

**RIDGEWOOD BOARD OF EDUCATION  
AUDITOR'S MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
JUNE 30, 2020**

**RIDGEWOOD BOARD OF EDUCATION  
TABLE OF CONTENTS**

**AUDITORS MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS  
- FINANCIAL, COMPLIANCE AND PERFORMANCE**

	<u>Page No.</u>
Auditor's Management Report	1
Scope of Audit	2
Administrative Practices and Procedures	2
Financial Planning, Accounting and Reporting	2-4
School Purchasing Programs	4-5
School Food Service	5
Infant/Toddler Development Program	6
Technology Initiative and Photography Lab Fee	6
Community School	6
Student Body Activities	6
Application for State School Aid	7
Pupil Transportation	7
Facilities and Capital Assets	7
Number of Meals Served and (Over)/Underclaim – Not Applicable	8
Schedule of Net Cash Resources – Not Applicable	8
Application for State School Aid	9-11
Calculation of Excess Surplus	12
Recommendations	13
Acknowledgment	14



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
RALPH M. PICONE, III, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA

## AUDITOR'S MANAGEMENT REPORT

Honorable President and Members  
of the Board of Education  
Ridgewood Board of Education  
Ridgewood, 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 Ridgewood Board of Education as of and for the fiscal year ended June 30, 2020, and have issued our report thereon dated December 18, 2020.

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, management, 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 W. Higgins  
Public School Accountant  
PSA Number CS00814

Fair Lawn, New Jersey  
December 18, 2020

**RIDGEWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, the records of the various funds under the auspices of the Board of Education.

**Administrative Practices and Procedures**

**Insurance**

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

**Official Bonds**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Antoinette Kelly	School Business Administrator/Board Secretary	\$500,000
Mr. Angelo DeSimone	Treasurer of School Monies	\$500,000

There is public employee dishonesty coverage on all other employees, including faithful performance for elected officials, in the amount of \$100,000 per employee and \$500,000 per loss.

**Financial Planning, Accounting and Reporting**

**Tuition Charges**

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

**Examination of Claims**

An examination of claims paid during the period under review did not indicate any material discrepancies with respect to signatures and certifications.

**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/School Business Administrator and the Superintendent.

Salary withholdings were remitted to the proper agencies, including health benefit withholdings due to the General Fund.

The District maintains a personnel tracking and accounting (Position Control) system.

The required certification (E-CERTI) of compliance with requirements of income tax on compensation of District Administration was not filed with the NJ Department of Treasury by the due date.

**RIDGEWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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 reserves 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.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3.

Travel

The District had an approved board travel policy as required by N.J.A.C. 6A:23A-6-13 and N.J.S.A. 18A:11-12. No exceptions were noted pertaining to travel expenses tested.

Board Secretary's Records

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

The prescribed contractual order system was followed.

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

The Board Secretary's and Treasurer's reports were presented monthly to the board and were submitted to the executive county superintendent as prescribed (N.J.S.A. 18A:17-9 and 18A:17-36).

Treasurer's Records

The Treasurer did perform cash reconciliations for all District bank accounts.

All cash receipts were promptly deposited.

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

Unemployment Compensation Insurance Trust Fund

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

Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA)

The E.S.E.A. 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 and III of the Elementary and Secondary Education Act, as amended.

**RIDGEWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Financial Planning, Accounting and Reporting (Continued)**

I.D.E.A. Part B

Separate accounting records were maintained for each approved project.

Grant application approvals and acceptance of grant funds were made by Board resolution.

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 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. No exceptions were noted.

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 90 day grant liquidation period required by the Offices of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

Nonpublic State Aid

Project completion reports were finalized and transmitted to the Department by the due date.

**School Purchasing Programs**

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law".

Effective July 1, 2015 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-3 and 18A:39-3 are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (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 \$19,000. The School Business Administrator/Board Secretary is a Qualified Purchasing Agent and the bid threshold has been approved by resolution at \$40,000.

The 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 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.

**RIDGEWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**School Purchasing Programs (Continued)**

**Contracts and Agreements Requiring Advertisement for Bids (Continued)**

The results of our examination did not indicate that 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, 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 that purchases were made through the use of state contracts.

**Finding (See CAFR Finding 2020-002)** – The audit indicated that the District did not submit the post-award notice within 20 days after the award to the Office of State Comptroller in accordance with N.J.S.A. 52:15C-10 for the contract for custodial, maintenance, ground and management services.

