

**RIDGEFIELD BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL COMPLIANCE AND PERFORMANCE
JUNE 30, 2019**

**RIDGEFIELD BOARD OF EDUCATION
TABLE OF CONTENTS**

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

	<u>Page No.</u>
Report of Independent Auditor	1
Scope of Audit	2
Administrative Practices and Procedures	2
Financial Planning, Accounting and Reporting	2-4
School Purchasing Programs	4-5
Food Service Fund	5
Saturday Happening Program Fund	5
Student Body Activities	6
Application for State School Aid	6
Pupil Transportation	6
Facilities and Capital Assets	6
Testing for Lead of All Drinking Water in Educational Facilities	6
Suggestions to Management	6
Follow-Up Prior Year Findings	6
Schedule of Meal Count Activity – N/A	7
Net Cash Resource Schedule	8
Schedule of Audited Enrollments	9-11
Calculation of Excess Surplus	12
Recommendations	13-14
Acknowledgement	14



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Honorable President and Members
of the Board of Education
Ridgefield Board of Education
Ridgefield, 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 Ridgefield Board of Education as of and for the fiscal year ended June 30, 2019, and have issued our report thereon dated December 17, 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 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.

Respectfully submitted,

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

Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
December 17, 2019

**RIDGEFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator, 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 the Insurance Schedule contained in the District's Comprehensive Annual Financial Report (the "CAFR").

Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32)

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Juliana Ortiz	Board Secretary/School Business Administrator	\$260,000
Kelvin Hiciano	Assistant School Business Administrator	260,000

There is an Employees' Dishonesty Faithful Performance Crime Coverage through NESBIG covering all other employees with multiple coverage of \$500,000 per loss.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The Board made the proper adjustment to the billings to sending districts for the adjustment in per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f)3.

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 supporting documentation, signatures and certification.

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.

Salary withholdings were promptly remitted to the proper agencies, including health benefit withholdings due to the general fund for the payroll periods tested.

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

**RIDGEFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Financial Planning, Accounting and Reporting (Continued)

Payroll Account (Continued)

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

- **Finding** – The District has not reported and remitted to the State pension systems the retroactive salary and related pension deductions for fiscal years 2015, 2016 and 2017 which was paid in a prior school year.

Recommendation – The District report and remit to the State Division of Pensions and Benefits the retroactive salary and related pension deductions for fiscal years 2015, 2016 and 2017.

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.

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 year end 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 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 classification.

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.

Board Secretary's Records

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

Acknowledgement of the Board's receipt of the Board Secretary's and Treasurer's monthly financial reports were included in the minutes.

The prescribed contractual order system was followed.

- **Finding (CAFR Finding 2019-001)** – The District had aggregate budget transfers from an advertised budget line that on a cumulative basis exceeded 10% of the total of the advertised budget line. The cumulative transfer over 10% was not submitted to nor approved by the Executive County Superintendent.

Recommendation – Executive County Superintendent's approval be sought as required for all transfers that exceed ten percent (10%) of the original advertised budget appropriation amount in accordance with N.J.A.C. 6A:23A-13.3(g)..

Elementary and Secondary School 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 Titles I, II, Title III and IV of the Elementary and Secondary Education Act as amended and reauthorized.

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.

**RIDGEFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Financial Planning, Accounting and Reporting (Continued)

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Exhibit K-3 and Exhibit 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.

- **Finding (CAFR Finding 2019-002)** – A review of students' Individualized Education Plans (IEP) revealed certain students reported on the Application for State Extraordinary Aid did not have an intensive related service specifically included in their IEP. A minimum of one intensive related service is required to be included in a student's IEP to be eligible for inclusion on the Extraordinary Aid Application.

Recommendation – Internal control procedures be reviewed and revised to ensure student IEP's specifically identify the intensive related service that is required to be provided to the respective student reported on the Application for State Extraordinary Aid.

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.

TPAF 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 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

The bid thresholds in accordance with N.J.S.A. 18A:18A-3 (as amended) and 18A:39-3 (public school student transportation) are \$29,000 and \$19,000 respectively.

