

**AUDITORS MANAGEMENT REPORT  
ON ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
SCHOOL DISTRICT OF THE  
BOROUGH OF RINGWOOD  
COUNTY OF PASSAIC, NEW JERSEY  
JUNE 30, 2017**

**SCHOOL DISTRICT OF THE BOROUGH OF RINGWOOD**  
**COUNTY OF PASSAIC, NEW JERSEY**

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

**TABLE OF CONTENTS**

	<u>Page</u> <u>No.</u>
Report of Independent Auditors.....	1
Scope of Audit.....	2
Administrative Practices and Procedure.....	2
Insurance.....	2
Officials Bonds.....	2
Financial Planning, Accounting and Reporting.....	2
Examination of Claims.....	2
Payroll Account.....	2
Position Control Roster.....	3
Reserve for Encumbrances and Accounts Payable.....	3
Classification of Expenditures.....	3
Board Secretary's Records.....	3
Fixed Assets.....	3
Treasurer's Records.....	3
Elementary and Secondary Education Act (E.S.E.A.)/Improving America's School Act (IASA) as Reauthorized by the No Child Left Behind Act of 2001.....	4
Other Special Federal and/or State Projects.....	4
T.P.A.F. Reimbursement.....	4
T.P.A.F. Reimbursement to the State for Federal Salary Expenditures.....	4
School Purchasing Programs.....	4
Contracts and Agreements Requiring Advertisement for Bids.....	4
School Food Service.....	5
Student Body Activities.....	6
Application for State School Aid.....	7
Pupil Transportation.....	7
Follow-up on Prior Year Findings.....	8
Acknowledgment.....	8
Schedule of Audited Enrollments.....	9
Excess Surplus Calculation.....	12

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## REPORT OF INDEPENDENT AUDITORS

Honorable President and  
Members of the Board of Education  
Borough of Ringwood School District  
County of Passaic, New Jersey

We have audited, in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Borough of Ringwood School District in the County of Passaic for the year ended June 30, 2017, and have issued our report thereon dated November 7, 2017.

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

This report is intended for the information of the Borough of Ringwood Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

*Paul J. Cuva*

Paul J. Cuva, C.P.A.  
Licensed Public School Accountant  
No. 766

*Ferraioli, Wielkotz, Cerullo & Cuva, P.A.*

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Certified Public Accountants  
Pompton Lakes, New Jersey

November 7, 2017

**ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING**

**GENERAL COMMENTS**

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, 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, Insurance Schedule contained in the District's CAFR.

**Officials Bonds**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Warren Mitchell	Board Secretary/School Business Administrator	\$50,000

There is a Public Employees' Faithful Performance Blanket Position Bond with the New Jersey School Boards Association Insurance Group covering all other employees with multiple coverage of \$500,000.

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

An examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification or 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 fringe benefits were deposited in the Payroll Agency Account.

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

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

## **Financial Planning, Accounting and Reporting, (continued)**

### Payroll Account, (continued)

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (Superintendent, assistant superintendents, and business administrator) to the NJ Department of Treasury was filed by the March 15 due date.

Reporting of employee compensation for income tax related purposes did comply with federal and state regulations regarding the compensation which is required to be reported.

### Position Control Roster

The Position Control Roster was reviewed and compared to payroll records, employee benefit records and charges made to the general ledger to ensure proper and consistent financial reporting and that employee benefits are only offered to current 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 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 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, a transaction error rate of 0% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

### Board Secretary's Records

The Board Secretary's records were found to be in good order.

### Fixed Assets

The general fixed assets records were updated for the additions and disposals of general fixed assets made during the year.

### Treasurer's Records

The Treasurer's records were found to be in good order.

## **Financial Planning, Accounting and Reporting, (continued)**

### **Elementary and Secondary Education Act (E.S.E.A.)/Improving America's School 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 the projects under Title I and Title II of the Elementary and Secondary Education Act as amended.

The study of compliance for E.S.E.A. indicated no areas of noncompliance and/or questionable costs.

### **Other Special Federal and/or State Projects**

The District's Special Projects were approved as listed on Schedule A and Schedule B 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.

The study of compliance for the special projects indicated no areas of noncompliance.

### **T.P.A.F. Reimbursement**

Our audit procedures included a test of the biweekly reimbursement forms electronically filed with the Department of Education for the 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(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 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**

N.J.S.A. 18A:18A-2 contains definitions for terms used throughout N.J.S.A. 18A:18A-1 et seq. It includes as subsection (p) the term 'competitive contracting', which is defined as "the method described in N.J.S.A. 18A:18A-4.1 through 18A:18A-4.5 and in rules promulgated by DCA at N.J.A.C. 5:34-4 of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal proposals are evaluated by the purchasing agent or counsel or school business administrator; and the board of education awards a contract to a vendor or vendors from among the formal proposals received." Also, subsection (aa) defines the term 'concession' to exclude vending machines.

