



EXECUTIVE SUMMARY

RIDGEFIELD PARK SCHOOL DISTRICT July 1, 2015 to June 30, 2019

We identified the primary factors that contributed to the fiscal year 2016 year-end General Fund budgetary deficit the district would have had to report had the district not received an advance of state aid. The deficit was a result of district tuition and miscellaneous revenues not meeting unreasonable projections, unrealized savings in employee benefits and student transportation services, and inadequate funds to cover lease payments for school facilities. We also found that the financial transactions included in our testing were related to the district's programs, however, they were not always reasonable or properly recorded in the accounting system. Some transactions were never approved by the board, and some were made with related parties. In addition, we found weaknesses over payroll and information technology meriting the district's attention. Certain matters were referred to the state's Division of Criminal Justice.

AUDIT HIGHLIGHTS

- The district management's financial decisions would have resulted in a budgetary fund balance deficit totaling \$1.2 million during fiscal year 2016 if not for an advance of \$2.5 million in state aid.
- The district lost \$1.7 million because of unfavorably negotiated tuition contracts with the Little Ferry School District.
- In June 2014, the district entered into a 10-year lease totaling \$6.1 million for the rental of two school facilities and obtained a loan for the renovation of one of the facilities without proper approvals. Procurements related to the lease included the questionable purchase of \$33,900 worth of furniture from a local vendor, a relative of one of the district administrators at the time. The district ultimately terminated the lease in June 2018, paying approximately \$2.7 million to the lessor during the four years of the contract.
- A school board member did not recuse himself from participating in or voting on a personnel matter affecting a related individual.
- The district did not ensure that all prospective employees completed the required criminal history background check.
- The district is facing a \$3.6 million liability to its employees because of the decisions it made concerning employee contributions for health benefits.
- Other findings were also noted involving payroll and personnel, procurement, information system security, monthly billings for health benefits, and the district's administration of its home instruction program.

AUDITEE RESPONSE

The district generally concurs with our findings and recommendations.

For the complete audit report or to print this Executive Summary, click [here](#).