



**RIDGEWOOD BOARD OF EDUCATION  
RIDGEWOOD, NEW JERSEY**

**MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS –  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

**JUNE 30, 2015**



RIDGEWOOD BOARD OF EDUCATION

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

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**INDEPENDENT AUDITORS' REPORT**

Honorable President and Members  
of the Ridgewood Board of Education  
County of Bergen, New Jersey

We have audited, in accordance with generally accepted audit standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Ridgewood Board of Education, County of Bergen for the year ended June 30, 2015, and have issued our report thereon dated December 18, 2015.

As part of our audit, we performed procedures required by the New Jersey Department of Education, 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 the Ridgewood Board of Education's management and Board Members and the New Jersey Department of Education and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



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**RIDGEWOOD BOARD OF EDUCATION**

**MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS –  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the 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, Insurance Schedule contained in the District’s CAFR.

Official Bonds (N.J.S.A.18A:17-26, 18A:17-32, 18A:13-13)

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Stephen P. Sanzari	Treasurer of School Monies	\$ 500,000
Alfredo Aguilar	Board Secretary/School Business Administrator	500,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The District made a proper adjustment to the billings to sending Districts for the increase (decrease) in per pupil costs in accordance with *N.J.A.C. 6A:23A-17.1(f)3*, which is performed as part of the District’s annual budget process. No exceptions were noted.

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

An examination of claims paid during the period did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

**Payroll Account and Position Control Roster**

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 and the Board Secretary/Business Administrator.

## RIDGEWOOD BOARD OF EDUCATION

### MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE

Salary withholdings were promptly remitted to the proper agencies, including health benefit premium amounts withheld due to the general fund.

Payrolls were delivered to the treasurer of school moneys with a warrant made to his order for the full amount of each payroll.

Our review of the payroll accounts did not reveal any exceptions.

A review of the Position Control Roster found it to be consistent with payroll records, employee benefit records (e.g. pension reports and health benefit coverage reports) and the general ledger accounts to where wages are posted (administrative versus instruction).

#### **Reserve for Encumbrances and Accounts Payable**

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable. Our review did not reveal any exceptions.

#### **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, we also selected a sample of 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, a transaction error rate of 0% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

#### **Board Secretary's Records**

Our review of the financial and accounting records maintained by the Board Secretary identified the following exceptions:

##### **Material Weakness in Internal Control**

###### *Criteria:*

A properly functioning financial statement close process provides an adequate internal control system to ensure that appropriate month and year-end internal controls are in place to ensure that financial statements produced are produced on a timely basis and are materially accurate.

###### *Condition:*

The District's business office personnel perform certain financial statement close process procedures on a monthly basis and at year end which include the posting of journal entries and other various accruals and reconciliations. We noted instances where those procedures did not prevent or detect and correct material misstatements on a timely basis. However, the effect of the material misstatements did not have an impact on fund balance or net position.

## RIDGEWOOD BOARD OF EDUCATION

### MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE

#### *Context:*

While conducting our audit, we noted certain general ledger account balances were not supported by a detailed analysis.

The following are specific items that warrant consideration related to the financial statement close process:

- The subsequent posting of journal entries caused the previously reconciled cash balance to differ from the unadjusted bank reconciliation and Treasurer's report, which were not subsequently updated to reflect the impact of the journal entries.
- The District was unable to provide a detailed analysis of the composition of State accounts receivable and local accounts receivable. Certain revenues were appropriated in one of the aforementioned accounts, but the subsequent receipt of cash was not posted against the same account.

#### *Cause and Effect:*

An appropriately designed financial statement close process system reduces the risk of errors in the financial statements. Consequently, material audit adjustments were necessary to convert the unadjusted general ledger to the amounts presented in the audited financial statements. Significant turnover within the Business Office contributed to the challenge of reconciling the general ledger. Further, the District accounting system's failure to provide accurate end of period reports played a pivotal part in delaying appropriate analysis that would have led to opportunities for District staff to make timely corrective adjusting entries.

#### *Recommendation:*

We suggest the District strengthen the controls surrounding the reconciliation procedures of the District's trial balance accounts to ensure all accounts are in agreement with supporting documentation. We did note that the District already added specific steps to its financial statement close process to address this situation.

