

**WOOD-RIDGE BOARD OF EDUCATION  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL COMPLIANCE AND PERFORMANCE  
JUNE 30, 2018**

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

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REGISTERED MUNICIPAL ACCOUNTANTS

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## AUDITOR'S MANAGEMENT REPORT

Honorable President and Members  
of the Board of Trustees  
Wood-Ridge Board of Education  
Wood-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 Wood-Ridge Board of Education as of and for the fiscal year ended June 30, 2018, and have issued our report thereon dated January 23, 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, 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  
January 23, 2019

**WOOD-RIDGE 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 Chief School 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, Insurance Schedule contained in the district's Comprehensive Annual Financial Report (the "CAFR").

**Official Bonds**

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

There is a Public Employees' Faithful Performance Blanket Position Bond with School Alliance Insurance Fund covering all other employees with multiple coverage of \$500,000.

**Tuition Charges**

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

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

An examination of claims paid during the period under review did not indicate any significant 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 tested were approved by the Superintendent and were certified by the President of the Board, the Board Secretary/Business Administrator and the Chief School Administrator.

Salary withholdings were promptly remitted to the proper agencies. Health benefits withholdings were transferred to the general fund.

The District filed the required certification (ECERTI) of compliance with requirements for income tax on compensation of administrators with the NJ Department of Treasury by the March 15 due date.

The Board has implemented and maintains a personnel tracking and accounting (position control) system.

**WOOD-RIDGE 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 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.

**Finding** – Our audit of year end liabilities in the General Fund and Capital Projects Fund revealed certain encumbrances should have been classified as accounts payable (\$39,902) and deemed overstated (\$73,932) at June 30, 2018. Additionally, a contract awarded for Courtyard renovations in the amount of \$99,491 was not encumbered at year end.

**Recommendation** – Procedures be reviewed and revised to ensure open purchase orders are reviewed at year end for appropriateness and proper classification as accounts payable or encumbrances. Additionally, all contracts awarded by the Board be encumbered upon approval.

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. As a result of the procedures performed, no transaction errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

The financial records, books of account and minutes maintained by the Board Secretary were in good 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** – Our audit of the Current and Payroll Agency bank reconciliations indicated reconciling items totaling \$5,620 and \$27,118, respectively, exist as of June 30, 2018.

**Recommendation** – Reconciling items listed on the Current and Payroll Agency bank reconciliations be reviewed and cleared of record.

**Finding** – Our audit of the 2014 Referendum in the Capital Projects Fund indicated the Doyle HVAC (\$273,395), High School Window Replacement (\$103,376), High School Facility Improvements (\$217,084) and Ostrovsky Facility Improvements (\$5,084) were in a deficit position as of June 30, 2018. As noted on CAFR Exhibit F-1, there are other 2014 referendum projects that have surplus balances

**Recommendation** – Budget transfers be submitted to the Board for their approval to eliminate the various capital project deficit balances in the 2014 Referendum.

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

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

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

The E.S.E.A./ESSA financial exhibits are contained within the Special Revenue Fund of the CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I, Title II, Title III and Title IV of the Elementary and Secondary Education Act.

Our examination of the Federal and State funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

Other Special Federal and/or State Projects

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

Our examination of the Federal and State funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits contained herein represent a true statement of the financial position pertaining to the aforementioned special projects.

Teacher's Pension and Annuity Fund (TPAF)

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.

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 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:18-4 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".

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 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 Board has appointed the Board Secretary/School Business Administrator as the Qualified Purchasing Agent.

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or goods or service, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The results of our examination indicated two instances where individual payments, contracts, or agreements were made for the performance of any work or goods or services, 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.

**WOOD-RIDGE 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)**

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, however, that the district purchased items through the use of State contracts.

**Food Service Fund**

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 School Food Authority (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 financial transactions and statistical records of the school food services were maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposits.

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

The District has contracted with Nu Way Concessionaires, Inc., as its food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34 and 19-1 through 19-4.1. Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of least \$15,000. The operating results provision has been met. All vendor discounts, rebates and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

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.

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

**Student Activity Fund**

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

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

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

**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 handicapped, related services, low-income and bilingual. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers without exception. The information that was included on the workpapers was verified with no 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 2017-2018 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with an immaterial 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**

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. No exceptions were noted.

**Testing for Lead of All Drinking Water in Education Facilities**

The school district adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in education facilities.

The school district submitted the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

**Suggestions to Management**

- Excess balances in the Payroll Agency and Net Payroll bank accounts be reviewed and cleared of record.



