

**RIDGEWOOD BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2018**

**RIDGEWOOD BOARD OF EDUCATION
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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AUDITOR'S MANAGEMENT REPORT

Honorable President and Members
of the Board of Education
Ridgewood Board of Education
Ridgewood, 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 Ridgewood Board of Education as of and for the fiscal year ended June 30, 2018, and have issued our report thereon dated January 24, 2019.

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, management, 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 W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
January 24, 2019

**RIDGEWOOD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, 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 Exhibit J-20, Insurance Schedule contained in the district's Comprehensive Annual Financial Report (the "CAFR").

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Dr. Alfredo Aguilar	School Business Administrator/Board Secretary	\$500,000
Mr. Angelo DeSimone	Treasurer of School Monies	\$500,000

There is a blanket dishonesty bond covering all other employees, including faithful performance for elected officials, in the amount of \$100,000 per loss.

Financial Planning, Accounting and Reporting

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made.

Examination of Claims

An examination of claims paid during the period under review did not indicate any material discrepancies with respect to signatures and certifications.

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 tested were certified by the President of the Board, the Board Secretary/School Business Administrator and the Superintendent.

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

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

The required certification (E-CERTI) of compliance with requirements of income tax on compensation of District Administration was filed with the NJ Department of Treasury by the due date.

**RIDGEWOOD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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 selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3.

Travel

The District had an approved board travel policy as required by N.J.A.C. 6A:23A-6-13 and N.J.S.A. 18A:11-12. No exceptions were noted pertaining to travel expenses tested.

Board Secretary's Records

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

The prescribed contractual order system was followed.

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

Monthly Board Secretary's report and certifications were approved by the Board in a timely manner.

Finding – The District had total budget transfers from a general fund budget line that on a cumulative basis exceeded 10% of the total advertised general fund budget line appropriation.

Recommendation – Executive County Superintendent's approval be obtained for all transfers that exceed ten percent (10%) of the original advertised budget appropriation.

Treasurer's Records

The Treasurer did perform cash reconciliations for all District bank accounts.

All cash receipts were promptly deposited.

The Treasurer's records were in agreement with the Board Secretary.

Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA)

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 Title I, II and III of the Elementary and Secondary Education Act, as amended.

**RIDGEWOOD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Financial Planning, Accounting and Reporting (Continued)

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.

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.

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.

Finding (CAFR Finding 2018-001) – 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 wages.

Recommendation – The District review with its financial accounting software vendor the TPAF FICA calculations 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 the expenditure charged to the current year's Final Report for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the 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 April 17, 2000, N.J.S.A. 18A:18A (Public School Contracts Law) was revised by P.L. 1999, C. 440.

Effective July 1, 2015 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-3 and 18A:39-3 are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school transportation contracts under N.J.S.A. 18A:39-3 is currently \$19,000. The School Business Administrator/Board Secretary is a Qualified Purchasing Agent and the bid threshold has been approved by resolution at \$40,000.

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 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.

**RIDGEWOOD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

The results of our examination did indicate that 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. 18A:18A-4, as amended.

Finding – Our audit of purchases and procedures related to compliance with the Public School Contracts Law revealed the following:

- Contracts awarded through national cooperative purchasing agreements were not subsequently advertised in the official newspaper.
- Vendor invoices for paving services awarded through Ed Data cooperative purchasing did not include both square footage and cost per square foot on certain invoices and rates charged were not verified to approved Ed Data rates.

Recommendation – Contracts awarded through national cooperative purchasing agreements be subsequently advertised. In addition vendor invoices be itemized and rates charged for paving services be in agreement with approved Ed Data cooperative purchasing rates.

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.

School Food Service

The District did not participate in the National School Lunch program.

The financial transactions and records of the school food services were maintained in satisfactory 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 and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a \$10,000 profit to the District. The operating results provision has been met.

Cash receipts and bank records were reviewed for timely deposits.

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.

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 expenditures.

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

The District has contracted with Pomptonian Food Services, Inc. to operate its school food service program.

**RIDGEWOOD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Infant/Toddler Development and Inclusive Preschool Fund

The financial transactions of the Infant/Toddler Development and Inclusive Preschool Funds were maintained as Enterprise Funds. The financial accounts and records were reviewed on a test-check basis.