## **School Purchasing Programs, (continued)**

### **Contracts and Agreements Requiring Advertisement for Bids, (continued)**

N.J.S.A. 18A:18A-3(a) sets forth the bid threshold and requires award by board resolution. There is a higher threshold when there is a "Qualified Purchasing Agent" (QPA) in the district as defined at N.J.A.C. 5:34-1.1 and certified upon approval of an application submitted to DCA. Pursuant to N.J.S.A. 18A:18A-3(b), the bid threshold may be adjusted by the Governor, in consultation with the Department of Treasury, every five years.

N.J.S.A. 18A:18A-4.4 provides boards of education the authority to pass a resolution authorizing the use of competitive contracting. "In order to initiate competitive contracting, the board of education shall pass a resolution authorizing the use of competitive contracting each time specialized goods or services enumerated in sections 45 of L. 1999, c.440 are desired to be contracted."

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 Agency) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$18,800.

The 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 Solicitor's opinion should be sought before a commitment is made.

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 contract or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

### **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.

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

## **School Food Service, (continued)**

The financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. No exceptions were noted.

The District utilized 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 no cost of operation to the District. The operating results provision has been met.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner. Meals claimed did agree with meal count records.

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

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 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.

Cash receipts and bank records were reviewed for timely deposit. No exceptions were noted.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the Board of Education. No exceptions were noted.

USDA Food Distribution Program commodities were received and a separate inventory was maintained on a first-in, first-out basis. No exceptions were noted.

The School District did provide the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

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

## **Student Body Activities**

A cash receipts and disbursements record was maintained in satisfactory condition.



## **Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2016 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 with the following exceptions:

**Finding: 2017-01:** District workpapers reported three LEP students - not low income, while the A.S.S.A. reported only two LEP - not low income students resulting in an underclaim of one LEP - not low income.

**Recommendation:** That District procedures be strengthened to ensure that amounts reported on the workpapers agree with the data reported on the A.S.S.A.

The information that was included on the workpapers was verified without exception. 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 has 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 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 with the following exceptions:

**Finding: 2017-02:** In several instances, it was noted that B6T applications were unavailable or were not signed in a timely manner.

**Recommendation:** That the District have all B6T applications signed in a timely manner and available for audit.

**Finding: 2017-03:** In some instances, joint transportation contracts were not being signed by the joiner district and county superintendent on a timely basis.

**Recommendation:** That District procedures be strengthened to ensure that joint transportation agreements are signed by the appropriate officials on a timely basis.

The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

**Follow-up on Prior Year Findings**

In accordance with government auditing standards, our procedures included a review of all prior year recommendations including findings. Corrective action had been taken on all prior year findings.

**Acknowledgment**

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

Respectfully submitted,

*Paul J. Cuva*

Paul J. Cuva, C.P.A.  
Public School Accountant

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Certified Public Accountants  
Pompton Lakes, New Jersey

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**

**APPLICATION FOR STATE SCHOOL AID SUMMARY**

**ENROLLMENT AS OF OCTOBER 14, 2016**

**SCHEDULE OF AUDITED ENROLLMENTS**

	2016-2017 Application for State School Aid				Sample for Verification				Private Schools for Disabled								
	Reported on A.S.S.A. On Roll		Workpapers		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools				
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Sample Verification	Sample Verified	Sample Errors		
Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Full Day Kindergarten	113	-	113	-	-	-	113	-	-	-	-	-	-	-	-	-	
One	107	-	107	-	-	-	107	-	-	-	-	-	-	-	-	-	
Two	115	-	115	-	-	-	115	-	-	-	-	-	-	-	-	-	
Three	112	-	112	-	-	-	112	-	-	-	-	-	-	-	-	-	
Four	94	-	94	-	-	-	94	-	-	-	-	-	-	-	-	-	
Five	119	-	119	-	-	-	119	-	-	-	-	-	-	-	-	-	
Six	110	-	110	-	-	-	110	-	-	-	-	-	-	-	-	-	
Seven	128	-	128	-	-	-	128	-	-	-	-	-	-	-	-	-	
Eight	117	-	117	-	-	-	117	-	-	-	-	-	-	-	-	-	
Subtotal	1,015	-	1,015	-	-	-	1,015	-	-	-	-	-	-	-	-	-	
Special Ed - Elementary	126	-	126	-	-	-	72	-	-	-	-	-	3	3	3	-	
Special Ed - Middle School	75	-	75	-	-	-	43	-	-	-	-	-	3	3	3	-	
Special Ed - High School	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal	201	-	201	-	-	-	115	-	-	-	-	-	6	6	6	-	
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	1,216	-	1,216	-	-	-	1,130	-	-	-	-	-	6	6	6	-	
Totals	1,216	-	1,216	-	-	-	1,130	-	-	-	-	-	6	6	6	-	
Percentage Error					0.00%					0.00%							0.00%

