

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

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

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Honorable President and Members  
of the Board of Education  
Park Ridge Board of Education  
Park Ridge, 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 Park Ridge Board of Education as of and for the fiscal year ended June 30, 2017, and have issued our report thereon dated December 5, 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 Education, 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*

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

Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
December 5, 2017

**PARK RIDGE 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 detailed on Exhibit J-20, as reported in the district's Comprehensive Annual Financial Report (the "CAFR").

**Official Bonds**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Robert Wright	Board Secretary/School Business Administrator	\$225,000

There is a Public Employee Dishonesty Coverage with Selective Insurance Company of America covering all other employees with multiple coverage of \$100,000 per employee.

**Tuition Charges**

The Board is a member of Region II and all members have agreed that tuition adjustments will not be made between member districts for the actual certified tuition charges.

**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 or proper itemization.

**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 certified by the President of the Board, the Board Secretary/School Business Administrator and the Chief School Administrator.

Salary withholdings tested were promptly remitted to the proper agencies, including health benefit premium withholdings due to the General Fund.

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.

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

**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 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 reserves 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: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 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 classifications.

Board Secretary's Records

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

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

The prescribed contractual order system was followed.

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 Funds.

Elementary and Secondary 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 Title II and Title III 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.

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Exhibits K-3 and K-4 located in the CAFR.

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

**Financial Planning, Accounting and Reporting (Continued)**

**Other Special Federal and/or State Projects (Continued)**

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.

**Non-Public State Aid**

Project completion reports were prepared and transmitted to the Department of Education by the due date.

**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.

- **Finding (CAFR Finding 2017-001)** – Our audit of the TPAF FICA reimbursements revealed the salaries used to determine the amount reimbursed by the State for FICA included certain non-pensionable compensation.

**Recommendation** – The District review with its financial accounting software vendor the TPAF FICA calculation to ensure TPAF FICA reimbursements are based only on pensionable wages subject to FICA.

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

The amount of 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.

**Before/After School Child Care Program (EXTRAS)**

The District provides a before and after school child care program for district students. The financial activities of the program are accounted for in the Enterprise Fund.

Cash receipt records and bank accounts were reviewed for timely deposit and proper fee charges.

Cash disbursement records had supporting documentation and reflected program related expenses.

**Owl House Program**

The District provides a life skills program for students from ages 18 to 21 who still have an Individualized Education Program (IEP).

Cash receipts records and bank accounts were reviewed for timely deposit and proper fees.

Cash disbursement records had supporting documentation and reflected program related expenses.

**Other Enterprise Funds**

The District provided a SAT review program, various summer sports and music programs and a laptop insurance program for District students. The financial activities of these programs are accounted for as Non-Major Enterprise Funds.

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

**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:39-3(A) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulates bidding for public school student transportation contracts under NJSA 18A:39-3 which is \$18,800 for 2016-2017.

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 designated the School Business Administrator as the qualified purchasing agent and has approved by Board resolution a bid threshold of \$40,000.

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, as amended.

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

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal 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 and the program expenses did not exceed \$100,000 in federal support.

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

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.

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.

Cash receipts and bank records were reviewed for timely deposit.

Expenses 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.

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

**Food Service Fund (Continued)**

The cash disbursements records reflected expenses for program related goods and services. The appropriate revenue and expense 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 expenses.

Applications for free and reduced price meals were reviewed for completeness and accuracy as part of our audit of the Application for State School Aid (ASSA).

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

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

**Student Body Activities**

- **Finding** - The East Brook Elementary School established a student activity fund during the 2016/17 school year. Our audit revealed the following:
  - Prenumbered receipt tickets were not issued for moneys collected.
  - Payment voucher forms were not utilized for checks issued, therefore there were no approval signatures for items purchased.
  - One check issued for the Prom Gala tip was payable to "Cash" for \$397.
  - Review of the cancelled checks revealed that there was only one authorized signature on all cancelled checks.

**Recommendation** – The District develop and implement internal control procedures over funds collected and disbursed in the East Brook Elementary School student activity account.

**Application for State School Aid**

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 handicapped related services and low-income. A review was performed 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 an immaterial exception noted. The results of these procedures are presented in the Schedule of Audited Enrollments.

The district maintained workpapers on the prescribed state forms or their equivalent.

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



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

**Pupil Transportation**

Our audit procedures included 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 exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures 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 active State School Development Authority (SDA) grant projects during the year

**Management Suggestion**

The Board consider approving a policy for terminal leave payments to non-bargaining unit employees upon retirement.

**Follow-up on Prior Year Findings**

In accordance with government auditing standards, our procedures included a review of all prior year recommendations.