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 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.

**RIDGEFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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 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 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. However, the program expenditures exceeded \$100,000 in federal support. Accordingly, we inquired of school management as to whether the School Food Authority (the "SFA") had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted. In addition, we inquired 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.

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.

Cash receipts and bank records were reviewed for timely deposit.

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. The FSMC contract includes an operating results provisions which guarantees that the food service program will return a profit of at least \$8,000. The operating results provision has been met.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursement records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. Net cash resources did not exceed three months average expenditures.

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 separate inventory were maintained on a first-in, first-out basis.

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

Saturday Happenings Program Fund

Separate cash receipts and disbursement journals and billing records were maintained for the various programs provided by Saturday Happenings.

All disbursements are processed through the District's General operating account and reimbursed by the Saturday Happening Program account.

**RIDGEFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Student Body Activities

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

Cash receipts and disbursements records for the various schools were maintained in satisfactory condition.

- **Finding** – We noted pre-numbered receipt tickets were not utilized for monies collected in any of the District’s student activity accounts.

Recommendation – Pre-numbered receipt tickets be utilized for monies collected in all the District’s student activity accounts.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2018 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 without exception. 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 had 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 2018-2019 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 information that was included on the workpapers was verified without exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review of transportation related purchases of goods and services, the District complied with proper bidding procedures and award of contracts.

Facilities and Capital Assets

Our procedures included a review of the State Schools Development Authority (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.

Testing for Lead of all Drinking Water in Educational Facilities

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

Suggestions to Management

- The District should perform a review of all bank accounts utilizing the District’s employee identification number (EIN) and any accounts not under the control and approval of the Board should discontinue the use of the District’s EIN.

Follow-up Prior Year Findings

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

**RIDGEFIELD BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

N/A – INFORMATION NOT REQUIRED

**RIDGEFIELD BOARD OF EDUCATION
FOOD SERVICE FUND
SCHEDULES OF NET CASH RESOURCE
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Net Cash Resources:</u>		Food Service	
CAFR	*	Current Assets	
B-4		Cash	\$ 7,261
B-4		Intergovernmental Receivables	\$ 19,773
B-4		Accounts Receivable	19,024
B-4		Due from Other Funds	
CAFR		Current Liabilities	
B-4		Less Accounts Payable	(6,574)
B-4		Less Due to Other Funds	
B-4		Less Unearned Revenue	(7,837)
		Net Cash Resources	\$ 31,647 (A)

Net Adj. Total Operating Expense:

B-5	Total Operating Expenses	677,225	
B-5	Less Depreciation	(5,098)	
	Adj. Tot. Oper. Exp.	\$ 672,127 (B)	

Average Monthly Operating Expense:

	B / 10	\$ 67,213 (C)	
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Three times monthly Average Operating Expense:

	3 X C	\$ 197,923 (D)	
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TOTAL IN BOX A	\$	31,647	
LESS TOTAL IN BOX D	\$	(197,923)	
NET	\$	(166,276)	

Net Cash Resources Did Not Exceed Three Months Expenditures.

