

**ELMWOOD PARK BOARD OF EDUCATION
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2015**

**ELMWOOD PARK BOARD OF EDUCATION
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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LERCH, VINCI & HIGGINS, LLP

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Honorable President and Members
of the Board of Trustees
Elmwood Park Board of Education
Elmwood Park, 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 Elmwood Park Board of Education, County of Bergen, State of New Jersey as of and for the fiscal year ended June 30, 2015, and have issued our report thereon dated December 14, 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 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.

Lerch, Vinci & Higgins, LLP

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

Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
December 14, 2015

**ELMWOOD PARK 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 and Treasurer of School Monies, 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, Schedule of Insurance contained in the district's Comprehensive Annual Financial Report ("CAFR").

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
John DiPaola	Business Administrator/ Board Secretary	\$250,000
Joanne M. Wilson	Treasurer of School Monies	250,000

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, certifications and proper itemization.

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/Business Administrator and the Chief School Administrator.

Salary withholdings were promptly remitted to the District's payroll service provider for submission to the proper agencies, including health benefit withholdings due to the General Fund.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2(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 N.J.A.C. 6A:23-8.2. As a result of the procedures performed, no additional testing was deemed necessary to test the propriety of expenditure classifications.

**ELMWOOD PARK 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 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 (CAFR Finding 2015-001)**– We noted certain liabilities and encumbrances which were unrecorded by the District at June 30, 2015 in the Capital Projects Fund. We also noted certain purchase orders at year end which were recorded as accounts payable but were determined to be invalid in the Special Revenue Fund.

Recommendation – Internal control procedures be reviewed and enhanced to ensure purchase orders are issued and encumbered when contracts are awarded in the Capital Projects Fund. In addition, procedures be implemented to ensure accounts payable in the Special Revenue Fund are reviewed at year end for validity.

Board Secretary's Records

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

- **Finding** – Our audit of travel expense reimbursements revealed post travel reports were not on file in all instances as required.

Recommendation – Internal controls be reviewed and revised to ensure post travel reports are filed in accordance with Board policy.

The prescribed contractual order system was followed.

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

Treasurer's Records

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

The Treasurer's cash balances were in agreement with the reconciled cash balance as determined during the audit.

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

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

- **Finding (CAFR Finding 2015-002)** – We noted certain purchase orders at year end which were recorded as accounts payable but were determined to be invalid in the NCLB Title I grant program.

Recommendation – As previously recommended above, procedures be implemented to ensure accounts payable in the Special Revenue Fund are reviewed at year end for validity.

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

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, except as previously noted, 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.

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 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-2 and 18A:39-3(A) are \$36,000 (with a Qualified Purchasing Agent) and \$26,000 (without a Qualified Purchasing Agent), respectively. The law regulates bidding for public school student transportation contracts under NJSA 18A:39-3 which is \$18,300 for 2014-2015.

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 and has approved by Board resolution a bid threshold of \$36,000.

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.

**ELMWOOD PARK 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 did not indicate any 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 that purchases were made through the use of state contracts.

School Food Service

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.

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 file, times the number of operating days, on a school by school basis. The free and reduced price meal 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 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 have a profit. The operating results provision has been met.

Cash receipts and bank records were reviewed for timely deposit.

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 Districts deposited program monies and made expenditures in accordance with N.J.S.A. 18A:17-34. 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.

U.S.D.A. commodities were received and a separate inventory was maintained on a first-in, first-out basis.

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

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

Student Body Activities

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

All cash disbursements tested had proper supporting documentation.

- **Finding** – We noted receipts collected were not deposited timely in the student activity account.

Recommendation – Deposits be made in a timely manner in the student activity account.

CARE Program

Separate revenue and expense records and billing journals were maintained for the before and after CARE program.

- **Finding** – Our audit of the CARE program revenues revealed the following:

- Old receivable balances should be reviewed and cleared of record.
- Late fees were not assessed as required by program policy.
- Participants covered under Office for Children (OFC) are not paying their portion of the fees not funded by OFC.

The Care Program discontinued operations at the close of the 2014-2015 school year, therefore no recommendation is warranted.