**PARK RIDGE BOARD OF EDUCATION**  
**FOOD SERVICE FUND**  
**NUMBER OF MILKS SERVED AND (OVER)/UNDERCLAIM**  
**ENTERPRISE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Program</u>	<u>Milk Category</u>	<u>Milks Claimed</u>	<u>Milks Tested</u>	<u>Milks Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>Over (Under) Claim</u>
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NOT APPLICABLE

**SCHEDULE OF NET CASH RESOURCES**  
**ENTERPRISE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOT APPLICABLE

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

	2017-2018 Application for State School Aid						Sample for Verification						On Roll - Special Education			Private Schools for Disabled				
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Register On Roll		Errors per Registers On Roll		Sample for Verifi- cation	Sample Verified	Sample Errors	Reported on A.S.S.A. as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared								
Half Day Preschool 3 Years Old					-	-														
Full Day Preschool 3 Years Old					-	-														
Half Day Preschool 4 Years Old	14		14		-	-	14		14											
Full Day Preschool 4 Years Old					-	-														
Half Day Kindergarten					-	-														
Full Day Kindergarten	90		90		-	-	43		43											
Grade 1	61		61		-	-	31		31											
Grade 2	80		80		-	-	37		37											
Grade 3	79		79		-	-	37		37											
Grade 4	83		83		-	-	36		36											
Grade 5	79		79		-	-	41		41											
Grade 6	65		65		-	-	39		39											
Grade 7	92		92		-	-	92		92											
Grade 8	91		91		-	-	91		91											
Grade 9	71		71		-	-	71		71											
Grade 10	72		72		-	-	72		72											
Grade 11	73		73		-	-	73		73											
Grade 12	87		87		-	-	87		87											
Post- Graduate					-	-														
Adult High School (15+ Credits)					-	-														
Adult High School (1-14 Credits)					-	-														
Subtotal	1,037	-	1,037	-	-	-	764	-	764	-	-	-	-	-	-	-	-	-	-	-
Sp Ed - Elementary	77		77		-	-	41		41				21	20	1		7	6	6	-
Sp Ed - Middle School	59		59		-	-	8		8				16	16	-		-	-	-	-
Sp Ed - High School	52		52		-	-	52		52				15	15	-		9	8	8	-
Subtotal	188	-	188	-	-	-	101	-	101	-	-	-	52	51	1		16	14	14	-
County Vocational - Regular					-	-														
County Vocational - F.T. Post-Second					-	-														
Subtotal					-	-														
Totals	1,225	-	1,225	-	-	-	865	-	865	-	-	-	52	51	1		16	14	14	-
Percentage Error					0.00%				0.00%				1.92%				0.00%			

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

	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	Sample Errors	Reported on ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected	Verified to Test Score and Register	Errors
	Half Day Preschool 3 Years Old			-			-			-		
Full Day Preschool 3 Years Old			-			-			-			-
Half Day Preschool 4 Years Old			-			-			-			-
Full Day Preschool 4 Years Old			-			-			-			-
Half Day Kindergarten			-			-			-			-
Full Day Kindergarten	7	7	-	5	5	-	5	5	-	4	4	-
Grade 1	4	4	-	3	3	-	2	2	-	2	2	-
Grade 2	6	6	-	5	5	-	4	4	-	3	3	-
Grade 3	3	3	-	2	2	-	-	-	-	-	-	-
Grade 4	4	4	-	3	3	-	-	-	-	-	-	-
Grade 5	4	4	-	3	3	-	-	-	-	-	-	-
Grade 6	2	2	-	2	2	-	-	-	-	-	-	-
Grade 7	3	3	-	2	2	-	-	-	-	-	-	-
Grade 8	4	4	-	3	3	-	-	-	-	-	-	-
Grade 9	3	3	-	2	2	-	-	-	-	-	-	-
Grade 10	7	7	-	6	6	-	-	-	-	-	-	-
Grade 11	-	-	-	-	-	-	-	-	-	-	-	-
Grade 12	1	1	-	1	1	-	-	-	-	-	-	-
Post- Graduate			-			-			-			-
Adult High School (15+ Credits)			-			-			-			-
Adult High School (1-14 Credits)			-			-			-			-
<b>Subtotal</b>	<b>48</b>	<b>48</b>	<b>-</b>	<b>37</b>	<b>37</b>	<b>-</b>	<b>11</b>	<b>11</b>	<b>-</b>	<b>9</b>	<b>9</b>	<b>-</b>
Sp Ed - Elementary	13	13	-	10	10	-	4	4	-	4	4	-
Sp Ed - Middle School	9	9	-	7	7	-	0	-	-	0	0	-
Sp Ed - High School	3	3	-	2	2	-	0	0	-	0	0	-
<b>Subtotal</b>	<b>25</b>	<b>25</b>	<b>-</b>	<b>19</b>	<b>19</b>	<b>-</b>	<b>4</b>	<b>4</b>	<b>-</b>	<b>4</b>	<b>4</b>	<b>-</b>
County Vocational - Regular			-			-			-			-
County Vocational - F.T. Post-Second			-			-			-			-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Totals</b>	<b>73.0</b>	<b>73.0</b>	<b>-</b>	<b>56.0</b>	<b>56.0</b>	<b>-</b>	<b>15</b>	<b>15</b>	<b>-</b>	<b>13</b>	<b>13</b>	<b>-</b>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	22	22	-	19	19	-
Regular - Special Ed	1.5	1.5	-	1.0	1.0	-
AIL Non-Public			-			-
Transported - Non Public			-			-
Special Needs	22.5	23	-	19	19	-
	<u>46</u>	<u>46</u>	<u>-</u>	<u>39</u>	<u>39</u>	<u>-</u>