**RIDGEFIELD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2018
SCHEDULE OF AUDITED ENROLLMENTS**

	2019 - 2020 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					
Half Day Preschool 3 Years Old	3	-	3	-	-	-	3	-	3	-	-	-	-	-	-	-	-
Full Day Preschool 3 Years Old	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Preschool 4 Years Old	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool 4 Years Old	13	-	13	-	-	-	13	-	13	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	104	-	104	-	-	-	104	-	104	-	-	-	-	-	-	-	-
Grade 1	81	-	81	-	-	-	81	-	81	-	-	-	-	-	-	-	-
Grade 2	74	-	74	-	-	-	74	-	74	-	-	-	-	-	-	-	-
Grade 3	89	-	89	-	-	-	89	-	89	-	-	-	-	-	-	-	-
Grade 4	90	-	90	-	-	-	90	-	90	-	-	-	-	-	-	-	-
Grade 5	114	-	114	-	-	-	114	-	114	-	-	-	-	-	-	-	-
Grade 6	108	-	108	-	-	-	108	-	108	-	-	-	-	-	-	-	-
Grade 7	114	-	114	-	-	-	114	-	114	-	-	-	-	-	-	-	-
Grade 8	89	-	89	-	-	-	89	-	89	-	-	-	-	-	-	-	-
Grade 9	80	-	80	-	-	-	80	-	80	-	-	-	-	-	-	-	-
Grade 10	98	-	98	-	-	-	98	-	98	-	-	-	-	-	-	-	-
Grade 11	84	-	84	-	-	-	84	-	84	-	-	-	-	-	-	-	-
Grade 12	119	-	119	-	-	-	119	-	119	-	-	-	-	-	-	-	-
Post- Graduate																	
Adult High School (15+ Credits)																	
Adult High School (1-14 Credits)																	
Subtotal	1,260	-	1,260	-	-	-	1,260	-	1,260	-	-	-	-	-	-	-	-
Sp Ed - Elementary	185	-	185	-	-	-	41	-	41	-	-	-	-	-	-	-	-
Sp Ed - Middle School	75	-	75	-	-	-	75	-	75	-	-	-	1	1	1	-	-
Sp Ed - High School	169	-	169	-	-	-	146	-	146	-	-	-	1	1	1	-	-
Subtotal	429	-	429	-	-	-	262	-	262	-	-	-	2	2	2	-	-
County Vocational - Regular																	
County Vocational - F.T. Post-Second																	
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	1,689	-	1,689	-	-	-	1,522	-	1,522	-	-	-	2	2	2	-	-
Percentage Error							0.00%		0.00%				0.00%				0.00%

**RIDGEFIELD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2018
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	32	32	-	5	5	-	7	7	-	5	5	-
Grade 1	24	24	-	4	4	-	4	4	-	3	3	-
Grade 2	23	23	-	4	4	-	6	6	-	5	5	-
Grade 3	34	34	-	4	4	-	8	8	-	6	6	-
Grade 4	37	37	-	6	6	-	6	6	-	5	5	-
Grade 5	23	23	-	3	3	-	3	3	-	2	2	-
Grade 6	23	23	-	3	3	-	2	2	-	2	2	-
Grade 7	37	37	-	6	6	-	3	3	-	2	2	-
Grade 8	21	21	-	3	3	-	2	2	-	2	2	-
Grade 9	19	19	-	3	3	-	2	2	-	2	2	-
Grade 10	20	20	-	3	3	-	3	3	-	1	1	-
Grade 11	15	15	-	3	3	-	3	3	-	2	2	-
Grade 12	25	25	-	4	4	-	1	1	-	1	1	-
Post- Graduate			-			-			-			-
Adult High School (15+ Credits)			-			-			-			-
Adult High School (1-14 Credits)			-			-			-			-
Subtotal	333	333	-	51	51	-	50	50	-	38	38	-
Sp Ed - Elementary	27	27	-	4	4	-	-	-	-	-	-	-
Sp Ed - Middle School	21	21	-	4	4	-	-	-	-	-	-	-
Sp Ed - High School	20	20	-	3	3	-	2	2	-	1	1	-
Subtotal	68	68	-	11	11	-	2	2	-	1	1	-
County Vocational - Regular			-			-			-			-
County Vocational - F.T. Post-Second			-			-			-			-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
Totals	401.0	401.0	-	62.0	62.0	-	52	52	-	39	39	-
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	52	52	-	35	35	-
Regular - Special Ed	70	70	-	48	48	-
Transported - Non Public	-	-	-	-	-	-
Special Needs	3	3	-	2	2	-
	125	125	-	85	85	-