**WOOD-RIDGE BOARD OF EDUCATION  
FOOD SERVICE ENTERPRISE FUND  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**SCHEDULE OF MEAL COUNT ACTIVITY**

**NOT APPLICABLE**

**WOOD-RIDGE BOARD OF EDUCATION  
 FOOD SERVICE ENTERPRISE FUND  
 CALCULATION OF NET CASH RESOURCES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Net Cash Resources**

**Current Assets**

Cash and Cash Equivalents	\$	144,556
Intergovernmental Receivable		6,338

**Current Liabilities**

Less:		
Accounts Payable		(72,572)

<b>Net Cash Resources</b>	<b>\$</b>	<b>78,322</b>
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**Adjusted Total Operating Expense:**

Total Operating Expenses	\$	438,531
Less Depreciation		(4,591)

Adjusted Total Operating Expense	\$	433,940
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<b><u>Average Monthly Operating Expense:</u></b>	<b>\$</b>	<b>43,394</b>
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<b><u>Three Times Monthly Average:</u></b>	<b>\$</b>	<b>130,182</b>
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Total Net Cash Resources	\$	78,322
Three Times Monthly Average Expenditures		130,182

Excess(Deficit) Cash Resources	\$	(51,860)
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**WOOD-RIDGE BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 13, 2017  
SCHEDULE OF AUDITED ENROLLMENTS**

	2018-19 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	10	-	10	-	-	-	10	-	10	-	-	-				
Full Day Preschool - 3yr	8	-	8	-	-	-	8	-	8	-	-	-				
Full Day Preschool - 4yr	32	-	32	-	-	-	32	-	32	-	-	-				
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-				
Full Day Kindergarten	78	-	78	-	-	-	78	-	78	-	-	-				
One	76	-	76	-	-	-	76	-	76	-	-	-				
Two	63	-	63	-	-	-	63	-	63	-	-	-				
Three	77	-	77	-	-	-	77	-	77	-	-	-				
Four	82	-	82	-	-	-	82	-	82	-	-	-				
Five	73	-	73	-	-	-	73	-	73	-	-	-				
Six	63	-	63	-	-	-	63	-	63	-	-	-				
Seven	81	-	81	-	-	-	81	-	81	-	-	-				
Eight	89	-	89	-	-	-	89	-	89	-	-	-				
Nine	99	1	99	1	-	-	99	1	99	1	-	-				
Ten	85	1	85	1	-	-	85	1	85	1	-	-				
Eleven	103	1	103	1	-	-	103	1	103	1	-	-				
Twelve	84	-	84	-	-	-	84	-	84	-	-	-				
Subtotal	<u>1,103</u>	<u>3</u>	<u>1,103</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>1,103</u>	<u>3</u>	<u>1,103</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special Ed - Elementary	58	-	58	-	-	-	20	-	20	-	-	-	4	3	3	-
Special Ed - Middle School	33	-	33	-	-	-	11	-	11	-	-	-	3	3	3	-
Special Ed - High School	49	8	49	8	-	-	14	4	14	4	-	-	12	10	10	-
Subtotal	<u>140</u>	<u>8</u>	<u>140</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>45</u>	<u>4</u>	<u>45</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>19</u>	<u>16</u>	<u>16</u>	<u>-</u>
Totals	<u>1,243</u>	<u>11</u>	<u>1,243</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>1,148</u>	<u>7</u>	<u>1,148</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>19</u>	<u>16</u>	<u>16</u>	<u>-</u>
Percentage Error					<u>0.00%</u>	<u>0.00%</u>					<u>0.00%</u>	<u>0.00%</u>				<u>0.00%</u>

**WOOD-RIDGE BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 13, 2017  
SCHEDULE OF AUDITED ENROLLMENTS**

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as Low Income</u>	<u>Reported on Workpapers as Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>	<u>Reported on A.S.S.A. as LEP low Income</u>	<u>Reported on Workpapers as LEP low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Test Score and Register</u>	<u>Sample Errors</u>
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten		8.0	-	2.0	2.0	-	-	-	-	-	-	-
One		6.0	-	2.0	2.0	-	-	-	-	-	-	-
Two		9.0	-	3.0	3.0	-	-	-	-	-	-	-
Three		8.0	-	2.0	2.0	-	1.0	-	1.0	-	1.0	-
Four		10.0	-	3.0	3.0	-	-	-	-	-	-	-
Five		10.0	-	3.0	3.0	-	-	-	-	-	-	-
Six		10.0	-	3.0	3.0	-	-	-	-	-	-	-
Seven		6.0	-	2.0	2.0	-	-	-	-	-	-	-
Eight		11.0	-	3.0	3.0	-	1.0	-	1.0	-	-	-
Nine		12.0	-	4.0	4.0	-	-	-	-	-	-	-
Ten		12.0	-	4.0	4.0	-	1.0	-	1.0	-	1.0	-
Eleven		18.5	-	6.0	6.0	-	-	-	-	-	-	-
Twelve		6.0	-	2.0	2.0	-	-	-	-	-	-	-
Subtotal		<u>126.5</u>	<u>-</u>	<u>39.0</u>	<u>39.0</u>	<u>-</u>	<u>3.0</u>	<u>3.0</u>	<u>-</u>	<u>2.0</u>	<u>2.0</u>	<u>-</u>
Special Ed - Elementary		21.0	-	7.0	7.0	-	1.0	-	1.0	-	1.0	-
Special Ed - Middle		10.0	-	3.0	3.0	-	-	-	-	-	-	-
Special Ed - High		11.5	-	4.0	4.0	-	-	-	-	-	-	-
Subtotal		<u>42.5</u>	<u>-</u>	<u>14.0</u>	<u>14.0</u>	<u>-</u>	<u>1.0</u>	<u>1.0</u>	<u>-</u>	<u>1.0</u>	<u>1.0</u>	<u>-</u>
Totals		<u>169.0</u>	<u>-</u>	<u>53.0</u>	<u>53.0</u>	<u>-</u>	<u>4.0</u>	<u>4.0</u>	<u>-</u>	<u>3.0</u>	<u>3.0</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