Percentage Error 0.0% 0.0%

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

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA as NOT Low Income	Reported on Workpapers as NOT low Income	Errors	Sample Selected From Workpapers	Verified to Application Workpapers	Errors
Half Day Preschool 3 Years Old						
Full Day Preschool 3 Years Old			-			-
Half Day Preschool 4 Years Old			-			-
Full Day Preschool 4 Years Old			-			-
Half Day Kindergarten			-			-
Full Day Kindergarten	6	6	-	5	5	-
Grade 1	3	3	-	2	2	-
Grade 2	3	3	-	2	2	-
Grade 3	1	1	-	1	1	-
Grade 4	3	3	-	3	3	-
Grade 5	-	-	-	-	-	-
Grade 6	-	-	-	-	-	-
Grade 7	-	-	-	-	-	-
Grade 8	1	1	-	1	1	-
Grade 9	-	-	-	-	0	-
Grade 10	-	-	-	-	0	-
Grade 11	-	-	-	-	0	-
Grade 12	-	-	-	-	0	-
Post- Graduate			-	0	0	-
Adult High School (15+ Credits)			-			-
Adult High School (1-14 Credits)			-			-
<b>Subtotal</b>	<b>17</b>	<b>17</b>	<b>-</b>	<b>14</b>	<b>14</b>	<b>0</b>
Sp Ed - Elementary	9	9		8	8	-
Sp Ed - Middle School						-
Sp Ed - High School						-
<b>Subtotal</b>	<b>9</b>	<b>9</b>	<b>-</b>	<b>8</b>	<b>8</b>	<b>-</b>
County Vocational - Regular						
County Vocational - F.T. Post-Second						
<b>Subtotal</b>						
<b>Totals</b>	<b>26</b>	<b>26</b>	<b>-</b>	<b>22</b>	<b>22</b>	<b>-</b>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

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

**SECTION 1 - Regular District**

*Two Percent (2%) - Calculation of Excess Surplus*

2016-2017 Total General Fund Expenditures per the CAFR	\$ 31,013,613
Increase by:	
Transfer from General Fund to Enterprise	44,630
Decreased by:	
On-Behalf TPAF Pension & Social Security	(3,284,139)
Assets and Supplies Acquired Under Lease Purchase	<u>-</u>
Adjusted 2016-2017 General Fund Expenditures	<u>\$ 27,774,104</u>
2% of Adjusted 2016-2017 General Fund Expenditures	\$ 555,482
Allowable Adjustment	<u>216,589</u>
Maximum Unassigned Fund Balance	<u>\$ 772,071</u>

**SECTION 2 - All Districts**

Total General Fund - Fund Balance at June 30, 2017		\$ 9,689,704
Decreased by:		
Capital Reserve	\$ 3,812,196	
Capital Reserve - Designated for Subsequent Year's Expenditures	2,800,000	
Maintenance Reserve	500,000	
Emergency Reserve	241,040	
Excess Surplus - Designated for Subsequent Year's Expenditures	711,037	
Assigned - Year End Encumbrances	<u>556,161</u>	
	8,620,434	
Total Unassigned Fund Balance		<u>\$ 1,069,270</u>

**SECTION 3 - All Districts**

Reserved Fund Balance - Excess Surplus	<u>\$ 297,199</u>
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**Recapitulation of Excess Surplus as of June 30, 2017**

Reserved Excess Surplus	\$ 297,199
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	<u>711,037</u>
Total	<u>\$ 1,008,236</u>

**Detail of Allowable Adjustments**

Extraordinary Aid - Unbudgeted	<u>\$ 216,589</u>
	<u>\$ 216,589</u>

**PARK RIDGE BOARD OF EDUCATION  
RECOMMENDATIONS**

**I. Administrative Practices and Procedures**

There are none.

**II. Financial Planning, Accounting and Reporting**

It is recommended that the District review with its financial accounting software vendor the TPAF FICA calculation to ensure TPAF FICA reimbursements are based only on pensionable wages subject to FICA.

**III. School Purchasing Program**

There are none.

**IV. School Food Services**

There are none.

**V. Student Body Activities**

It is recommended that the District develop and implement internal control procedures over funds collected and disbursed in the East Brook Elementary School student activity account.

**VI. Application for State School Aid**

There are none.

**VII. Transportation**

There are none.

**VIII. Facilities and Capital Assets**

There are none.

**IX. Miscellaneous**

There are none.


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

There were none.

**ACKNOWLEDGEMENT**

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to us.

Respectfully submitted,  
LERCH, VINCI & HIGGINS, LLP

  
Jeffrey C. Bliss  
Certified Public Accountant  
Public School Accountant