Finding – Our audit of the Infant/Toddler Development Fund revealed that certain deposits were not turned over to the business office on a timely basis.

Recommendation – Infant/Toddler Development Fund deposits be turned over to the business office on a timely basis.

One to One Initiative

The financial transactions of the One to One Initiative Program were maintained as an Enterprise Fund. The financial accounts and records were reviewed on a test-check basis.

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

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

Community School

The Financial transactions of the Community School program were maintained in the General Fund. The financial accounts and records were reviewed on a test-check basis.

Student Body Activities

The Board has a policy which clearly establishes the regulation of student activity funds.

Cash receipts and cash disbursements records were maintained in fair condition.

All cash disbursements had proper supporting documentation.

Finding – Our audit of the various student activity accounts revealed the following:

Orchard and Travel Elementary Schools and George Washington Middle School

- Voucher approval requests were not approved.

Benjamin Franklin Middle School

- Pre-numbered receipts were not utilized.

Ridgewood High School

- There exists prior year outstanding checks and deposits in transit on the monthly bank reconciliations.
- Certain deposits were not made in a timely manner.

**RIDGEWOOD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Student Body Activities (Continued)

Athletics Account

- There exist prior year outstanding checks and deposits in transit on the monthly bank reconciliations.
- Certain transactions were incorrectly posted in the general ledger account software.

Recommendation – Continued efforts be made in the student body activity accounts to properly record and account for all related transactions.

Application for State School Aid

Our audit procedures included a test of information reported in the October 13, 2017 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, on-roll low-income and Limited English Proficient. 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 immaterial exceptions. The information on the District workpapers was verified with immaterial exceptions noted. 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 with material 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 testing, the District did not comply with proper bidding procedures and award of contracts. An exception was 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 agreements for consistency with recording SDA revenue, transfer of local funds from the General Fund or from the Capital Reserve Account, and awarding of contracts for eligible facilities construction.

Capital assets records were properly maintained.

**RIDGEWOOD 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, 2018**

NOT APPLICABLE

**COMPARISON OF NET CASH RESOURCES TO THREE
MONTHS AVERAGE EXPENDITURES
ENTERPRISE FUNDS
AS OF JUNE 30, 2018**

Net Cash Resources:

Current Assets

Cash and Cash Equivalents	\$	193,131
Accounts Receivable		6,565

Current Liabilities

Less:

Accounts Payable	(30,697)
Due to Other Funds	(54,225)
Unearned Revenue	<u>(47,758)</u>

Net Cash Resources	\$	<u>67,016</u>
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Adjusted Total Operating Expense:

Total Operating Expenses	\$	1,969,904
Less Depreciation		<u>(23,087)</u>

Adjusted Total Operating Expense	\$	<u>1,946,817</u>
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<u>Average Monthly Operating Expense:</u>	\$	<u>194,682</u>
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<u>Three Times Monthly Average:</u>	\$	<u>584,045</u>
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Total Net Cash Resources	\$	67,016
Three Times Monthly Average		<u>584,045</u>

Net Cash Resources below Three Month Average Expenses	\$	<u>(517,029)</u>
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**RIDGEWOOD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 13, 2017
SCHEDULE OF AUDITED ENROLLMENTS**

	2018 - 2019 Application for State School Aid						Sample for Verification						Private Schools for Disabled				
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Register On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Full Day Pre-School 3yr	13		13	-	-	-		13	-	4		9	-			-	
Full Day Pre-School 4yr	11		11					11		11							
Full Day Kindergarten	349		349					71		71							
One	337		337	-	-	-		60		60		-	-			-	
Two	373		373	-	-	-		60		60		-	-			-	
Three	378		378	-	-	-		45		45		-	-			-	
Four	362		362	-	-	-		72		72		-	-			-	
Five	381		381	-	-	-		64		64		-	-			-	
Six	393		394	-		(1)		213		212		1	-			-	
Seven	417		417	-	-	-		198		198		-	-			-	
Eight	423		423	-	-	-		213		213		-	-			-	
Nine	371		370	-		1		370		370		-	-			-	
Ten	392		389	-		3		389		389		-	-			-	
Eleven	383		382	-		1		382		382		-	-			-	
Twelve	383		383	-	-	-		383		383		-	-			-	
Adult School (15+cr)	-		-					-		-		-	-			-	
Subtotal	4,966	-	4,962	-		4		2,544	-	2,534	-	10	-			-	
Sp. Ed. - Elementary	298		298			-		61		61		-	-	20	17	17	-
Sp. Ed. - Middle School	192		191			1		99		99		-	-	14	12	12	-
Sp. Ed. - High School	216	2	216	2		-		216		215		1	-	24	21	21	-
Subtotal	706	2	705	2		1		376	-	375	-	1	-	58	50	50	-
Totals	5,672	2	5,667	2		5		2,920	-	2,909	-	11	-	58	50	50	-
Percentage Error						0.09%	0.00%					0.38%					0.00%

