

**CARLSTADT BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2015**

**CARLSTADT BOARD OF EDUCATION
TABLE OF CONTENTS**

**AUDITOR'S 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
Food Service Fund	5
Student Body Activities	6
Application for State School Aid	6
Pupil Transportation	6
Follow Up on Prior Year Findings	6
Suggestions to Management	6
Schedule of Meal Count Activity – Not Applicable	7
Schedule of Net Cash Resources – Not Applicable	8
Schedule of Audited Enrollments	9-11
Calculation of Excess Surplus	12
Recommendations	13
Acknowledgment	13



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AUDITOR'S MANAGEMENT REPORT

Honorable President and Members
of the Board of Trustees
Carlstadt Board of Education
Carlstadt, 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 Carlstadt Board of Education in the County of Bergen as of and for the fiscal year ended June 30, 2015, and have issued our report thereon dated December 11, 2015.

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 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 limited.

Respectfully submitted,

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

Donna L. Japhet
Public School Accountant
PSA Number CS002314

Fair Lawn, New Jersey
December 11, 2015

**CARLSTADT BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator, the activities of the Board of Education, and the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the district's Comprehensive Annual Financial Report ("CAFR").

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Bert Arifaj	Board Secretary/School Business Administrator	\$200,000

There is an Employees' Dishonesty with Faithful Performance coverage with Selective Insurance Company of America covering all other employee with multiple coverage of \$400,000 per loss.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not indicate any material 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 payroll taxes 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/Business Administrator.

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

Finding – Our audit revealed certain employee payroll withholdings for tax shelter annuities were not remitted sequentially and/or timely.

Recommendation - Employee payroll withholdings for tax shelter annuities be remitted sequentially and in a timely manner.

Payrolls were delivered to the secretary of the Board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

The School Business Administrator completed and filed the required Certification of Compliance with Federal and State Law respecting the reporting of compensation of certain employees.

The Board has implemented and maintains a personnel tracking and accounting (Position Control) system.

**CARLSTADT BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

Finding – Our audit revealed that the District misclassified expenditures for cleaning services and internet services as Custodial Services – Miscellaneous Purchased Services and Regular Instruction – General Supplies, respectively. Expenditures for cleaning services and internet services should be classified as Custodial Services – Cleaning, Repair and Maintenance Services and General Administration – Communications/Telephone, respectively. The modified budget and related expenditures were reclassified by audit adjustment to the proper budget lines.

Recommendation – Payments for cleaning services and internet service be properly classified in accordance with The Uniform Minimum Chart of Accounts for New Jersey Public Schools.

Board Secretary's Records

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

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

The prescribed contractual order system was followed.

Unemployment Compensation Insurance Trust Fund

The Board has adopted the contribution method and has established an Unemployment Compensation Insurance Trust Fund. The financial transactions of this fund are reported in the Expendable Trust Fund.

Elementary and Secondary Education Act (E.S.E.A.)/Improving America's Schools 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 Fund of the CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I through Title IV of the Elementary and Secondary Education Act as amended and reauthorized.

**CARLSTADT BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Financial Planning, Accounting and Reporting (Continued)

Elementary and Secondary Education Act (E.S.E.A.)/Improving America's Schools Act (IASA) as Reauthorized by the No Child Left Behind Act of 2001 (Continued)

Our examination of the E.S.E.A. 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 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 with the Special Revenue section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

TPAF 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 60 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

Effective July 1, 2010 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-3 (as amended) and 18A:39-3 are \$26,000 and \$18,300 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 \$36,000. 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 Business Administrator as the qualified purchasing agent for the District.

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.

**CARLSTADT BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

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 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 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 provision which guarantees that the food service program will return a profit of at least \$32,000. 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.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all school food services employees authorized by the board of education.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served did not exceed the number of valid applications on files, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy is uniformly administered throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review.

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.

**CARLSTADT BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Food Service Fund (Continued)

Net cash resources did not exceed three months average expenditures.

Reimbursement claims were submitted/certified in a timely manner.

Finding – Our audit of the meal reimbursements revealed the number of meals claimed for lunch and breakfast in the month of October 2014 exceeded the amounts reported on the edit check worksheet.

Recommendation – Prior to submitting reimbursement claims, the amounts to be reported should be verified to the meal count activity records and edit check worksheets.

Exhibits reflecting Child Nutrition Program operations are included in the section of the CAFR entitled Enterprise Funds as Exhibits B-4, B-5 and B-6.

The New Jersey State Department of Agriculture, Bureau of Child Nutrition, conducted a Coordinated Review Effort (CRE) administrative review of the National School Lunch Program on March 30 and March 31, 2015. An administrative review was received from the Department of Agriculture which cited certain performance standard violations involving meal access and reimbursement. The District has prepared and submitted a corrective action plan in response to this CRE administrative review. The Department of Agriculture has received and approved the corrective action plan.

Student Body Activities

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

The financial records of the student body activity funds were maintained in good condition.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2014 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, 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 an isolated exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2014-15 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audit 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. No exceptions were noted in our review of transportation related purchases of goods and services.