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 14, 2016**

**SCHEDULE OF AUDITED ENROLLMENTS**

	Reported on A.S.S.A. as Low Income		Resident Low Income		Sample for Verification			Resident LEP Low Income			Sample for Verification		
	11	6	11	6	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP low Income	Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	11	6	11	6	8	8	-	-	-	-	-	-	-
One	6	6	6	6	5	5	-	-	-	-	-	-	-
Two	6	6	6	6	5	5	-	-	-	-	-	-	-
Three	5	5	5	5	4	4	-	-	-	-	-	-	-
Four	9	9	9	9	7	7	-	-	-	-	-	-	-
Five	5	5	5	5	4	4	-	-	-	-	-	-	-
Six	6	6	6	6	5	5	-	-	-	-	-	-	-
Seven	9	9	9	9	7	7	-	-	-	-	-	-	-
Eight	11	11	11	11	8	8	-	-	-	-	-	-	-
Subtotal	68	68	68	68	53	53	-	5	5	-	5	5	-
Special Ed - Elementary	16	16	16	16	11	11	-	1	1	-	1	1	-
Special Ed - Middle	11	11	11	11	8	8	-	-	-	-	-	-	-
Special Ed - High	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	27	27	27	27	19	19	-	1	1	-	1	1	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Pt. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	95	95	95	95	72	72	-	6	6	-	6	6	-
Percentage Error							0.00%			0.00%			0.00%

**Transportation**

	Reported on DRTRS by DOE/country		Reported on DRTRS by District		Tested		Verified		Errors
	527	143	527	143	Tested	Verified	Verified		
Reg. - Public Schools, col. 1	527	143	527	143	197	197	197	0	
Reg - SpEd, col. 4	49	49	49	49	97	97	97	0	
Transported - Non-Public, col. 2	64	64	64	64	42	40	40	2	
Special Ed Spec, col. 6	783	783	783	783	43	43	43	0	
Totals	1123	1123	1123	1123	379	377	377	2	
Percentage Error								0.53%	

Reg Avg (Mileage) = Regular Including Grade PK students (Part A)  
 Reg Avg (Mileage) = Regular Excluding Grade PK students (Part B)  
 Spec Avg. = Special Ed with Special Needs

Reported 4.2  
 Recalculated 4.2  
 If Applicable 4.5  
 4.5

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**APPLICATION FOR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 14, 2016**

**SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool	-	-	-	-	-	-
Full Day Kindergarten	-	-	-	-	-	-
One	-	-	-	-	-	-
Two	1	2	(1)	2	2	-
Three	-	-	-	-	-	-
Four	-	-	-	-	-	-
Five	-	-	-	-	-	-
Six	-	-	-	-	-	-
Seven	1	1	-	1	1	-
Eight	-	-	-	-	-	-
Subtotal	2	3	(1)	3	3	-
Special Ed - Elementary	-	-	-	-	-	-
Special Ed - Middle	-	-	-	-	-	-
Special Ed - High	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Co. Voc. - Regular	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-
Totals	2	3	(1)	3	3	-
Percentage Error			-50.00%			0.00%

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**EXCESS SURPLUS CALCULATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**REGULAR DISTRICT**

**SECTION 1**

**A. 2% Calculation of Excess Surplus**

2016-17 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>25,643,043</u>	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$ <u>-</u>	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ <u>-</u>	(B1b)
Transfer from General Fund to SRF for PreK - Regular	\$ <u>-</u>	(B1c)
Transfer from General Fund to SRF for PreK - Inclusion	\$ <u>-</u>	(B1d)
Decreased by:		
On-Behalf TPAF Pension & Social Security	\$ <u>2,658,796</u>	(B2a)
Assets Acquired Under Capital Leases	\$ <u>98,681</u>	(B2b)
Adjusted 16-17 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ <u><u>22,885,566</u></u>	(B3)
2% of Adjusted 2016-17 General Fund Expenditures [(B3) times .02]	\$ <u>457,711</u>	(B4)
Enter Greater of (B4) or \$250,000	\$ <u>457,711</u>	(B5)
Increased by: Allowable Adjustment*	\$ <u>273,724</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]	\$ <u><u>731,435</u></u>	(M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-17 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>1,700,685</u>	(C)
Decreased by:		
Year End Encumbrances	\$ <u>106,555</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ <u>-</u>	(C2)
Legally Restricted Excess Surplus - Designated for Designated for Subsequent Year's Expenditures**	\$ <u>-</u>	(C3)
Other Restricted Fund Balances****	\$ <u>759,863</u>	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ <u>-</u>	(C5)
Total Unreserved/Undesignated Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ <u><u>834,267</u></u>	(U1)