#### *Finding:*

The District is not maximizing its efforts under the Special Education Medicaid Initiative (SEMI) Program for obtaining federal funding for special education services. In accordance with *N.J.A.C. 6A:23A-5.3* every school district shall take appropriate steps to maximize its revenue from the Special Education Medicaid Initiative (SEMI) Program. "Maximum participation" is defined as obtaining a 90 percent return rate of parental consent forms for all SEMI eligible students. During our audit of the District's SEMI program, we noted that the District did not achieve maximum participation in the program. The District did, however, apply and receive a SEMI waiver for the 2015-16 school year. Consequently, we will not include a recommendation to this finding as it has already been resolved for next year.

#### *Finding:*

During our test of the District's purchasing process, we noted three out of twenty-five items tested where the invoice date preceded the purchase order date, thus evidencing the fact that the item was not properly encumbered.

## RIDGEWOOD BOARD OF EDUCATION

### MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE

*Recommendation:*

We suggest the District strengthen controls to ensure the purchasing process is properly adhered to.

*Finding:*

Expenditures exceeded appropriations in the following budgetary accounts in the General Fund:

- Undistributed expenditures – Speech, OT, PT & related services – purchased professional – educational services - \$18,805
- Undistributed expenditures – operation and maintenance of plant services – other purchased property services - \$57,451

*Recommendation:*

The District should ensure that transfers are made on a monthly basis to cover any budgetary account lines that are in a deficit balance.

*Finding:*

The District exceeded the established maximum school district travel expenditure amount of \$110,250.

*Recommendation:*

The District should strengthen its internal controls to ensure the approved travel maximum amount as required by *N.J.A.C. 6A:23A-7.1* is not exceeded.

#### **Treasurer's Records**

Our review of the financial and accounting records maintained by the Treasurer did not disclose any exceptions.

#### **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 with exceptions as identified on the accompanying schedule of audited enrollments. 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. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

## RIDGEWOOD BOARD OF EDUCATION

### MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE

#### **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 Section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. indicated no instances of noncompliance and/or questionable costs.

#### **Other Special Federal and/or State Projects**

The District's special projects were approved as listed on Schedules A (K-3) and B (K-4) located in the CAFR.

Our audit of the federal and state funds on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

The study of compliance for the special projects indicated no instances of noncompliance that are required to be reported in accordance with OMB Circular A-133 or NJ OMB 15-08.

#### **T.P.A.F. Reimbursement**

Our audit procedures included a test of the biweekly 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.

#### **T.P.A.F. Reimbursement to the State for Federal Salary Expenditures**

The reimbursement to the State for 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 subsequent to the end of the 60 day grant liquidation period, but prior to the 90 days required by N.J.S.A. 18A:66-90. Accordingly, the expenditure was made in accordance with State law (90 days) and properly reported as obligated and not expended and as an unliquidated balance in the current year's Final Report for all federal awards.

#### **Non-Public State Aid**

Our review of the Nonpublic State Aid completion reports disclosed no exceptions.

## RIDGEWOOD BOARD OF EDUCATION

### MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE

#### **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 regulating bidding for public school transportation contracts under *N.J.S.A. 18A:39-3* is currently \$18,300 for 2014-15.

The District Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

Procedures were performed on a test basis, to indicate if any 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*, amended.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per *N.J.S.A. 18A:18A-5*.

No exceptions were noted.

#### **School Food Service**

The financial transactions and statistical records of the school food service fund were reviewed and appear to be maintained in satisfactory condition. The financial accounts and eligibility applications were reviewed on a test-check basis, with no exceptions identified in the A.S.S.A. section of this report.

Cash receipts and bank records were reviewed on a test basis for timely deposit, without exception.

The District's food service management company (FSMC) deposited and expended program moneys 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 generate a profit of at least \$10,000. The operating results provision has been met.

## RIDGEWOOD BOARD OF EDUCATION

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Expenses were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified on a test check basis. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used. No exceptions were noted.

