

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

**TEANECK BOARD OF EDUCATION  
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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Honorable President and Members  
of the Board Trustees  
Teaneck Board of Education  
Teaneck, 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 Teaneck Board of Education as of and for the fiscal year ended June 30, 2015, and have issued our report thereon dated December 3, 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 solely for the information and use of management, the Board of Trustees, others within the District and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

*Lerch, Vinci & Higgins, LLP*

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

Jeffery C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
December 3, 2015

**TEANECK 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 Moneys, 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>
Robert Finger (7/1/14 to 1/31/15)	School Business Administrator/Board Secretary	\$100,000
Dr. Dennis R. Frohnapfel (1/28/15 to 6/30/15)	Interim Business Administrator/Board Secretary	100,000
Anthony Bianchi	Treasurer of School Monies	425,000

There is a Public Employees' Faithful Performance Blanket Position Bond covering all other employees with multiple coverage of \$100,000.

**Tuition Charges**

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

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

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

- **Finding** – Our audit of terminated employees revealed that certain employees were not removed from dental benefit coverage in a timely manner.

**Recommendation** – Procedures be reviewed and revised to ensure terminated employees are removed from dental benefit coverage in a timely manner.

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

Financial Planning, Accounting and Reporting (Continued)

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

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

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the General Fund.

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. 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: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 specifically targeted 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 procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

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

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

The prescribed contractual order system was followed. Bids received were summarized in the minutes (N.J.S.A. 18A:18A-21).

- **Finding** – Our review of the Capital Projects Fund revealed certain prior year project costs were not funded by the District at June 30, 2015 in the amount of \$450,122.

**Recommendation** – Appropriate action be taken to provide funding for the unfunded project costs that exist at year end in the Capital Projects Fund.

Treasurer's Records

The Treasurer performed certain cash reconciliations in accordance with N.J.S.A. 18A:17-36.

All cash receipts were promptly deposited.

The Treasurer's cash balances were in agreement with the cash balances of the Board Secretary.

**TEANECK 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

The 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, Title II and Title III of the Elementary and Secondary Education Act as amended.

Our examination 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 Exhibit K-4 located in the CAFR.

Our examination 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** – We noted certain 2014/2015 federal grant program funds in the amount of \$91,875 that were released from the District's available funds for carryover as a result of the District's failure to expend program funds within the allowable grant period.

**Recommendation** – Greater care be exercised in the monitoring of available federal grant funds to ensure program funds are expended in the allowable grant period.

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.

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

The amount of 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.

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

**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 (as amended) and 18A:18A-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 student transportation contracts under N.J.S.A. 18A:39-3 is currently \$18,300. The Board has designated the School 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.

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 my examination indicated that no 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 provisions of N.J.S.A. 18A:18A-4, as amended.

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.

**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.

The number of meals claimed for reimbursement was verified against 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. 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 and free milk policy is uniformly administered throughout the school system. The required verification procedures for free and reduced price applications was completed and available for review.

Cash receipts and bank records were reviewed for timely deposit.

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

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

**School Food Service (Continued)**

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

Food Distribution Program 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.

The District contracted with Sodexo Management, Inc. to manage the operations of the school food services and deposited funds in accordance with applicable state statutes. Provisions of the food service management company (FSMC) contract were reviewed. The FSMC contract includes an operating results provision which guarantees that the food service program will have a profit of at least \$33,478. The operating results provision has been met.

**Community School/Adult Education Program**

The financial records of the Community School/Adult Education Program were maintained in good condition.

Cash receipts and bank records were reviewed for timely deposit.

**Student Activity and Athletic Accounts**

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

Cash receipts and disbursements records for various other schools were maintained in good condition.

- **Finding** – Our audit of the student athletic account revealed that check request forms did not have approval signatures and that blank checks were signed in advance.

**Recommendation** – Athletic account check request forms contain the required approval signatures prior to the issuance of a check. In addition, the practice of signing blank checks be discontinued.