**SECTION 3**

Restricted Fund Balance - Excess Surplus***[(U1)-(M)] IF NEGATIVE ENTER -0-	\$ <u><u>102,832.00</u></u>	(E)
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**Recapitulation of Excess Surplus as of June 30, 2017**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>-</u>	(C3)
Reserved Excess Surplus***[(E)]	\$ <u>102,832</u>	(E)
Total Excess Surplus [(C3)+(E)]	\$ <u><u>102,832</u></u>	(D)

**Footnotes:**

\* Allowable Adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:

(H) Federal Impact Aid. The passage of P.L. 2015, c. 46 amended N.J.S.A. 18A:7-F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, effective for the year ending June 30, 2016 the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve - General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);

(I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10), Extraordinary Aid;

(J1) Extraordinary Aid;

(J1) Additional Nonpublic School Transportation Aid

(J3) Current Year School Bus Advertising Revenue Recognized

(J4) Family Crisis Transportation Aid.

Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid and Additional Nonpublic School Transportation Aid.

**Detail of Allowable Adjustments**

Impact Aid	\$ _____	(H)
Sale & Lease-back	\$ _____	(I)
Extraordinary Aid	\$ 263,201	(J1)
Additional Nonpublic School Transportation Aid	\$ 10,523	(J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____	(J3)
Family Crisis Transportation Aid	\$ _____	(J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	\$ <u>273,724</u>	(K)

\*\* This amount represents the June 30, 2017 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

\*\*\* Amounts must agree to the June 30, 2017 CAFR and the sum of the two lines must agree to Audit Summary Worksheet Line 90030.

\*\*\*\* Amount of Other Reserved Fund Balance must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by an other type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Division of Finance prior to September 30.

**Detail of Other Restricted Fund Balance**

Statutory restrictions:

Approved unspent separate proposal	\$ _____	-
Sale/lease-back reserve	\$ _____	-
Capital reserve	\$ 451,029	
Maintenance reserve	\$ 58,834	
Emergency reserve	\$ 250,000	
Tuition reserve	\$ _____	-
School Bus Advertising 50% Fuel Offset Reserve - current year	\$ _____	-
School Bus Advertising 50% Fuel Offset Reserve - prior year	\$ _____	-
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ _____	-
Impact Aid General Fund Reserve (Sections 8007 and 8008)	\$ _____	-
Other state/government mandated reserve	\$ _____	-
[Other Restricted Fund Balance not noted above]****	\$ _____	-
Total Other Restricted Fund Balance	\$ <u>759,863</u>	(C4)

**BOROUGH OF RINGWOOD BOARD OF EDUCATION**

**AUDIT RECOMMENDATIONS SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**1. Administrative Practices and Procedures**

None

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

None

**3. School Purchasing Programs**

None

**4. School Food Service**

None

**5. Student Body Activities**

None

**6. Application for State School Aid**

**Finding: 2017-01:** District workpapers reported three LEP students - not low income, while the A.S.S.A. reported only two LEP - not low income students resulting in an underclaim of one LEP - not low income.

**Recommendation:** That District procedures be strengthened to ensure that amounts reported on the workpapers agree with the data reported on the A.S.S.A.

**7. Pupil Transportation**

**Finding: 2017-02:** In several instances, it was noted that B6T applications were unavailable or were not signed in a timely manner.

**Recommendation:** That the District have all B6T applications signed in a timely manner and available for audit.

**Finding: 2017-03:** In some instances, joint transportation contracts were not being signed by the joiner district and county superintendent on a timely basis.

**Recommendation:** That District procedures be strengthened to ensure that joint transportation agreements are signed by the appropriate officials on a timely basis.



**BOROUGH OF RINGWOOD BOARD OF EDUCATION**

**AUDIT RECOMMENDATIONS SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(CONTINUED)**

**8. Facilities and Capital Assets**

None

**9. Miscellaneous**

None

**10. Status of Prior Year Audit Findings/Recommendations**

A review was performed on the prior year recommendations and corrective action was taken on all prior year findings.