**CARLSTADT BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Follow Up On Prior Year Findings

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

Suggestions to Management

- A formal Board policy be developed regarding the use of store procurement cards.
- A resolution (or memo) should be presented for adoption at a board of education meeting to recognize the fact the audited legal costs exceeded 130% of the audit statewide average as published in the Taxpayer Guide to Education Spending and to report the control measures that will be implemented to reduce such costs, as appropriate.

**CARLSTADT 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, 2015**

NOT APPLICABLE

**FOOD SERVICE FUND
SCHEDULE OF NET CASH RESOURCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOT APPLICABLE

**CARLSTADT BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
SCHEDULE OF AUDITED ENROLLMENTS
OCTOBER 15, 2014**

	2015-16 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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool - 3 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Preschool - 4 years	19	-	19	-	-	-	19	-	19	-	-	-	-	-	-	-	-
Full Day Preschool - 4 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	44	-	44	-	-	-	44	-	44	-	-	-	-	-	-	-	-
1st Grade	67	-	67	-	-	-	67	-	67	-	-	-	-	-	-	-	-
2nd Grade	50	-	50	-	-	-	50	-	50	-	-	-	-	-	-	-	-
3rd Grade	50	-	50	-	-	-	50	-	50	-	-	-	-	-	-	-	-
4th Grade	62	-	62	-	-	-	62	-	62	-	-	-	-	-	-	-	-
5th Grade	46	-	46	-	-	-	46	-	46	-	-	-	-	-	-	-	-
6th Grade	52	-	52	-	-	-	52	-	52	-	-	-	-	-	-	-	-
7th Grade	64	-	64	-	-	-	64	-	64	-	-	-	-	-	-	-	-
8th Grade	47	-	47	-	-	-	47	-	47	-	-	-	-	-	-	-	-
9th Grade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10th Grade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11th Grade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12th Grade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	501	-	501	-	-	-	501	-	501	-	-	-	-	-	-	-	-
Spec Ed - Elementary	36	-	36	-	-	-	36	-	36	-	-	-	1	1	1	-	-
Spec Ed - Middle School	33	-	33	-	-	-	33	-	33	-	-	-	-	-	-	-	-
Spec Ed - High School	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	69	-	69	-	-	-	69	-	69	-	-	-	1	1	1	-	-
Totals	570	-	570	-	-	-	570	-	570	-	-	-	1	1	1	-	-
Percentage Error					<u>0.00%</u>	<u>0.00%</u>							<u>0.00%</u>	<u>0.00%</u>			<u>0.00%</u>

**CARLSTADT BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
SCHEDULE OF AUDITED ENROLLMENTS
OCTOBER 15, 2014**

	<u>Low Income</u>			<u>Sample for Verification</u>			<u>LEP Low Income</u>			<u>Sample for Verification</u>			
	<u>Reported on</u>	<u>Reported on</u>	<u>Errors</u>	<u>Sample</u>	<u>Verified to</u>	<u>Sample</u>	<u>Reported on</u>	<u>Reported on</u>	<u>Errors</u>	<u>Sample</u>	<u>Verified to</u>	<u>Sample</u>	
	<u>A.S.S.A as</u>	<u>Workpapers as</u>					<u>A.S.S.A as</u>	<u>Workpapers as</u>					<u>Selected from</u>
<u>Low</u>	<u>Low</u>		<u>Workpapers</u>	<u>and Register</u>	<u>Errors</u>	<u>Low</u>	<u>Low</u>		<u>Workpapers</u>	<u>and Register</u>	<u>Errors</u>	<u>Errors</u>	
	<u>Income</u>	<u>Income</u>		<u>Workpapers</u>	<u>and Register</u>	<u>Errors</u>	<u>Income</u>	<u>Income</u>		<u>Workpapers</u>	<u>and Register</u>	<u>Errors</u>	<u>Errors</u>
Half Day Preschool (3 Yrs)	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool (3 Yrs)	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Preschool (4 Yrs)	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool (4 Yrs)	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	7	7	-	2	2	-	1	1	-	1	1	-	-
1st Grade	27	27	-	8	7	1	6	6	-	5	5	-	-
2nd Grade	16	16	-	4	4	-	3	3	-	2	2	-	-
3rd Grade	23	23	-	6	6	-	1	1	-	1	1	-	-
4th Grade	18	18	-	5	5	-	-	-	-	-	-	-	-
5th Grade	16	16	-	4	4	-	-	-	-	-	-	-	-
6th Grade	23	23	-	6	6	-	1	1	-	1	1	-	-
7th Grade	18	18	-	5	5	-	-	-	-	-	-	-	-
8th Grade	18	18	-	5	5	-	-	-	-	-	-	-	-
9th Grade	-	-	-	-	-	-	-	-	-	-	-	-	-
10th Grade	-	-	-	-	-	-	-	-	-	-	-	-	-
11th Grade	-	-	-	-	-	-	-	-	-	-	-	-	-
12th Grade	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>166</u>	<u>166</u>	<u>-</u>	<u>45</u>	<u>44</u>	<u>1</u>	<u>12</u>	<u>12</u>	<u>-</u>	<u>10</u>	<u>10</u>	<u>-</u>	<u>-</u>
Spec Ed - Elementary	23	23	-	5	5	-	2	2	-	2	2	-	-
Spec Ed - Middle School	10	10	-	3	3	-	-	-	-	-	-	-	-
Spec Ed - High School	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>33</u>	<u>33</u>	<u>-</u>	<u>8</u>	<u>8</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>	<u>-</u>
Totals	<u>199</u>	<u>199</u>	<u>-</u>	<u>53</u>	<u>52</u>	<u>1</u>	<u>14</u>	<u>14</u>	<u>-</u>	<u>12</u>	<u>12</u>	<u>-</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>1.89%</u>			<u>0.00%</u>			<u>0.00%</u>	