The cash disbursements records reflected expenses for program related goods and services. The appropriate revenue and expense records were maintained in order to substantiate the non-profit status of the school food service.

Net cash resources did not exceed three months average expenses.

Time sheets were reviewed and labor costs verified on a test basis. Payroll records were maintained on all School Food Service employees by Pomptonian. No exceptions were noted.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

Applications for free and reduced price meals were reviewed for completeness and accuracy and no exceptions noted. The number of free and reduced price meals claimed as served was compared to the number of valid applications and/or the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. There were no sites participating in Provisions I or II. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions were noted.

USDA Food Distribution Program commodities were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section B of the CAFR.

#### **Student Body Activities**

During our review of the student activity funds, the following items were noted:

#### *Finding:*

Our audit revealed that one 1099 tax form was not issued to a non-incorporated vendor who was paid in excess of \$600 during the year.

## RIDGEWOOD BOARD OF EDUCATION

### MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE

#### *Recommendation:*

We recommend that all non-incorporated vendors paid in excess of \$600 annually be issued a tax form 1099.

#### **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 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 with exceptions as presented in the Schedule of Audited Enrollments.

The information that was included on the workpapers was verified with no exceptions noted as presented in the Schedule of Audited Enrollments. 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.

#### **Facilities and Capital Assets**

Our procedures included a review of the New Jersey Schools Development Authority (“NJSDA”) grant agreements for consistency with recording NJSDA revenue, transfers of local funds from the general fund or from the capital reserve account, and awarding contracts for eligible facilities construction. We noted no exceptions.

#### **Follow-up on Prior Year Findings**

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations including findings. Corrective action had been taken on all prior year findings with the exception of the following, which are repeated in this year’s recommendations.

- We suggest the District strengthen controls to ensure the purchasing process is properly adhered to.

There were no Office of Fiscal Accountability and Compliance (“OFAC”) audit reports issued during the 2014-15 fiscal year.

#### **Acknowledgment**

We received the complete cooperation of all the officials of the School District and we greatly appreciate the courtesies extended to the members of the audit team.

RIDGEWOOD BOARD OF EDUCATION  
 SCHEDULE OF AUDITED ENROLLMENTS  
 APPLICATION FOR STATE SCHOOL AID SUMMARY  
 ENROLLMENT AS OF OCTOBER 15, 2014

	2015-2016 Application for State School Aid (10/15/14 data)						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 Verification	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	330	-	330	-	-	-	53	-	53	-	-	-	-	-	-	-	-
Full Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
One	363	-	363	-	-	-	46	-	46	-	-	-	-	-	-	-	-
Two	379	-	379	-	-	-	57	-	57	-	-	-	-	-	-	-	-
Three	379	-	379	-	-	-	76	-	76	-	-	-	-	-	-	-	-
Four	397	-	397	-	-	-	49	-	49	-	-	-	-	-	-	-	-
Five	416	-	416	-	-	-	80	-	80	-	-	-	-	-	-	-	-
Six	373	-	373	-	-	-	199	-	199	-	-	-	-	-	-	-	-
Seven	408	-	408	-	-	-	216	-	216	-	-	-	-	-	-	-	-
Eight	399	-	399	-	-	-	212	-	212	-	-	-	-	-	-	-	-
Nine	367	-	367	-	-	-	367	-	367	-	-	-	-	-	-	-	-
Ten	361	-	361	-	-	-	361	-	361	-	-	-	-	-	-	-	-
Eleven	363	-	363	-	-	-	363	-	363	-	-	-	-	-	-	-	-
Twelve	381	-	381	-	-	-	381	-	381	-	-	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15 + CR)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	4,916	-	4,916	-	-	-	2,460	-	2,460	-	-	-	-	-	-	-	-
Special Education Elementary	308	-	306	-	2	-	21	-	21	-	-	-	31	22	22	-	-
Special Education Middle School	209	2	211	2	(2)	-	110	2	110	2	-	-	11	22	22	-	-
Special Education High School	241	-	241	-	-	-	241	-	241	-	-	-	27	9	9	-	-
Subtotal	758	2	758	2	-	-	372	2	372	2	-	-	69	53	53	-	-
County Vocational - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
County Vocational - First Post Secondary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	5,674	2	5,674	2	-	-	2,832	2	2,832	2	-	-	69	53	53	-	-
Percentage Error					0.0%	0.0%					0.0%	0.0%					0.0%

