

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

**TENAFLY BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS
- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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Honorable President and Members
of the Board of Trustees
Tenafly Board of Education
Tenafly, 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 Tenafly Board of Education as of and for the fiscal year ended June 30, 2015, and have issued our report thereon dated November 23, 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
Certified Public Accountants
Public School Accountants



Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 23, 2015

**TENAFLY 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, 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 in Exhibit J-20 of the District's Comprehensive Annual Financial Report (the "CAFR").

Official Bonds

| <u>Name</u> | <u>Position</u> | <u>Amount</u> |
|---------------|---|---------------|
| Yas Usami | Board Secretary/School Business Administrator | \$50,000 |
| Joanne Wilson | Treasurer of School Monies | 5,000 |

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

Finding – Our audit of the surety bond coverage for the Treasurer of School Monies revealed the coverage was below the minimum required by the New Jersey Administrative Code, however, the coverage was subsequently increased to a sufficient coverage, therefore, no recommendation is warranted.

Tuition Charges

The District has entered into a five year contract with the Alpine Board of Education to receive Alpine's high school students. The tuition charges for the 2014/15 school year, by contract, are the State certified rates for the 2013/14 school year. The final tuition rate will be calculated in October, 2015, as a tuition adjustment in accordance with NJAC 6A:23A-17.1. The tuition rate for all other students are determined annually by the Board, and are not subject to adjustment.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not reveal any discrepancies with respect to each of signature, certifications or supporting documentation.

**TENAFLY 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 payroll taxes were deposited in the Payroll Agency Account.

All payrolls were certified by the President of the Board, the Board Secretary/Business Administrator and the Chief School Administrator.

Salary withholdings tested 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 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. Our procedures revealed exceptions with respect to proper classification of accounts payable and reserve for encumbrances.

Finding – Certain capital contracts were not encumbered when awarded.

Recommendation – All capital contracts be encumbered when awarded prior to receipt of goods/services.

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, a separate test was made to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3 as it relates to administrative coding 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's and cash reconciliation monthly financial reports was included in the minutes.

Elementary and Secondary Education Act (E.S.E.A.), as amended by the Improving America's Schools Act (I.A.S.A.) 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 projects under Titles II and III of the Elementary and Secondary Education Act as amended and reauthorized.

Our examination of the Federal and State funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

**TENAFLY 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 examination of the Federal and State funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits contained herein represent a true statement of the financial position pertaining to the aforementioned special projects.

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. Reimbursements to the State for Federal Salary Expenditures

There were not TPAF employees' salaries paid from federal funds during the current fiscal year. Therefore, there were no reimbursement amounts due to the State at June 30, 2015.

Nonpublic State Aid

Project Completion Reports were finalized and transmitted to the State by the due date.

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: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.

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/Board Secretary as the qualified purchasing agent.

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 our examination indicated that no 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. 18A:18A-4.

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

**TENAFLY 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)

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.

Finding – Our audit revealed that athletic and field trip transportation contract renewals were not approved by Board resolution and were not submitted to the Executive County Superintendent for approval.

Recommendation – All transportation contract renewals be properly approved by Board resolution and submitted to the Executive County Superintendent for approval.

School Food Service

The financial transactions and statistical records of the school food services were maintained in good condition. The financial accounts, meal and milk count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

Applications for free and reduced price meals and free milk were reviewed for completeness and accuracy. The number of free and reduced price meals and free milks 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.

Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursement records reflected expenditures for program related goods and services. The food service management company is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34 and 19-1 through 19-4.1. 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. No exceptions were noted.

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

The District contracted with Pomptonian, Inc. to manage the school food services operations. Provisions of the FSMC contract/addendum were reviewed. The Food Service management company contract includes an operating result provision which guarantees that the food service program will break even. The operating results provision has been met.

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

Student Body Activity

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

Cash receipts and disbursements records were maintained in good condition.

Finding – Our audit of the High School organization revealed that expenditure requests were only being signed by the faculty advisors although form also requires student advisor approval.

Recommendation – Disbursement requests be properly approved by student advisors in the High School organization account.

Finding – Our audit of the Athletic account revealed that the Athletic Director is not signing the payment vouchers for officials.

Recommendation – All payment vouchers for payments to athletic officials be properly approved by the Athletic Director.

SACC (School Age Childcare) Program

Separate cash receipts and disbursement journals and billing records were maintained for the SACC program.

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 handicapped, low-income and bilingual students. 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 an isolated exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

The District 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 2014-2015 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 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

Our procedures included a review of the SDA grant agreement for consistency with recording SDA revenue, transfer of local funds from the General Fund or from the Capital Reserve Account, and awarding of contracts for eligible facilities construction.

