

**CARLSTADT-EAST RUTHERFORD REGIONAL
BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2017**

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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AUDITOR'S MANAGEMENT REPORT

Honorable President and Members
of the Board of Trustees
Carlstadt-East Rutherford Regional Board of Education
East Rutherford, 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 Carlstadt-East Rutherford Regional Board of Education as of and for the fiscal year ended June 30, 2017, and have issued our report thereon dated September 28, 2017.

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.

Lerch, Vinci & Higgins, LLP

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

Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
September 28, 2017

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 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 the Insurance Schedule (Exhibit J-20) contained in the district's Comprehensive Annual Financial Report (CAFR).

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Nicholas Annitti	Board Secretary/School Business Administrator	\$200,000
Dominic Giancaspro	Treasurer of School Monies	200,000

There is an Employee Dishonesty and Faithful Performance coverage with the Selective Way Insurance Group covering all other employees with multiple coverage of \$100,000.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not reveal any material discrepancies with respect to signatures or certification.

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 tested were certified by the President of the Board and the Board Secretary/School Business Administrator.

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

The District maintains a personnel tracking and accounting (position control) system.

The School Business Administrator completed and filed the required Certification of Compliance with Federal and State Law for the reporting of compensation for certain employees.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, we also selected administrative coding classifications to determine overall reliability and compliance with NJAC 6A:23A-8.3. As a result of the procedures performed no additional procedures were deemed necessary to test the propriety of expenditure classifications.

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 were summarized in the minutes (NJSA 18A:18A-21).

Treasurer's Records

The Treasurer did perform cash reconciliations for all District accounts.

Elementary and Secondary Education Act (E.S.E.A.)/Improving America's Schools Act (I.A.S.A.) as Reauthorized by the No Child Left Behind Act (NCLB) 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 Title I, II and III of the Elementary and Secondary Education Act as amended.

Our examination of the E.S.E.A./NCLB 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.

- **Finding** – Final reports for the NCLB and IDEA grant programs for the 2015/16 year were not available on the Electronic Web-Enabled Grants (EWIG) system and they do not appear to be filed as required by program guidelines.

Recommendation – Final reports for the NCLB and IDEA grant programs be filed on the EWIG system in accordance with program requirements.

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Exhibit 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.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Financial Planning, Accounting and Reporting (Continued)

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 Reports 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 Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2015 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(A) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (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 \$18,800.

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 \$40,000. 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 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 did not indicate any individual payments, contracts, or agreements which were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of 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.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

- **Finding** – We noted that a cooperative purchasing (ESCNJ) contract award to a vendor for purchases made in excess of the bid threshold was not specifically approved in the minutes. In addition, there was no documentation on file supporting the cooperative purchasing contract.

Recommendation – Cooperative purchasing contract awards and purchases to vendors that exceed the bid threshold be specifically approved in the minutes. In addition, documentation be maintained on file and made available for audit to support contract awards and purchases made through cooperative purchasing agreements.

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.

Enterprise Funds

Food Service Fund

The school food service program was not selected as a major federal or state program and the program did not exceed \$100,000 in federal support.

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.

Applications for free and reduced price meals were reviewed for completeness and accuracy as part of the audit of the Application of State School Aid (ASSA).

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. The FSMC contract includes an operating results provision which guarantees that the food service program will break even. The operating results provision has been met during the current school year.

Cash receipts and bank records were reviewed for timely deposit.

Expenditures 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.

U.S.D.A. commodities were received and a separate inventory was maintained on a first-in, first-out basis.

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 exceed three months average expenditures.

The Statement of Revenues, Expenses and Changes in Net Position (CAFR Exhibit B-5) does separate program and non-program revenue and non-program cost of goods sold.

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

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Student Body Activities

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

- **Finding** - Our audit of the High School Student Activity account revealed that seven (7) sub-activity accounts that were in a deficit balance at year end.

Recommendation - A review be made of the Student Activity sub-accounts and all deficit balances be reviewed and cleared of record.

- **Finding** – Review of the Student Activities and Athletic Account deposits revealed that the deposits were not made in a timely manner.

Recommendation – All deposits be made in a timely manner in the Student Activity and Athletic accounts.

Application for State School Aid

Audit procedures included a test of information reported in the October 15, 2015 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. A review was performed of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers without exception. The information that was included on the workpapers was verified with an immaterial exception noted. The results of these 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 2015-2016 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 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 audit 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** – Our audit of the District’s capital assets revealed that the Noise Abatement project for \$27,058,513 and the Technology Upgrade for \$839,512 were not included on the District’s capital asset accounting records at June 30, 2017. The financial statements have been adjusted to reflect these capital assets.