- **Finding** – Our audit of the student activity accounts revealed the following:
  - Pre-numbered receipt tickets were not always issued for monies collected in the Bryant, Thomas Jefferson and music accounts.
  - Supporting documentation was not available for certain checks issued in the High School account.

**Recommendation** – Pre-numbered receipt tickets be issued for all monies collected in the student activity accounts. In addition, supporting documentation be attached to all check requests prior to checks being issued from the student activity accounts.

**TEANECK 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 (A.S.S.A.), for on-roll, private schools for the handicapped, related services, bilingual students and low-income. 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 immaterial exceptions noted. The information that was included on the workpapers was verified with immaterial exceptions noted. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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

**Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 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 immaterial exceptions noted. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

**Facilities and Capital Assets**

Our procedures included a review of the SDA grant agreement for consistence 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.

**Management Suggestions**

- Old outstanding checks to be reviewed and cleared of record in all District bank accounts.
- District follow up on submission to the State Division of Pensions the payroll deductions related to the retroactive salary payments.

**Follow-up on Prior Year Findings**

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

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

**SCHEDULE OF MEAL COUNT ACTIVITY**

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>
National School Lunch	Paid	139,652	56,397	56,397	-
	Reduced	34,132	13,699	13,699	-
	Free	<u>126,798</u>	<u>50,617</u>	<u>50,617</u>	-
		<u>300,582</u>	<u>120,713</u>	<u>120,713</u>	-
School Breakfast (Severe)	Paid	14,258	5,750	5,750	-
	Reduced	6,304	2,511	2,511	-
	Free	<u>44,387</u>	<u>18,325</u>	<u>18,325</u>	-
		<u>64,949</u>	<u>26,586</u>	<u>26,586</u>	-
<b>GRAND TOTAL</b>		<u><u>365,531</u></u>	<u><u>147,299</u></u>	<u><u>147,299</u></u>	<u><u>-</u></u>

**TEANECK BOARD OF EDUCATION  
FOOD SERVICES FUND  
NET CASH RESOURCE SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Net Cash Resources:**

**Current Assets**

Cash and Cash Equivalents (Overdraft)	\$ (190)
Intergovernmental Accounts Receivable	128,436
Accounts Receivable - Other	33,252

**Current Liabilities**

Less:

Accounts Payable	(104,672)
Unearned Revenue	<u>(13,529)</u>

**Net Cash Resources** **\$ 43,297**

**Adjusted Total Operating Expense:**

Total Operating Expenses	\$ 1,420,191
Less Depreciation	<u>(12,321)</u>
<b>Adjusted Total Operating Expense</b>	<b>\$ <u>1,407,870</u></b>

**Average Monthly Operating Expense:** **\$ 140,787**

**Three Times Monthly Average:** **\$ 422,361**

Total Net Cash Resources	\$ 43,297
Three Times Monthly Average	<u>422,361</u>

Net Cash Resources below Three Month Average **\$ (379,064)**

Net Cash Resources do not exceed three times monthly average expenses

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

	2014-2015 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 yrs	19		19		-	-	19		19		-	-	-	-	-	-
Half Day Preschool - 4 yrs	37		37		-	-	37		37		-	-	-	-	-	-
Full Day Kindergarten	238		238		-	-	19		19		-	-	-	-	-	-
GRADE 1	212		212		-	-	64		64		-	-	-	-	-	-
GRADE 2	239		239		-	-	68		68		-	-	-	-	-	-
GRADE 3	250		250		-	-	36		36		-	-	-	-	-	-
GRADE 4	239		239		-	-	2		1		(1)	-	-	-	-	-
GRADE 5	207		207		-	-	101		101		-	-	-	-	-	-
GRADE 6	232		232		-	-	92		92		-	-	-	-	-	-
GRADE 7	229		229		-	-	111		111		-	-	-	-	-	-
GRADE 8	279		279		-	-	126		126		-	-	-	-	-	-
GRADE 9	258	3	258	3	-	-	261		261		-	-	-	-	-	-
GRADE 10	267	2	267	2	-	-	269		269		-	-	-	-	-	-
GRADE 11	277		277		-	-	277		277		-	-	-	-	-	-
GRADE 12	253	2	253	2	-	-	255		255		-	-	-	-	-	-
Subtotal	3,236	7	3,236	7	-	-	1,737	-	1,736	-	(1)	-	-	-	-	-
Spec Ed - Elementary	349		351		2	-	30		30		-	-	1	1	1	-
Spec Ed- Middle School	192		193		1	-	17		17		-	-	13	11	11	-
Spec Ed - High School	229	5	229	5	-	-	20		20		-	-	36	31	30	1.0
Subtotal	770	5	773	5	3	-	67	-	67	-	-	-	50	43	42	1.0
Totals	4,006	12	4,009	12	3	-	1,804	-	1,803	-	(1)	-	50	43	42	1.0
Percentage Error					0.07%						-0.06%					0.00%