	<u>Transportation</u>					
	<u>Reported on</u>	<u>Reported on</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>
	<u>DRTRS by</u>	<u>DRTRS by</u>				
<u>DOE</u>	<u>District</u>					
Regular - Public Schools	7	7	-	6	6	-
Transported - Non-Public	-	-	-	-	-	-
Regular - Spec.	1	1	-	1	1	-
Special Needs - Public	10	10	-	8	8	-
Totals	<u>18</u>	<u>18</u>	<u>-</u>	<u>15</u>	<u>15</u>	<u>-</u>
			<u>0.00%</u>			<u>0.00%</u>

**CARLSTADT BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
SCHEDULE OF AUDITED ENROLLMENTS
OCTOBER 15, 2014**

	LEP Not 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 Register	Sample Errors
Half Day Preschool (3 Yrs)	-	-	-	-	-	-
Full Day Preschool (3 Yrs)	-	-	-	-	-	-
Half Day Preschool (4 Yrs)	-	-	-	-	-	-
Full Day Preschool (4 Yrs)	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	4	4	-	3	3	-
1st Grade	5	5	-	4	4	-
2nd Grade	3	3	-	3	3	-
3rd Grade	2	2	-	2	2	-
4th Grade	1	1	-	1	1	-
5th Grade	-	-	-	-	-	-
6th Grade	1	1	-	1	1	-
7th Grade	-	-	-	-	-	-
8th Grade	-	-	-	-	-	-
9th Grade	-	-	-	-	-	-
10th Grade	-	-	-	-	-	-
11th Grade	-	-	-	-	-	-
12th Grade	-	-	-	-	-	-
Subtotal	16	16	-	14	14	-
Spec Ed - Elementary	1	1	-	1	1	-
Spec Ed - Middle School	-	-	-	-	-	-
Spec Ed - High School	-	-	-	-	-	-
Subtotal	1	1	-	1	1	-
Totals	17	17	-	15	15	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**CARLSTADT BOARD OF EDUCATION
CALCULATION OF EXCESS SUPLUS
FOR THE YEAR ENDED JUNE 30, 2015**

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

2014-2015 Total General Fund Expenditures per the CAFR	\$ 10,533,554
Decreased by:	
On-Behalf TPAF Pension & Social Security	949,631
Adjusted 2014-2015 General Fund Expenditures	<u>\$ 9,583,923</u>
2% of Adjusted 2014-2015 General Fund Expenditures	<u>\$ 191,678</u>
Enter Greater of 2% of Adjusted 2014-2015 General Fund Expenditures or \$250,000	\$ 250,000
Increased by: Allowable Adjustments-Extraordinary Aid	<u>114,067</u>
Maximum Unassigned Fund Balance	<u>\$ 364,067</u>

SECTION 2

Total General Fund - Fund Balance at June 30, 2015 (Per CAFR Budgetary Comparison Schedule/Statement)	\$ 2,418,583
Decreased by:	
Year End Encumbrances	\$ 56,926
Restricted Fund Balance - Excess Surplus-Designated for Subsequent Year's Expenditures	344,865
Restricted Fund Balance - Capital Reserve	672,385
Restricted Fund Balance - Maintenance Reserve	<u>635,475</u>
Total Unassigned Fund Balance	<u>\$ 708,932</u>

SECTION 3

Restricted Fund Balance - Excess Surplus	<u>\$ 344,865</u>
<u>Recapitulation of Excess Surplus as of June 30, 2015</u>	
Excess Surplus-Designated for Subsequent Year's Expenditures	\$ 344,865
Excess Surplus	<u>344,865</u>
Total Excess Surplus	<u>\$ 689,730</u>

**CARLSTADT BOARD OF EDUCATION
RECOMMENDATIONS**

I. Administration Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. Employee payroll withholdings for tax shelter annuities be remitted sequentially and in a timely manner.
2. Payments for cleaning services and internet services be properly classified in accordance with The Uniform Minimum Chart of Accounts for New Jersey Public Schools.

III. School Purchasing Program

There are none.

IV. School Food Service

It is recommended that prior to submitting reimbursement claims, the amounts to be reported should be verified to the meal count activity records and edit check worksheets.

V. Student Body Activities

There are none.

VI. Application for State School Aid

There are none.

VII. Pupil Transportation

There are none.

VIII. Status of Prior Years' Audit Findings/Recommendations

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

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



Donna L. Japhet
Public School Accountant
Certified Public Accountant