**RIDGEWOOD BOARD OF EDUCATION**  
**SCHEDULE OF AUDITED ENROLLMENTS**  
**APPLICATION FOR STATE SCHOOL AID SUMMARY (continued)**  
**ENROLLMENT AS OF OCTOBER 15, 2014**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	2	2	-	2	2	-	-	-	-	-	-	-
Full Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
One	5	5	-	4	4	-	2	2	-	-	-	-
Two	3	3	-	1	1	-	2	2	-	-	-	-
Three	6	6	-	2	2	-	-	-	-	-	-	-
Four	5	5	-	2	2	-	1	1	-	1	1	-
Five	3	3	-	1	1	-	-	-	-	-	-	-
Six	6	6	-	6	6	-	-	-	-	-	-	-
Seven	4	4	-	3	3	-	-	-	-	-	-	-
Eight	5	5	-	5	5	-	1	1	-	-	-	-
Nine	6	6	-	8	8	-	1	1	-	1	1	-
Ten	7	7	-	3	3	-	1	1	-	1	1	-
Eleven	2	2	-	1	1	-	-	-	-	-	-	-
Twelve	4	4	-	2	2	-	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15 + CR)	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	58	58	-	40	40	-	8	8	-	3	3	-
Special Education Elementary School	15	15	-	15	15	-	-	-	-	-	-	-
Special Education Middle School	17	17	-	15	15	-	-	-	-	-	-	-
Special Education High School	3	3	-	1	1	-	-	-	-	-	-	-
Subtotal	35	35	-	31	31	-	-	-	-	-	-	-
County Vocational - Regular	-	-	-	-	-	-	-	-	-	-	-	-
County Vocational - First Post Secondary	-	-	-	-	-	-	-	-	-	-	-	-
Total	93	93	-	71	71	-	8	8	-	3	3	-
Percentage Error			0.0%			0.0%			0.0%			0.0%

<b>Transportation</b>								Reported	Recalculated
Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors				
						Average mileage - regular including Grade PK students	4.1	4.1	
Regular - Public	383	-	110	107	3	Average mileage - regular excluding Grade PK students	4.1	4.1	
Transported Non-Public	75	-	21	21	-				
AIL - Non Public	140	-	40	40	-	Average mileage - special education with special needs	10.1	10.1	
Special Education-Public	120	(2)	35	34	1				
Special Education Needs	93	2	26	26	-				
<hr/>									
Totals	811	-	232	228	4				
<hr/>									
Percentage Error		0.0%			1.8%				

RIDGEWOOD BOARD OF EDUCATION  
 SCHEDULE OF AUDITED ENROLLMENTS  
 APPLICATION FOR STATE SCHOOL AID SUMMARY  
 ENROLLMENT AS OF OCTOBER 15, 2014

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-
Half Day Kindergarten	10	10	-	8	8	-
Full Day Kindergarten	-	-	-	-	-	-
One	15	15	-	9	9	-
Two	16	16	-	11	11	-
Three	6	6	-	6	6	-
Four	2	2	-	2	2	-
Five	4	4	-	2	2	-
Six	4	4	-	4	4	-
Seven	8	8	-	7	7	-
Eight	6	6	-	6	6	-
Nine	2	2	-	2	2	-
Ten	3	3	-	3	3	-
Eleven	1	1	-	1	1	-
Twelve	3	3	-	3	3	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15 + CR)	-	-	-	-	-	-
Adult H.S. (1-14 CR)	-	-	-	-	-	-
Subtotal	<u>80</u>	<u>80</u>	-	<u>64</u>	<u>64</u>	-
Special Education Elementary School	2	2	-	2	2	-
Special Education Middle School	-	-	-	-	-	-
Special Education High School	-	-	-	-	-	-
Subtotal	<u>2</u>	<u>2</u>	-	<u>2</u>	<u>2</u>	-
County Vocational - Regular	-	-	-	-	-	-
County Vocational - First Post Secondary	-	-	-	-	-	-
Total	<u>82</u>	<u>82</u>	-	<u>66</u>	<u>66</u>	-
Percentage Error			<u>0.0%</u>			<u>0.0%</u>