**TEANECK BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 15, 2014  
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 and Register	Sample Errors	Reported on ASSA	Reported on Workpapers	Errors	Sample Selected	Verified to Test Score and Register	Errors
Full Day Preschool - 3 years	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool - 4 years	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	75.0	75.0	-	8.0	8.0	-	12.0	12.0	-	11.0	11.0	-
GRADE 1	63.0	63.0	-	7.0	7.0	-	9.0	9.0	-	7.0	7.0	-
GRADE 2	81.0	81.0	-	8.0	7.0	(1)	11.0	11.0	-	9.0	9.0	-
GRADE 3	68.0	68.0	-	8.0	8.0	-	6.0	6.0	-	4.0	4.0	-
GRADE 4	74.0	74.0	-	8.0	8.0	-	2.0	2.0	-	2.0	2.0	-
GRADE 5	57.0	57.0	-	6.0	6.0	-	1.0	1.0	-	1.0	1.0	-
GRADE 6	60.0	60.0	-	7.0	7.0	-	2.0	2.0	-	2.0	2.0	-
GRADE 7	69.0	69.0	-	8.0	8.0	-	4.0	4.0	-	3.0	3.0	-
GRADE 8	66.0	66.0	-	8.0	7.0	(1)	3.0	3.0	-	2.0	2.0	-
GRADE 9	79.0	79.0	-	8.0	8.0	-	3.0	3.0	-	2.0	2.0	-
GRADE 10	67.0	67.0	-	7.0	7.0	-	4.0	4.0	-	3.0	3.0	-
GRADE 11	69.0	69.0	-	8.0	8.0	-	3.0	3.0	-	2.0	2.0	-
GRADE 12	59.0	59.0	-	6.0	6.0	-	-	-	-	-	-	-
Subtotal	887	887	-	97	95	(2)	60	60	-	48	48	-
Spec Ed - Elementary	125.0	127.0	2	14.0	12.0	(2)	6.0	6.0	-	3.0	3.0	-
Spec Ed- Middle School	76.0	77.0	1	8.0	8.0	-	-	-	-	-	-	-
Spec Ed - High School	63.0	63.0	-	7.0	6.0	(1)	-	-	-	-	-	-
	264	267	3	29	26	(3)	6	6	-	3	3	-
Totals	1,151.0	1,154.0	3	126	121	(5)	66	66	-	51	51	-
Percentage Error			0.26%			-3.97%			0.00%			0.00%

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular- Public Schools	366	367	(1.0)	38	38	-
Regular - Sped.	2,123	2,123	-	218	218	-
Transported- Non- Public	26	24	2.0	2	2	-
Special Needs- Public	314.0	316.0	(2.0)	32.0	32.0	-
Totals	2,829.0	2,830.0	(1.0)	290.0	290.0	-
Percentage Error			-0.04%		11	0.00%