**TENAFLY BOARD OF EDUCATION
FOOD SERVICE FUND
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

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

| | 2015-2016 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 | 209 | - | 209 | - | - | - | 56 | - | 56 | - | - | - | - | - | - | - |
| 1st Grade | 220 | - | 220 | - | - | - | 63 | - | 63 | - | - | - | - | - | - | - |
| 2nd Grade | 233 | - | 233 | - | - | - | 56 | - | 56 | - | - | - | - | - | - | - |
| 3rd Grade | 223 | - | 223 | - | - | - | 52 | - | 52 | - | - | - | - | - | - | - |
| 4th Grade | 276 | - | 276 | - | - | - | 70 | - | 70 | - | - | - | - | - | - | - |
| 5th Grade | 255 | - | 255 | - | - | - | 56 | - | 56 | - | - | - | - | - | - | - |
| 6th Grade | 231 | - | 231 | - | - | - | 231 | - | 231 | - | - | - | - | - | - | - |
| 7th Grade | 236 | - | 236 | - | - | - | 236 | - | 236 | - | - | - | - | - | - | - |
| 8th Grade | 229 | - | 229 | - | - | - | 229 | - | 229 | - | - | - | - | - | - | - |
| 9th Grade | 229 | - | 229 | - | - | - | 229 | - | 229 | - | - | - | - | - | - | - |
| 10th Grade | 225 | - | 225 | - | - | - | 225 | - | 225 | - | - | - | - | - | - | - |
| 11th Grade | 243 | - | 243 | - | - | - | 243 | - | 243 | - | - | - | - | - | - | - |
| 12th Grade | 245 | - | 245 | - | - | - | 245 | - | 245 | - | - | - | - | - | - | - |
| Subtotal | 3,054 | - | 3,054 | - | - | - | 1,991 | - | 1,991 | - | - | - | - | - | - | - |
| Spec Ed - Elementary | 187 | - | 187 | - | - | - | 26 | - | 26 | - | - | - | 5 | 4 | 4 | - |
| Spec Ed- Middle School | 144 | - | 144 | - | - | - | 19 | - | 19 | - | - | - | 11 | 10 | 10 | - |
| Spec Ed - High School | 144 | - | 144 | - | - | - | 19 | - | 19 | - | - | - | 13 | 11 | 11 | - |
| Subtotal | 475 | - | 475 | - | - | - | 64 | - | 64 | - | - | - | 29 | 25 | 25 | - |
| Totals | 3,529 | - | 3,529 | - | - | - | 2,055 | - | 2,055 | - | - | - | 29 | 25 | 25 | - |
| Percentage Error | | | | | <u>0.00%</u> | <u>0.00%</u> | | | | <u>0.00%</u> | | | | | | <u>0.00%</u> |

**TENAFLY BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
SCHEDULE OF AUDITED ENROLLMENTS
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 Low Income | Reported on Workpapers as Low Income | Errors | Sample Selected from Workpapers | Verified to Application and 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 | 3 | 3 | - | 1 | 1 | - | 1 | 1 | - | 1 | 1 | - |
| 1st Grade | 6 | 6 | - | 3 | 3 | - | 1 | 1 | - | - | - | - |
| 2nd Grade | 3 | 3 | - | 1 | 1 | - | - | - | - | - | - | - |
| 3rd Grade | 1 | 1 | - | 1 | 1 | - | - | - | - | - | - | - |
| 4th Grade | 9 | 9 | - | 4 | 4 | - | 1 | 1 | - | - | - | - |
| 5th Grade | 5 | 5 | - | 2 | 2 | - | 1 | 1 | - | - | - | - |
| 6th Grade | 11 | 11 | - | 5 | 5 | - | 1 | 1 | - | 1 | 1 | - |
| 7th Grade | 3 | 3 | - | 1 | 1 | - | - | - | - | - | - | - |
| 8th Grade | 10 | 10 | - | 4 | 4 | - | 3 | 3 | - | 1 | 1 | - |
| 9th Grade | 11 | 11 | - | 5 | 5 | - | - | - | - | - | - | - |
| 10th Grade | 6 | 6 | - | 3 | 3 | - | - | - | - | - | - | - |
| 11th Grade | 9 | 9 | - | 4 | 4 | - | - | - | - | - | - | - |
| 12th Grade | 6 | 6 | - | 3 | 3 | - | - | - | - | - | - | - |
| Subtotal | 83 | 83 | - | 37 | 37 | - | 8 | 8 | - | 3 | 3 | - |
| Spec Ed - Elementary | 10 | 10 | - | 5 | 5 | - | - | - | - | - | - | - |
| Spec Ed - Middle School | 4 | 4 | - | 2 | 2 | - | - | - | - | - | - | - |
| Spec Ed - High School | 10 | 10 | - | 5 | 5 | - | - | - | - | - | - | - |
| Subtotal | 24 | 24 | - | 12 | 12 | - | - | - | - | - | - | - |
| Totals | 107 | 107 | - | 49 | 49 | - | 8 | 8 | - | 3 | 3 | - |
| Percentage Error | | | <u>0.00%</u> | | | <u>0.00%</u> | | | <u>0.00%</u> | | | <u>0.00%</u> |

| | Transportation | | | | | |
|--------------------------|--------------------------------|-------------------------------------|--------------|-----------|-----------|--------------|
| | Reported on DRTRS by DOE | Reported on DRTRS by District | Errors | Tested | Verified | Errors |
| Regular - Public Schools | 52 | 52 | - | 14 | 14 | - |
| Transported - Non-Public | 55 | 55 | - | 15 | 15 | - |
| Regular - Spec. | 8 | 8 | - | 2 | 2 | - |
| Special Needs - Public | 86 | 86 | - | 24 | 24 | - |
| Totals | 201 | 201 | - | 55 | 55 | - |
| | | | <u>0.00%</u> | | | <u>0.00%</u> |