**Recommendation** – Purchasing procedures be enhanced to ensure post-award notices are submitted to the Office of State Comptroller in accordance with N.J.S.A. 52:15C-10.

**School Food Service**

**COVID – 19 EMERGENCY**

In accordance with the Governor's Declaration of Emergency pertaining to the COVID 19 Virus all Public, Charter, Non-Public schools were ordered to close effective as of March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, School Food Authorities (SFA) were required to institute alternate procedures to provide meals to Free and Reduced Price eligible students during the period of school closures.

Therefore, SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A. 18A:18A-7. The SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of Free and Reduced Price meal eligible students.

SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all free and reduced price meal eligible students during the emergency.

The District did not participate in the National School Lunch program.

The financial transactions and records of the school food services were maintained in satisfactory condition. The financial accounts and records were reviewed on a test-check basis.

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 and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a \$200,000 profit to the District. The operating results provision has not been met as a result of the minimum serving days not being met as a result of closure of the District's schools due to COVID.

Cash receipts and bank records were reviewed for timely deposits.

Expenses 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 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 expenditures.

**RIDGEWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**School Food Service (Continued)**

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

The District has contracted with Pomptonian Food Services, Inc. to operate its school food service program.

We also inquired of management about the emergency COVID-19 procedures/practices that the SFA instituted to provide meals to eligible students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and applicable financial records to document the specific cost applicable to the emergency operations.

**Other Enterprise Funds**

**Infant/Toddler Development Program**

The financial transactions of the Infant/Toddler Development Program was maintained as an Enterprise Fund. The financial accounts and records were reviewed on a test-check basis.

**Finding** – The audit of fees collected indicated deposits are not being made timely.

**Recommendation** – All fees collected be deposited on a timely basis.

**Technology Initiative and Photography Lab Fee**

The financial transactions of the Technology Initiative and Photography Lab Programs were maintained as Enterprise Funds. The financial accounts and records were reviewed on a test-check basis.

Cash receipt records and bank records were reviewed for timely deposits and proper fee charges.

Cash disbursement records had supporting documentation and reflected program related expenses.

**Community School**

The Financial transactions of the Community School program were maintained in the General Fund. The financial accounts and records were reviewed on a test-check basis.

**Student Body Activities/Athletics**

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

Cash receipts and cash disbursements records were maintained in fair condition.

All cash disbursements had proper supporting documentation.

**Finding** – Our audit of the student activity accounts revealed the following:

**Various Accounts**

- Bank reconciliations included prior year reconciling items which need to be reviewed and cleared of record.

**Orchard School**

- The disbursement order for purchases do not require approval signature.



**RIDGEWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Student Body Activities/Athletics (Continued)**

Athletic Accounts

- Expenses were paid directly from gate proceeds.
- Certain cash receipts did not have supporting documentation.
- A cash receipts and disbursements ledger for the Hall of Fame account was not made available for audit.

High School

- The cash receipts and disbursements ledgers do not reconcile to the year-end bank reconciliation.

Travell Elementary School

- Pre-numbered receipts were not issued.

**Recommendation** – Continued efforts be made in the student body activity accounts to properly record and account for all related transactions.

**Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2019 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, on-roll low-income and Limited English Proficient. 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 no exceptions. The information on the District workpapers was verified with no 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 2019-2020 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary with no exceptions. 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 testing, the District did comply 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 agreements 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.

**Finding (See CAFR Finding 2020-001)** – Our audit of the District’s capital assets revealed the capital assets report provided for audit did not accurately reflect all current year additions.

**Recommendation** – All current year additions be properly reflected in the District’s capital assets report.

**RIDGEWOOD BOARD OF EDUCATION  
FOOD SERVICE FUND  
SCHEDULE OF MEAL COUNT ACTIVITY  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOT APPLICABLE**