Percentage Error 0.0% 0.0%

**RIDGEFIELD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2018
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	7	7	-	5	5	-
Grade 1	11	11	-	8	8	-
Grade 2	6	6	-	4	4	-
Grade 3	5	5	-	4	4	-
Grade 4	3	3	-	2	2	-
Grade 5	6	6	-	5	5	-
Grade 6	4	4	-	3	3	-
Grade 7	4	4	-	3	3	-
Grade 8	2	2	-	2	2	-
Grade 9	2	2	-	2	2	-
Grade 10	2	2	-	2	2	-
Grade 11	2	2	-	2	2	-
Grade 12	3	3	-	2	2	-
Post- Graduate			-			-
Adult High School (15+ Credits)			-			-
Adult High School (1-14 Credits)			-			-
Subtotal	57	57	-	44	44	0
Sp Ed - Elementary	-	-	-	-	-	-
Sp Ed - Middle School	-	-	-	-	-	-
Sp Ed - High School	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
County Vocational - Regular						
County Vocational - F.T. Post-Second						
Subtotal	-	-	-	-	-	-
Totals	57	57	-	44	44	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**RIDGEFIELD BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

SECTION 1A

2018-2019 Total General Fund Expenditures per the CAFR	\$	43,025,427
Increased by:		
Transfer from Capital Reserve to Capital Projects		-
Decreased by:		
On-Behalf TPAF Pension & Social Security	\$	(5,941,098)
Assets Acquired Under Capital Leases		<u>(95,998)</u>
Adjusted 18-19 General Fund Expenditures	\$	<u>36,988,331</u>
2% of Adjusted 2018-19 General Fund Expenditures	\$	<u>739,767</u>
Enter Greater of 2% of Adjusted 2017-18 General Fund Expenditures or \$250,000	\$	739,767
Increased by: Allowable Adjustments		<u>270,597</u>
Maximum Unassigned Fund Balance		<u>\$ 1,010,364</u>

SECTION 2

Total General Fund - Fund Balance at June 30, 2019 (Per CAFR Budgetary Comparison Schedule/Statement)	\$	6,391,320
Decreased by:		
Year End Encumbrances		102,822
Other Reserved Fund Balances - Capital Reserve		2,143,505
Other Restricted Fund Balances - Maintenance Reserve		1,036,900
Other Reserved Fund Balances - Tuition Adjustments		500,000
Other Reserved Fund Balances - Tuition Adj.- Designated For Sub. Years Expend.		350,000
Excess Surplus - Designated for Subsequent Year's Expenditures		400,000
Assigned Fund Balance - Designated for Subsequent Year's Expenditures		<u>162,275</u>
		<u>\$ 1,695,818</u>
Reserved Fund Balance - Excess Surplus		<u>\$ 685,454</u>

SECTION 3

Recapitulation of Excess Surplus as of June 30, 2019

Reserved Excess Surplus	\$	685,454
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures		<u>400,000</u>
		<u>\$ 1,085,454</u>

Detail of Allowable Adjustments

Extraordinary Aid	\$	<u>270,597</u>
		<u>\$ 270,597</u>

**RIDGEFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

RECOMMENDATIONS

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. The District report and remit to the State Division of Pensions and Benefits the retroactive salary and related pension deductions for fiscal years 2015, 2016 and 2017.
2. Executive County Superintendent's approval be sought as required for all transfers that exceed ten percent (10%) of the original advertised budget appropriation amount in accordance with N.J.A.C. 6A:23A-13.3(g).
3. Internal control procedures be reviewed and revised to ensure student IEP's specifically identify the intensive related service that is required to be provided to the respective student reported on the Application for State Extraordinary Aid.

III. School Purchasing Program

There are none.

IV. School Food Services

There are none.

V. Saturday Happening Program

There are none.

VI. Student Body Activities

It is recommended that pre-numbered receipt tickets be utilized for monies collected in all the District's student activity accounts.

VII. Application for State School Aid

There are none.

VIII. Transportation

There are none.

IX. Facilities and Capital Assets

There are none.

**RIDGEFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

RECOMMENDATIONS

X. Status of Prior Years' Audit Findings/Recommendations

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

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