RIDGEWOOD BOARD OF EDUCATION

EXCESS SURPLUS CALCULATION

June 30, 2015

**SECTION 1 - Regular District**

**B. 2% Calculation of Excess Surplus**

2014-15 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>101,708,103</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	\$ <u>          -</u> (B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ <u>  651,330</u> (B1b)
Transfer from General Fund to SRF for PreK-Regular	\$ <u>          -</u> (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$ <u>          -</u> (B1d)
Decreased by:	
On-Behalf TPAF Pension & Social Security	\$ <u>  9,428,970</u> (B2a)
Assets Acquired Under Capital Leases	\$ <u>          -</u> (B2b)
Adjusted 2014-15 General Fund Expenditures [(B) + (B1s) - (B2s)]	\$ <u>  92,930,463</u> (B3)
2% of Adjusted 2014-15 General Fund Expenditures [(B3) times .02]	\$ <u>  1,858,609</u> (B4)
Enter Greater of (B4) or \$250,000	\$ <u>  1,858,609</u> (B5)
Increased by: Allowable Adjustment*	\$ <u>      24,646</u> (K)
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5) + (K)]	\$ <u>  1,883,255</u> (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-15 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>  6,759,570</u> (C)
Decreased by:	
Year-end Encumbrances	\$ <u>      57,326</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ <u>          -</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>      750,000</u> (C3)
Other Restricted Fund Balances****	\$ <u>  3,318,989</u> (C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ <u>          -</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ <u>  2,633,255</u> (U1)

RIDGEWOOD BOARD OF EDUCATION

EXCESS SURPLUS CALCULATION

June 30, 2015

SECTION 3

Restricted Fund Balance - Excess Surplus \*\*\*  
[(U1)-(M)] IF NEGATIVE ENTER -0- \$ 750,000 (E)

Recapitulation of Excess Surplus as of June 30, 2015

Restricted Excess Surplus - Designated for Subsequent Year's  
Expenditures \*\* \$ 750,000 (C3)  
Restricted Excess Surplus \*\*\* [(E)] \$ 750,000 (E)  
  
Total [(C3)+(E)] \$ 1,500,000 (D)

\* This adjustment line (as detailed below) is to be utilized when applicable for Impact Aid; Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10); Extraordinary Aid; Additional Nonpublic School Transportation Aid ; Recognized current year School Bus Advertising Revenue; and Family Crisis Transportation Aid (Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid and Additional Nonpublic School Transportation Aid.

Detail of Allowable Adjustments

Impact Aid \$ - (H)  
Sales & Lease-back \$ - (I)  
Extraordinary Aid \$ - (J1)  
Additional Nonpublic School Transportation Aid \$ 24,646 (J2)  
Current Year School Bus Advertising Revenue Recognized \$ - (J3)  
Family Crisis Transportation Aid \$ - (J4)  
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)] \$ 24,646 (K)

\*\* This amount represents the June 30, 2015 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

\*\*\* Amount must agree to the June 30, 2015 CAFR and the sum of the two lines must agree to Audit Summary Worksheet Line 90030.

\*\*\* Amount for Other Restricted Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by any other type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Office of School Finance prior to September 30.

RIDGEWOOD BOARD OF EDUCATION

EXCESS SURPLUS CALCULATION

June 30, 2015

Detail of Other Restricted Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	\$ -
Sale/lease-back reserve	\$ -
Capital reserve	\$ 2,318,989
Maintenance reserve	\$ -
Emergency reserve	\$ 1,000,000
Tuition reserve	\$ -
School Bus Advertising 50% Fuel Offset-current year	\$ -
School Bus Advertising 50% Fuel Offset-prior year	\$ -
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ -
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$ -
Other state/government mandated reserve	\$ -
 [Other Restricted Fund Balance not noted above]****	 \$ -
Total Other Restricted Fund Balance	<u>\$ 3,318,989</u> (C4)