**FOOD SERVICE FUND  
SCHEDULE OF NET CASH RESOURCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOT APPLICABLE**

**RIDGEWOOD BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 15, 2019  
SCHEDULE OF AUDITED ENROLLMENTS**

	2020 - 2021 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				
Full Day Pre-School 3yr			-					-								
Full Day Pre-School 4yr	31		31		-			31		31						
Full Day Pre-School 5yr	-		-		-			-		-						
Full Day Kindergarten	375		375		-			49		49						
One	365		365	-	-			67		67						-
Two	370		370	-	-			58		58						-
Three	341		341	-	-			34		34						-
Four	363		363	-	-			67		67						-
Five	376		376	-	-			81		81						-
Six	368		368	-	-			181		181						-
Seven	394		394	-	-			181		181						-
Eight	398		398	-	-			187		187						-
Nine	389		389	-	-			389		389						-
Ten	410		410	-	-			411		411						-
Eleven	373		373	-	-			373		373						-
Twelve	402	-	402	-	-			402		402						-
Post Grad	-		-		-			-		-						-
Adult School (15+cr)	-		-		-			-		-						-
Subtotal	4,955	-	4,955	-	-			2,511	-	2,511	-					-
Sp. Ed. - Elementary	332		332		-			27		27			12	9	9	-
Sp. Ed. - Middle School	197		197		-			101		101			14	12	12	-
Sp. Ed. - High School	215	-	215		-			215		215			26	15	15	-
Subtotal	744	-	744	-	-			343	-	343	-		52	36	36	-
Totals	5,699	-	5,699	-	-			2,854	-	2,854	-		52	36	36	-
Percentage Error					0.00%	0.00%				0.00%						0.00%

**RIDGEWOOD BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 15, 2019  
SCHEDULE OF AUDITED ENROLLMENTS**

	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 ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected	Verified to Test Score and Register	Errors
	Full Day Kindergarten	5.0	5.0	-	1.0	1.0	-	-	-	-	-	-
One	5.0	5.0	-	1.0	1.0	-	2.0	2.0	-	2.0	2.0	-
Two	4.0	4.0	-	1.0	1.0	-	1.0	1.0	-	-	-	-
Three	4.0	4.0	-	1.0	1.0	-	-	-	-	-	-	-
Four	1.0	1.0	-	-	-	-	-	-	-	-	-	-
Five	4.0	4.0	-	1.0	1.0	-	-	-	-	-	-	-
Six	7.0	7.0	-	2.0	2.0	-	-	-	-	-	-	-
Seven	1.0	1.0	-	-	-	-	-	-	-	-	-	-
Eight	9.0	9.0	-	2.0	2.0	-	-	-	-	-	-	-
Nine	6.0	6.0	-	1.0	1.0	-	1.0	1.0	-	1.0	1.0	-
Ten	9.0	9.0	-	2.0	2.0	-	1.0	1.0	-	1.0	1.0	-
Eleven	3.0	3.0	-	1.0	1.0	-	1.0	1.0	-	1.0	1.0	-
Twelve	5.0	5.0	-	1.0	1.0	-	1.0	1.0	-	1.0	1.0	-
Adult School (15+ credits)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	63.0	63.0	-	14.0	14.0	-	7.0	7.0	-	6.0	6.0	-
Special Ed. - Elementary	26.0	26.0	-	6.0	6.0	-	1.0	1.0	-	1.0	1.0	-
Special Ed. - Middle	5.0	5.0	-	1.0	1.0	-	-	-	-	-	-	-
Special Ed. - High	15.0	15.0	-	3.0	3.0	-	-	-	-	-	-	-
Subtotal	46.0	46.0	-	10.0	10.0	-	1.0	1.0	-	1.0	1.0	-
Co.Voc. -Regular												
Co.Voc. Ft. Post Sec.												
Totals	109.0	109.0	-	24.0	24.0	-	8.0	8.0	-	7.0	7.0	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>						<u>0.00%</u>

	Transportation					
	Reported on DRTRS by BOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
	Regular Public Students	375.0	375.0	-	15.0	15.0
Transported Non-Public Students	100.0	100.0	-	4.0	3.0	(1.0)
Regular Special Education (w/o needs)	88.0	88.0	-	4.0	4.0	-
Special Ed Students (w/special needs or out of district)	87.0	87.0	-	4.0	4.0	-
Subtotal	650.0	650.0	-	27.0	26.0	(1.0)
Percentage Error			<u>0.00%</u>			<u>-3.70%</u>