Summer Session Program

Separate revenue and expense records and billing journals were maintained for the summer session program.

- **Finding** – Our audit of the Summer Session program revenues revealed the following:

- Program rates were not approved by the Board.
- Pre-numbered receipts are not issued for money collected. We were unable to verify the deposit of certain amounts received.
- Payment plans offered to certain students did not appear to be approved nor were payment schedules available.
- Discounted program fees were provided to certain students who did not meet the eligibility guidelines.

Recommendation – Internal controls over the Summer Session program revenue collection and accounting system be reviewed and revised to ensure program fees are approved and properly accounted for and documented by the District.

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

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2014 Application for State School Aid (ASSA) for on-roll, private schools for the disabled, 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 with exceptions noted. The information that was included on the workpapers was verified with exceptions noted. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District did maintain workpapers on the prescribed state forms or their equivalent for all reporting categories.

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

- **Finding (CAFR Finding 2015-003)** – Our review of the ASSA, workpapers, and class registers revealed the following:
 - Several offsetting discrepancies were noted in on-roll enrollment categories between the number of students reported as full-time and shared time on the ASSA and the District workpapers. Total net difference was one (1) student.
 - The District did not provide an IEP for certain students that was in effect on October 15, 2014 in twenty (20) instances.
 - Low income applications were not on file for ten (10) students tested.

Recommendation – Internal control procedures be strengthened over the reporting of information on the Application for State School Aid (ASSA) to ensure the District workpapers and supporting documentation are in agreement with student counts reported on the ASSA.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2014-2015 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with immaterial exceptions noted. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

The District had no SDA grant projects during the current year.

Follow-up Prior Year Findings

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

Suggestions to Management

**ELMWOOD PARK BOARD OF EDUCATION
 FOOD SERVICE FUND
 NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
 ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

SCHEDULE OF MEAL COUNT ACTIVITY

<u>Program</u>	<u>Meals/Milks Category</u>	<u>Meals/Milks Claimed</u>	<u>Meals/Milks Tested</u>	<u>Meals/Milks Verified</u>	<u>Difference</u>
National School Lunch (Regular Rate)	Paid	79,579	39,989	39,989	
	Reduced	31,987	15,876	15,876	
	Free	<u>103,272</u>	<u>52,500</u>	<u>52,500</u>	-
	Total Lunch	<u>214,838</u>	<u>108,365</u>	<u>108,365</u>	-
School Breakfast (Severe Needs)	Paid	11,098	2,142	2,142	
	Reduced	4,447	766	766	
	Free	<u>16,313</u>	<u>7,916</u>	<u>7,916</u>	-
	Total Breakfast	<u>31,858</u>	<u>10,824</u>	<u>10,824</u>	-
TOTAL		<u>246,696</u>	<u>119,189</u>	<u>119,189</u>	-

**ELMWOOD PARK BOARD OF EDUCATION
A.S.S.A.
SCHEDULE OF AUDITED ENROLLMENTS
10/15/2014**

	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool - 4 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	162	-	163	-	(1)	-	163	-	163	-	-	-	-	-	-	-
1st Grade	196	-	196	-	-	-	196	-	195	-	1	-	-	-	-	-
2nd Grade	216	-	219	-	(3)	-	219	-	219	-	-	-	-	-	-	-
3rd Grade	170	-	173	-	(3)	-	173	-	172	-	1	-	-	-	-	-
4th Grade	173	-	173	-	-	-	173	-	173	-	-	-	-	-	-	-
5th Grade	167	-	170	-	(3)	-	170	-	167	-	3	-	-	-	-	-
6th Grade	144	-	144	-	-	-	144	-	141	-	3	-	-	-	-	-
7th Grade	163	-	167	-	(4)	-	167	-	163	-	4	-	-	-	-	-
8th Grade	138	-	137	-	1	-	137	-	135	-	2	-	-	-	-	-
9th Grade	172	4	172	4	-	-	172	4	171	4	1	-	-	-	-	-
10th Grade	136	1	136	1	-	-	136	1	136	1	-	-	-	-	-	-
11th Grade	149	4	150	4	(1)	-	150	4	148	4	2	-	-	-	-	-
12th Grade	156	3	157	3	(1)	-	157	3	158	3	(1)	-	-	-	-	-
Subtotal	2,142	12	2,157	12	(15)	-	2,157	12	2,141	12	16	-	-	-	-	-
Spec Ed - Elementary	151	27	170	-	(19)	27	25	-	15	-	10	-	15	13	11	2
Spec Ed - Middle School	107	-	104	-	3	-	19	-	15	-	4	-	10	9	7	2
Spec Ed - High School	99	7	96	7	3	-	17	-	11	-	6	-	11	9	7	2
Subtotal	357	34	370	7	(13)	27	61	-	41	-	20	-	36	31	25	6
Totals	2,499	46	2,527	19	(28)	27	2,218	12	2,182	12	36	-	36	31	25	6
Percentage Error					-1.12%	58.70%					1.62%	0.00%				19.35%