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

	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
Full Day Preschool - 3 years	-	-	-	-	-	-
Full Day Preschool - 4 years	-	-	-	-	-	-
Full Day Kindergarten	9.0	9.0	-	6.0	6.0	-
GRADE 1	3.0	3.0	-	2.0	2.0	-
GRADE 2	6.0	6.0	-	4.0	4.0	-
GRADE 3	4.0	4.0	-	3.0	3.0	-
GRADE 4	1.0	1.0	-	1.0	1.0	-
GRADE 5	-	-	-	-	-	-
GRADE 6	-	-	-	-	-	-
GRADE 7	1.0	1.0	-	1.0	1.0	-
GRADE 8	1.0	1.0	-	1.0	1.0	-
GRADE 9	1.0	1.0	-	1.0	1.0	-
GRADE 10	2.0	2.0	-	2.0	2.0	-
GRADE 11	3.0	3.0	-	2.0	2.0	-
GRADE 12	1.0	1.0	-	1.0	1.0	-
Subtotal	<u>32</u>	<u>32</u>	-	<u>24</u>	<u>24</u>	-
Spec Ed - Elementary	-	-	-	-	-	-
Spec Ed- Middle School	-	-	-	-	-	-
Spec Ed - High School	-	-	-	-	-	-
Totals	<u>32</u>	<u>32</u>	-	<u>24</u>	<u>24</u>	-
Percentage Error		<u>0.00%</u>			<u>0.00%</u>	

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

**SECTION 1 - Regular District**

Two Percent (2%) - Calculation of Excess Surplus

2014-2015 Total General Fund Expenditures per the CAFR	\$	99,822,581
Increased by:		
Capital Reserve Transfer to Capital Projects		316,345
Decreased by:		
Assets Acquired Under Capital Leases		(300,990)
On-Behalf TPAF Pension & Social Security		<u>(7,506,795)</u>
Adjusted 2014-2015 General Fund Expenditures	\$	<u>92,331,141</u>
2% of Adjusted 2014-2015 General Fund Expenditures	\$	1,846,623
Allowable Adjustments - Non Public Transportation Aid		<u>155,604</u>
Maximum Unassigned Fund Balance	\$	2,002,227

**SECTION 2**

Total General Fund - Fund Balance at June 30, 2015 (Per CAFR Budgetary Comparison Schedule/Statement C-1)	\$	2,504,157
Decreased by:		
Restricted Fund Balances - Capital Reserve	\$	324,592
Assigned - Year End Encumbrances		317,147
Assigned - ARRA/SEMI		18,320
Assigned - Designated for Subsequent Year's Budget		<u>1,084,890</u>
		<u>1,744,949</u>
Total Unassigned Fund Balance		<u>759,208</u>
Restricted Fund Balance - Excess Surplus	\$	<u>-</u>

**SECTION 3**

Recapitulation of Excess Surplus as of June 30, 2015		
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	\$	-
Reserved Excess Surplus		<u>-</u>
Total	\$	<u>-</u>

## RECOMMENDATIONS

### I. Administrative Practices and Procedures

There are none.

### II. Financial Planning, Accounting and Reporting

It is recommended that:

1. Procedures be reviewed and revised to ensure terminated employees are removed from dental benefit coverage in a timely manner.
2. Appropriate action be taken to provide funding for the unfunded project costs that exist at year end in the Capital Projects Fund.
3. Greater care be exercised in the monitoring of available federal grant funds to ensure program funds are expended in the allowable grant period.

### III. School Purchasing Program

There are none.

### IV. School Food Services

There are none.

### V. Community School/Adult Education Program

There are none.

### VI. Student Body Activities

It is recommended that:

1. Athletic account check request forms contain the required approval signatures prior to the issuance of a check. In addition, the practice of signing blank checks be discontinued.
2. Pre-numbered receipt tickets be issued for all monies collected in the student activity accounts. In addition, supporting documentation be attached to all check requests prior to checks being issued from the student activity accounts.

### VII. Application for State School Aid

There are none.

### VIII. Pupil Transportation

There are none.

### IX. Facilities and Capital Assets

There are none.

**RECOMMENDATIONS  
(Continued)**

X. **Miscellaneous**

There are none.

XI. **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



Jeffery C. Bliss  
Certified Public Accountant  
Public School Accountant