**RIDGEWOOD BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 15, 2019  
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA as LEP Not low Income	Reported on Workpapers as LEP Not low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten	12.0	12.0	-	3.0	3.0	-
One	16.0	16.0	-	4.0	4.0	-
Two	16.0	16.0	-	4.0	4.0	-
Three	13.0	13.0	-	3.0	3.0	-
Four	6.0	6.0	-	1.0	1.0	-
Five	6.0	6.0	-	1.0	1.0	-
Six	6.0	6.0	-	1.0	1.0	-
Seven	9.0	9.0	-	2.0	2.0	-
Eight	4.0	4.0	-	1.0	1.0	-
Nine	3.0	3.0	-	1.0	1.0	-
Ten	2.0	2.0	-	1.0	1.0	-
Eleven	5.0	5.0	-	1.0	1.0	-
Twelve	-	-	-	-	-	-
Adult School (15+ credits)	-	-	-	-	-	-
<b>Subtotal</b>	<b>98.0</b>	<b>98.0</b>	<b>-</b>	<b>23.0</b>	<b>23.0</b>	<b>-</b>
Special Ed. - Elementary	-	-	-	-	-	-
Special Ed. - Middle	2.0	2.0	-	1.0	1.0	-
Special Ed. - High	-	-	-	-	-	-
<b>Subtotal</b>	<b>2.0</b>	<b>2.0</b>	<b>-</b>	<b>1.0</b>	<b>1.0</b>	<b>-</b>
Co.Voc. -Regular						
Co.Voc. Ft. Post Sec.						
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>-</b>	<b>24.0</b>	<b>24.0</b>	<b>-</b>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**RIDGEWOOD BOARD OF EDUCATION  
CALCULATION OF EXCESS SURPLUS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

2019-2020 Total General Fund Expenditures per the CAFR	\$ 119,616,974
Increased By:	
Transfers to Other Funds	\$ 1,797,672
Decreased by:	
On-Behalf TPAF Pension & Social Security	(17,208,155)
Adjusted 2019-2020 General Fund Expenditures	<u>\$ 104,206,491</u>
2% of Adjusted 2019-2020 General Fund Expenditures	<u>\$ 2,084,130</u>
Enter Greater of 2% of Adjusted 2019-2020 General Fund Expenditures or \$250,000	\$ 2,084,130
Increased by:	
Allowable Adjustments	<u>409,891</u>
Maximum Unassigned Fund Balance	<u>\$ 2,494,021</u>

**SECTION 2**

Total General Fund - Fund Balance at June 30, 2020	\$ 9,583,321
Decreased by:	
Legally Restricted - Designated for Future Year's Budget	\$ 108,884
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	700,000
Capital Reserve	1,578,493
Capital Reserve - Designated for Subsequent Year's Expenditures	1,650,000
Maintenance Reserve	765,548
Maintenance Reserve - Designated for Subsequent Year's Expenditures	150,000
Emergency Reserve	500,000
Year End Encumbrances	729,375
Designated for Subsequent Year's Expenditures	<u>257,000</u>
	<u>6,439,300</u>
Total Unassigned Fund Balance	<u>\$ 3,144,021</u>

**SECTION 3**

Restricted Fund Balance - Reserved Excess Surplus	\$ <u>650,000</u>
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**Recapitulation of Excess Surplus as of June 30, 2020**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 700,000
Reserved Excess Surplus	<u>650,000</u>
	<u>\$ 1,350,000</u>

**Detail of Allowable Adjustments**

Extraordinary Aid	\$ 401,972
Nonpublic Transportation Aid	<u>7,919</u>
	<u>\$ 409,891</u>

**RIDGEWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**RECOMMENDATIONS**

I. Administration Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

There are none.

III. School Purchasing Program

It is recommended that purchasing procedures be enhanced to ensure post-award notices are submitted to the Office of State Comptroller in accordance with N.J.S.A. 52:15C-10.

IV. School Food Service

There are none.

V. Infant/Toddler Development Program

It is recommended that all fees collected be deposited on a timely basis.

VI. Technology Initiative and Photography Lab Program

There are none.

VII. Community School Program

There are none.

VIII. Student Body Activities

\* It is recommended that continued efforts be made in the student body activity accounts to properly record and account for all related transactions.

IX. Application for State School Aid

There are none.

X. Pupil Transportation

There are none.

XI. Facilities and Capital Assets

It is recommended that all current year additions be properly reflected in the District's capital assets records.

XII. Status of Prior Years' Audit Findings/Recommendations

A review was performed on the prior year's recommendations and corrective action was taken on all except those denoted with an asterisk.

**RIDGEWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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 W. Higgins  
Public School Accountant  
Certified Public Accountant