ELMWOOD PARK BOARD OF EDUCATION
A.S.S.A.
SCHEDULE OF AUDITED ENROLLMENTS
10/15/2014

	Low Income			Sample for Verification			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 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
Half Day Preschool (3 years)	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool (3 years)	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Preschool (4 years)	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool (4 years)	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	59	60	(1)	4	3	1	3	2	1	1	1	-
1st Grade	83	83	-	5	4	1	7	8	(1)	4	1	3
2nd Grade	98	98	-	5	5	-	5	6	(1)	3	3	-
3rd Grade	74	75	(1)	5	4	1	3	1	2	1	1	-
4th Grade	80	79	1	4	3	1	1	2	(1)	1	1	-
5th Grade	88	89	(1)	4	4	-	-	2	(2)	1	1	-
6th Grade	74	74	-	3	3	-	1	3	(2)	2	2	-
7th Grade	77	83	(6)	4	3	1	3	4	(1)	3	2	1
8th Grade	67	67	-	3	3	-	4	5	(1)	3	3	-
9th Grade	94	94	-	4	4	-	4	5	(1)	3	2	1
10th Grade	55	55	-	5	5	-	2	4	(2)	2	1	1
11th Grade	71	72	(1)	3	2	1	2	3	(1)	1	1	-
12th Grade	72	71	1	4	4	-	1	2	(1)	1	1	-
Subtotal	992	1,000	(8)	53	47	6	36	47	(11)	26	20	6
Spec Ed - Elementary	98	92	6	7	6	1	-	-	-	-	-	-
Spec Ed - Middle School	70	63	7	5	4	1	-	1	(1)	-	-	-
Spec Ed - High School	58	58	-	4	3	1	-	-	-	-	-	-
Subtotal	226	213	13	16	13	3	-	1	(1)	-	-	-
Totals	1,218	1,213	5	69	60	9	36	48	(12)	26	20	6
Percentage Error			<u>0.41%</u>			<u>13.04%</u>			<u>-33.33%</u>			<u>23.08%</u>

	Transportation			Tested	Verified	Errors
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors			
Regular - Public Schools	86	86	-	12	12	-
Transported - Non-Public	91	91	-	14	14	-
Regular - Spec.	23	23	-	4	1	3
Special Needs - Public	127	127	-	19	12	7
Totals	327	327	-	49	39	10
			<u>0.00%</u>			<u>20.41%</u>

**ELMWOOD PARK BOARD OF EDUCATION
A.S.S.A.
SCHEDULE OF AUDITED ENROLLMENTS
10/15/2014**

	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 years)	-	-	-	-	-
Full Day Preschool (3 years)	-	-	-	-	-	-
Half Day Preschool (4 years)	-	-	-	-	-	-
Full Day Preschool (4 years)	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	7	2	5	2	2	-
1st Grade	6	10	(4)	6	6	-
2nd Grade	6	8	(2)	6	6	-
3rd Grade	4	5	(1)	5	4	1
4th Grade	-	-	-	-	-	-
5th Grade	4	3	1	3	3	-
6th Grade	2	2	-	2	-	2
7th Grade	-	-	-	-	-	-
8th Grade	3	2	1	2	2	-
9th Grade	2	1	1	1	1	-
10th Grade	-	-	-	-	-	-
11th Grade	2	1	1	1	1	-
12th Grade	3	3	-	3	3	-
Subtotal	<u>39</u>	<u>37</u>	<u>2</u>	<u>31</u>	<u>28</u>	<u>3</u>
Spec Ed - Elementary	-	-	-	-	-	-
Spec Ed - Middle School	-	-	-	-	2	(2)
Spec Ed - High School	1	1	-	1	1	-
Subtotal	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>3</u>	<u>(2)</u>
Totals	<u>40</u>	<u>38</u>	<u>2</u>	<u>32</u>	<u>31</u>	<u>1</u>
Percentage Error			<u>5.00%</u>			<u>3.13%</u>

