18	-	10	10	-
Reg -SpEd, col. 4	8	8	-	4	4	-
Transported - Non-Public, col. 3	-	-	-	-	-	-
Special Ed Spec, col. 6	<u>62</u>	<u>62</u>	<u>-</u>	<u>35</u>	<u>35</u>	<u>-</u>
Totals	<u>88</u>	<u>88</u>	<u>-</u>	<u>49</u>	<u>49</u>	<u>-</u>
Percentage Error					<u>0.00%</u>	

**BOGOTA BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 14, 2016**

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as NOT Low Income</u>	<u>Reported on Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Half Day Preschool						
Full Day Preschool						
Half Day Kindegarten	-	-		-	-	
Full Day Kindegarten	2	2	-	2	2	-
One	3	3	-	3	3	-
Two	1	1	-	1	1	-
Three	1	1	-	1	1	-
Four	1	1	-	1	1	-
Five	-	-	-	-	-	-
Six	1	1	-	1	1	-
Seven	-	-	-	-	-	-
Eight	2	2	-	2	2	-
Nine	1	1	-	1	1	-
Ten	-	-	-	-	-	-
Eleven	1	1	-	1	1	-
Twelve	1	1	-	1	1	-
Subtotal	<u>14</u>	<u>14</u>	<u>-</u>	<u>14</u>	<u>14</u>	<u>-</u>
Special Ed - Elementary	-	-	-	-	-	-
Special Ed - Middle	-	-	-	-	-	-
Special Ed - High	-	-	-	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>14</u>	<u>14</u>	<u>-</u>	<u>14</u>	<u>14</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**BOGOTA BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

2016-2017 Total General Fund Expenditures per the CAFR	\$ 21,911,559	
Increased by:		
Transfer to Capital Projects	1,376,195	
	\$ 23,287,754	
Decreased by:		
On-Behalf TPAF Pension & Social Security	(2,085,080)	
Adjusted 2016-2017 General Fund Expenditures	\$ 21,202,674	
2% of Adjusted 2016-2017 General Fund Expenditures	\$ 424,053	
Increased by:		
Allowable Adjustment - Extraordinary Aid	\$ 93,329	
Maximum Unassigned Fund Balance		\$ 517,382
Total General Fund - Fund Balance at June 30, 2017	\$ 5,010,605	
Decreased by:		
Restricted		
Emergency Reserve - Designated for Subsequent Year's Budget	250,000	
Maintenance Reserve	101,735	
Capital Reserve	2,037,335	
Capital Reserve - Designated for Subsequent Year's Budget	364,168	
Excess Surplus - Designated for Subsequent Year's Budget	625,788	
Committed Year-End Encumbrances	56,388	
Assigned		
Designated for ARRA/SEMI	964	
Designated for Subsequent Year's Budget	356,845	
Total Unassigned Fund Balance		\$ 1,217,382
Restricted Fund Balance - Excess Surplus		\$ 700,000
<u>Recapitulation of Restricted Excess Surplus as of June 30, 2017</u>		
Excess Surplus - Designated for Subsequent Year's Budget		\$ 625,788
Excess Surplus		700,000
		\$ 1,325,788

**BOGOTA BOARD OF EDUCATION
RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

- * 1. The end of the month payroll deduction balances be in agreement with the bank reconciliations.
- 2. Health benefit opt-out payments be calculated in accordance with State regulations.
- * 3. Accounting procedures be reviewed and enhanced to ensure all current year revenues are realized when they are both measurable and available.
- 4. The Treasurer's monthly report be in agreement with the reconciled bank statements and the cash records of the Board Secretary.
- 5. The monthly reports of the Treasurer be completed and submitted to the Board for approval in a timely manner in accordance with N.J.S.A. 18A:17-36.
- 6. Employees and their respective salaries charged to the Title I grant program be formally approved in the official minutes of the Board.
- 7. Grant reimbursement reports for Title I and IDEA Federal programs be reconciled to and be in agreement with the District's accounting records prior to their submission for reimbursement.

III. School Purchasing Program

It is recommended that change orders to original contract awards be approved by the Board and made part of the official minutes in accordance with N.J.A.C. 6A:23A-21.1(c).

IV. School Food Service

It is recommended that all monthly reimbursement vouchers for meals claimed be filed timely.

V. Student Activity Fund/School Athletics

It is recommended that internal controls over the student activity funds be reviewed and enhanced.

VI. Application for State School Aid

There are none.

VII. Pupil Transportation

There are none.

VIII. Facilities and Capital Assets

There are none.

IX. Miscellaneous

There are none.

**BOGOTA BOARD OF EDUCATION
RECOMMENDATIONS**

X. Status of Prior Years' Audit Findings/Recommendations

A review was performed on all prior years' recommendations. Corrective action was taken on all prior year recommendations, except these 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



Gary J. Vinci
Public School Accountant
PSA Number CS00829