**RIDGEWOOD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 13, 2017
SCHEDULE OF AUDITED ENROLLMENTS**

	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 ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected	Verified to Test Score and Register	Errors
Full Day Kindergarten	3.0	3.0	-	2.0	2.0	-	2.0	2.0	-	2.0	2.0	-
One	5.0	5.0	-	2.0	2.0	-	2.0	2.0	-	2.0	2.0	-
Two	6.0	6.0	-	3.0	3.0	-	-	-	-	-	-	-
Three	4.0	4.0	-	2.0	2.0	-	1.0	1.0	-	1.0	1.0	-
Four	2.0	2.0	-	1.0	1.0	-	-	-	-	-	-	-
Five	4.0	4.0	-	2.0	2.0	-	2.0	2.0	-	2.0	2.0	-
Six	6.0	6.0	-	3.0	3.0	-	-	-	-	-	-	-
Seven	6.0	6.0	-	3.0	3.0	-	-	-	-	-	-	-
Eight	6.0	6.0	-	3.0	3.0	-	1.0	1.0	-	1.0	1.0	-
Nine	3.0	3.0	-	2.0	2.0	-	-	-	-	-	-	-
Ten	3.0	3.0	-	1.0	1.0	-	1.0	1.0	-	1.0	1.0	-
Eleven	6.0	6.0	-	3.0	3.0	-	-	-	-	-	-	-
Twelve	3.0	3.0	-	1.0	1.0	-	1.0	1.0	-	1.0	1.0	-
Adult School (15+ credits)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	57.0	57.0	-	28.0	28.0	-	10.0	10.0	-	10.0	10.0	-
Special Ed. - Elementary	19.0	19.0	-	9.0	9.0	-	3.0	3.0	-	3.0	3.0	-
Special Ed. - Middle	10.0	9.0	1.0	4.0	4.0	-	-	-	-	-	-	-
Special Ed. - High	16.0	16.0	-	8.0	8.0	-	-	-	-	-	-	-
Subtotal	45.0	44.0	1.0	21.0	21.0	-	3.0	3.0	-	3.0	3.0	-
Co.Voc. -Regular												
Co.Voc. Ft. Post Sec.												
Totals	102.0	101.0	1.0	49.0	49.0	-	13.0	13.0	-	13.0	13.0	-
Percentage Error			<u>0.99%</u>			<u>0.00%</u>						<u>0.00%</u>

	Transportation					
	Reported on DRTRS by BOE	Reported on DRTRS by District	Errors(1)	Tested	Verified	Errors
Regular Public Students	369.0	369.0	-	35.0	35.0	-
Transported Non-Public Students	111.0	111.0	-	11.0	11.0	-
Regular Special Education (w/o needs)	143.0	140.0	3.0	13.0	12.0	(1.0)
Special Ed Students (w/special needs or out of district)	75.0	75.0	-	7.0	7.0	-
Subtotal	698.0	695.0	3.0	66.0	65.0	(1.0)
Percentage Error			<u>0.43%</u>			<u>-1.52%</u>