	<u>Transportation</u>					
	<u>Reported on DRTRS by DOE/county</u>	<u>Reported on DRTRS by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>
Reg - Public Schools	39.0	39.0	-	19.0	19.0	-
Reg -SpEd	3.0	3.0	-	2.0	2.0	-
Transported - Non-Public	-	-	-	-	-	-
Special Ed Spec	<u>57.0</u>	<u>57.0</u>	<u>-</u>	<u>28.0</u>	<u>27.0</u>	<u>1.0</u>
Totals	<u>99.0</u>	<u>99.0</u>	<u>-</u>	<u>49.0</u>	<u>48.0</u>	<u>1.0</u>
Percentage Error						<u>2.04%</u>

**WOOD-RIDGE BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 13, 2017  
SCHEDULE OF AUDITED ENROLLMENTS**

	<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 Kindergarten	-	-	-	-	-	-
One	-	-	-	-	-	-
Two	-	-	-	-	-	-
Three	1.0	1.0	-	1.0	1.0	-
Four	-	-	-	-	-	-
Five	-	-	-	-	-	-
Six	-	-	-	-	-	-
Seven	2.0	2.0	-	2.0	2.0	-
Eight	-	-	-	-	-	-
Nine	-	-	-	-	-	-
Ten	-	-	-	-	-	-
Eleven	-	-	-	-	-	-
Twelve	-	-	-	-	-	-
Subtotal	<u>3.0</u>	<u>3.0</u>	<u>-</u>	<u>3.0</u>	<u>3.0</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>3.0</u>	<u>3.0</u>	<u>-</u>	<u>3.0</u>	<u>3.0</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

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

2017-2018 Total General Fund Budgetary Expenditures	\$22,818,578	
Increased by:		
Transfer to Capital Projects Fund	<u>60,000</u>	
	22,978,578	
Decreased by:		
On-Behalf TPAF Pension & Social Security	<u>2,299,253</u>	
Adjusted 2017-2018 General Fund Expenditures	<u>\$20,679,325</u>	
2% of Adjusted 2017-2018 General Fund Expenditures	\$413,587	
Increased by:		
Allowable Adjustment – Extraordinary Aid (Excess Revenue)	<u>105,577</u>	
Maximum Unassigned Fund Balance		\$519,164
Total General Fund – Fund Balance at June 30, 2018 (Budgetary Basis)	\$2,248,763	
Decreased by:		
Assigned Fund Balance - Encumbrances	69,136	
Restricted Fund Balance		
Capital Reserve	1,265,649	
Maintenance Reserve	200,000	
Assigned Fund Balance – Designated for Subsequent Year’s Budget	<u>194,814</u>	
Total Unassigned Fund Balance		<u>\$519,164</u>
Fund Balance – Excess Surplus		<u>\$ -0-</u>

**WOOD-RIDGE BOARD OF EDUCATION  
RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. Procedures be reviewed and revised to ensure open purchase orders are reviewed at year end for appropriateness and proper classification as accounts payable or encumbrances. Additionally, all contracts awarded by the Board be encumbered upon approval.
2. Reconciling items listed on the Current and Payroll Agency bank reconciliations be reviewed and cleared of record.
3. Budget transfers be submitted to the Board for their approval to eliminate the various capital project deficit balances in the 2014 Referendum.

III. School Purchasing Program

There are none.

IV. School Food Services

There are none.

V. Student Body Activities

There are none.

VI. Application for State School Aid

There are none.

VII. Pupil Transportation

There are none.

VIII. Facilities and Capital Assets

There are none.

IX. Status of Prior Years' Audit Findings/Recommendations

Corrective action was taken on all prior year recommendations.

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