**ELMWOOD PARK BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

SECTION 1A

2014-2015 Total General Fund Expenditures per the CAFR	\$	37,722,643
Increased by:		
Transfer Out - Summer Session Enterprise Fund		11,436
Decreased by:		
On-Behalf TPAF Pension & Social Security		(2,490,731)
Assets and Supplies Acquired Under Capital Leases		<u>(556,855)</u>
Adjusted 2014-2015 General Fund Expenditures	\$	<u>34,686,493</u>
1.5% of Adjusted 2014-2015 General Fund Expenditures	\$	<u>520,297</u>
Enter Greater of 1.5% of Adjusted 2014-2015 General Fund Expenditures or \$250,000	\$	520,297
Increased by: Allowable Adjustments		<u>145,921</u>
Maximum Unassigned Fund Balance	\$	<u>666,218</u>

SECTION 2

Total General Fund - Fund Balance at June 30, 2015 (Per CAFR Budgetary Comparison Schedule/Statement)	\$	3,769,820
Decreased by:		
Year End Encumbrances	\$	29,600
Capital Reserve		2,978,656
Maintenance Reserve		94,570
Other Reserved Fund Balances - State Aid Loan Repayments		<u>776</u>
		<u>3,103,602</u>
Total Unassigned Fund Balance	\$	<u>666,218</u>

SECTION 3

Restricted Fund Balance - Reserved Excess Surplus	\$	<u>-</u>
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Recapitulation of Excess Surplus as of June 30, 2015

Reserved Excess Surplus		-
Reserved Excess Surplus - Designated for Subsequent Year Expenditures		<u>-</u>
Total Reserved Excess Surplus	\$	<u>-</u>

Detail of Allowable Adjustments

Extraordinary Aid (Excess of Budget)	\$	121,945
Non Public Transportation Aid		<u>23,976</u>
	\$	<u>145,921</u>

**ELMWOOD PARK BOARD OF EDUCATION
RECOMMENDATIONS**

I. Administration Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

- * 1. Internal control procedures be reviewed and enhanced to ensure purchase orders are issued and encumbered when contracts are awarded in the Capital Projects Fund. In addition, procedures be implemented to ensure accounts payable in the Special Revenue Fund are reviewed at year end for validity.
- * 2. Internal controls be reviewed and revised to ensure post travel expense reports are filed in accordance with Board policy.

III. School Purchasing Program

There are none.

IV. School Food Service

There are none.

V. Student Body Activities

It is recommended that deposits be made in a timely manner in the student activity account.

VI. Summer Session Program

- * It is recommended that internal controls over the Summer Session program revenue collection and accounting system be reviewed and revised to ensure program fees are approved and properly accounted for and documented by the District.

VII. Application for State School Aid

It is recommended that internal control procedures be strengthened over the reporting of information on the Application for State School Aid (ASSA) to ensure District workpapers and supporting documentation are in agreement with the student counts reported on the ASSA.

VIII. Pupil Transportation

There are none.

**ELMWOOD PARK BOARD OF EDUCATION
RECOMMENDATIONS**

IX. Miscellaneous

There are none.

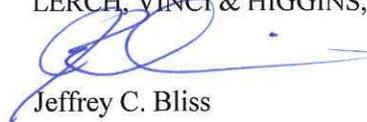
X. Status of Prior Years' Audit Findings/Recommendations

A review was performed on all prior years' recommendations and corrective action was taken on all, except those recommendations 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



Jeffrey C. Bliss
Public School Accountant
Certified Public Accountant