**TENAFLY 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 Not Low Income | Reported on Workpapers as Not 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 | 27 | 27 | - | 9 | 9 | - |
| 1st Grade | 17 | 17 | - | 6 | 6 | - |
| 2nd Grade | 9 | 9 | - | 3 | 3 | - |
| 3rd Grade | 15 | 15 | - | 5 | 5 | - |
| 4th Grade | 9 | 9 | - | 3 | 3 | - |
| 5th Grade | 13 | 13 | - | 4 | 4 | - |
| 6th Grade | 9 | 9 | - | 3 | 3 | - |
| 7th Grade | 5 | 5 | - | 2 | 2 | - |
| 8th Grade | 16 | 16 | - | 5 | 5 | - |
| 9th Grade | 7 | 7 | - | 2 | 2 | - |
| 10th Grade | 12 | 13 | (1) | 4 | 4 | - |
| 11th Grade | 13 | 13 | - | 3 | 3 | - |
| 12th Grade | 1 | 1 | - | 1 | 1 | - |
| Subtotal | 153 | 154 | (1) | 50 | 50 | - |
| Spec Ed - Elementary | 2 | 2 | - | 1 | 1 | - |
| Spec Ed- Middle School | 3 | 3 | - | 1 | 1 | - |
| Spec Ed - High School | - | - | - | - | - | - |
| Subtotal | 5 | 5 | - | 2 | 2 | - |
| Totals | 158 | 159 | (1) | 52 | 52 | - |
| Percentage Error | | | <u>-0.63%</u> | | | <u>0.00%</u> |

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

| | | |
|---|------------------|-------------------------|
| 2014-15 Total General Fund Expenditures per the CAFR | | \$66,343,688 |
| Increased by: | | |
| Transfer from Capital Outlay and Capital Reserve to Capital Projects Fund | | <u>1,225,915</u> |
| | | 67,569,603 |
| Decreased by: | | |
| On-Behalf TPAF Pension & Reimbursed TPAF Social Security | | <u>5,955,551</u> |
| Adjusted 2014-2015 General Fund Expenditures | | <u>\$61,614,052</u> |
| 2% of Adjusted 2014-2015 General Fund Expenditures | | \$1,232,281 |
| Increased by: | | |
| Allowable Adjustment* | | <u>1,095,532</u> |
| Maximum Unassigned Fund Balance | | <u>\$2,327,813</u> |
| | | |
| Total General Fund – Fund Balance at June 30, 2015 | | \$9,082,540 |
| Decreased by: | | |
| Year End Encumbrances | \$ 87,087 | |
| Restricted Fund Balances – Capital Reserve | 871,855 | |
| Restricted Fund Balances – Maintenance Reserve Designated for Subsequent Year’s Expenditures | 300,150 | |
| Maintenance Reserve | 300,000 | |
| Capital Reserve | 1,798,868 | |
| Designated for Subsequent Year’s Expenditures (Excess Surplus & Assigned) | <u>2,450,000</u> | |
| Total Unassigned Fund Balance | | <u>\$3,274,580</u> |
| | | |
| Fund Balance – Excess Surplus | | <u>\$946,767</u> |
| | | |
| <u>Recapitulation of Excess Surplus as of June 30, 2015</u> | | |
| Excess Surplus – Designated for 2015/2016 Budget | | \$ 965,477 |
| Excess Surplus – Designated for 2016/2017 Budget | | <u>946,767</u> |
| | | <u>\$1,912,244</u> |
| | | |
| Unbudgeted Extraordinary Aid | | \$1,077,616 |
| Unbudgeted Additional Nonpublic Transportation Aid | | <u>17,916</u> |
| Total Allowable Adjustments | | <u>\$1,095,532</u> |

RECOMMENDATIONS

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that capital contracts be encumbered when awarded prior to receipt of goods/services.

III. School Purchasing Program

It is recommended that all transportation contract renewals be properly approved by Board resolution and submitted to the Executive County Superintendent for approval.

IV. School Food Services

There are none.

V. Student Body Activities

It is recommended that:

1. Disbursement requests be properly approved by student advisors in the High School organization account.
2. All payment vouchers for payments to athletic officials be properly approved by the Athletic Director.

VI. SACC Program

There are none.

VII. Application for State School Aid

There are none.

VIII. Pupil Transportation

There are none.

IX. Facilities and Capital Assets

There are none.

X. Miscellaneous

There are none.

X. Status of Prior Years' Audit Findings/Recommendations

A review was performed on all prior years' recommendations. Corrective action was taken on all prior year recommendations.

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



Gary J. Vinci
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