**RIDGEWOOD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 13, 2017
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA as LEP Not low Income	Reported on Workpapers as LEP Not low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten	13.0	13.0	-	5.0	5.0	-
One	14.0	14.0	-	6.0	6.0	-
Two	13.0	13.0	-	5.0	5.0	-
Three	15.0	15.0	-	6.0	6.0	-
Four	6.0	6.0	-	3.0	3.0	-
Five	10.0	10.0	-	4.0	4.0	-
Six	6.0	6.0	-	3.0	3.0	-
Seven	8.0	8.0	-	3.0	3.0	-
Eight	4.0	4.0	-	1.0	1.0	-
Nine	12.0	12.0	-	5.0	5.0	-
Ten	6.0	6.0	-	3.0	3.0	-
Eleven	4.0	4.0	-	2.0	2.0	-
Twelve	1.0	1.0	-	1.0	1.0	-
Adult School (15+ credits)	-	-	-	-	-	-
Subtotal	112.0	112.0	-	47.0	47.0	-
Special Ed. - Elementary	3.0	3.0	-	1.0	1.0	-
Special Ed. - Middle	-	-	-	-	-	-
Special Ed. - High	1.0	1.0	-	1.0	-	1.0
Subtotal	4.0	4.0	-	2.0	1.0	1.0
Co.Voc. -Regular						
Co.Voc. Ft. Post Sec.						
Totals	116.0	116.0	-	49.0	48.0	1.0
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**RIDGEWOOD BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

SECTION 1A - Two Percent (2%) - Calculation of Excess surplus

2017-2018 Total General Fund Expenditures per the CAFR	\$ 114,041,405
Decreased by:	
On-Behalf TPAF Pension & Social Security	(14,034,912)
Assets Acquired Under Capital Leases	-
 Adjusted 2017-2018 General Fund Expenditures	 \$ 100,006,493
 2% of Adjusted 2017-2018 General Fund Expenditures	 \$ 2,000,130
 Enter Greater of 2% of Adjusted 2017-2018 General Fund Expenditures or \$250,000	 \$ 2,000,130
Increased by:	
Allowable Adjustments	357,882
 Maximum Unassigned Fund Balance	 \$ 2,358,012

SECTION 2

Total General Fund - Fund Balance at June 30, 2018	\$ 7,414,216
Decreased by:	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 750,000
Capital Reserve	1,316,451
Capital Reserve - Designated for Subsequent Year's Expenditures	1,500,000
Maintenance Reserve - Designated for Subsequent Year's Expenditures	50,000
Emergency Reserve - Designated for Subsequent Year's Expenditures	100,000
Year End Encumbrances	332,753
Designated for Subsequent Year's Expenditures	257,000
	4,306,204
 Total Unassigned Fund Balance	 \$ 3,108,012

SECTION 3

Restricted Fund Balance - Reserved Excess Surplus	\$ 750,000
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Recapitulation of Excess Surplus as of June 30, 2018

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 750,000
Reserved Excess Surplus	750,000
	\$ 1,500,000

Detail of Allowable Adjustments

Extraordinary Aid	\$ 311,524
Nonpublic Transportation Aid	46,358
	\$ 357,882

**RIDGEWOOD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

RECOMMENDATIONS

I. Administration Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. Executive County Superintendent's approval be obtained for all transfers that exceed ten percent (10%) of the original advertised budget appropriation.
2. The District review with its financial accounting software vendor the TPAF FICA calculations to ensure TPAF FICA reimbursements are based only on pensionable wages subject to FICA.

III. School Purchasing Program

It is recommended that contracts awarded through national cooperative purchasing agreements be subsequently advertised. In addition vendor invoices be itemized and rates charged for paving services be in agreement with approved Ed Data cooperative purchasing rates.

IV. School Food Service

There are none.

V. Infant/Toddler Development and Inclusive Preschool Funds

- * It is recommended that Infant/Toddler Development Fund deposits be turned over to the business office on a timely basis.

VI. One to One Initiative

There are none.

VII. Community School Program

There are none.

**RIDGEWOOD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

RECOMMENDATIONS

VIII. Student Body Activities

- * It is recommended that continued efforts be made in the student body activity accounts to properly record and account for all related transactions.

IX. Application for State School Aid

There are none.

X. Pupil Transportation

There are none.

XI. Facilities and Capital Assets

There are none.

XII. Status of Prior Years' Audit Findings/Recommendations

A review was performed on the prior year's recommendations 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