Recommendation – The capital asset accounting records be reviewed and updated for all completed capital projects at year end.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Follow-up on Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Corrective action has been taken on prior year findings.

Suggestions to Management

- Noise Abatement Project be closed and appropriate action be taken to clear the unexpended project balance in the Capital Projects Fund.
- Pension reports for the 2015/16 and 2016/17 retro pay to be submitted to the State.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MILKS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

SCHEDULE OF MEAL COUNT ACTIVITY

NOT APPLICABLE

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
FOOD SERVICE FUND
COMPARISON OF NET CASH RESOURCES TO THREE MONTHS AVERAGE EXPENDITURES
ENTERPRISE FUND
AS OF JUNE 30, 2017**

NET CASH RESOURCE SCHEDULE

NOT APPLICABLE

**CARLSTADT-EAST RUTHERFORD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 14, 2016
SCHEDULE OF AUDITED ENROLLMENTS**

	2017-2018 Application for State School Aid						Sample for Verification						On Roll - Special Education			Private Schools for Disabled				
	Reported on A.S.S.A.		Reported on Workpapers		Errors		Sample Selected from Workpapers		Verified per Register On Roll		Errors per Registers On Roll		Sample for	Sample	Sample	Reported on A.S.S.A. as Private Schools	Sample for	Sample	Sample	
	On Roll	Shared	On Roll	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Verifi- cation	Verified	Errors	Private Schools	Verifi- cation	Verified	Errors	
Half Day Preschool 3 Years Old					-	-														
Full Day Preschool 3 Years Old					-	-														
Half Day Preschool 4 Years Old					-	-														
Full Day Preschool 4 Years Old					-	-														
Half Day Kindergarten					-	-														
Full Day Kindergarten					-	-														
Grade 1					-	-														
Grade 2					-	-														
Grade 3					-	-														
Grade 4					-	-														
Grade 5					-	-														
Grade 6					-	-														
Grade 7					-	-														
Grade 8					-	-														
Grade 9	105	1	105	1	-	-	105	1	105	1	-	-								
Grade 10	95	1	95	1	-	-	95	1	95	1	-	-								
Grade 11	101	3	101	3	-	-	101	3	101	3	-	-								
Grade 12	106	3	106	3	-	-	106	3	106	3	-	-								
Post- Graduate					-	-					-	-								
Adult High School (15+ Credits)					-	-					-	-								
Adult High School (1-14 Credits)					-	-					-	-								
Subtotal	407	8	407	8	-	-	407	8	407	8	-	-	-	-	-		-	-	-	
Sp Ed - Elementary					-	-					-	-								
Sp Ed - Middle School					-	-					-	-								
Sp Ed - High School	53	5	53	5	-	-	53	5	53	5	-	-	46	46	-	13	11	11	-	
Subtotal	53	5	53	5	-	-	53	5	53	5	-	-	46	46	-	13	11	11	-	
County Vocational - Regular					-	-					-	-								
County Vocational - F.T. Post-Second					-	-					-	-								
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	
Totals	460	13	460	13	-	-	460	13	460	13	-	-	46	46	-	13	11	11	-	
Percentage Error					0.00%						0.00%					0.00%			0.00%	

CARLSTADT-EAST RUTHERFORD BOARD OF EDUCATION
 APPLICATION FOR STATE SCHOOL AID
 ENROLLMENT AS OF OCTOBER 14, 2016
 SCHEDULE OF AUDITED ENROLLMENTS

	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	Sample Errors
Half Day Preschool 3 Years Old			-			-
Full Day Preschool 3 Years Old			-			-
Half Day Preschool 4 Years Old			-			-
Full Day Preschool 4 Years Old			-			-
Half Day Kindergarten			-			-
Full Day Kindergarten			-			-
Grade 1			-			-
Grade 2			-			-
Grade 3			-			-
Grade 4			-			-
Grade 5			-			-
Grade 6			-			-
Grade 7			-			-
Grade 8			-			-
Grade 9	32	32	-	18	18	-
Grade 10	34	34	-	23	23	-
Grade 11	30	30	-	16	15	1
Grade 12	23	23	-	16	16	-
Post- Graduate			-			-
Adult High School (15+ Credits)			-			-
Adult High School (1-14 Credits)			-			-
Subtotal	119	119	-	73	72	1
Sp Ed - Elementary			-			-
Sp Ed - Middle School			-			-
Sp Ed - High School	21	21	-	11	11	-
Subtotal	21	21	-	11	11	-
County Vocational - Regular			-			-
County Vocational - F.T. Post-Second			-			-
Subtotal	-	-	-	-	-	-
Totals	140	140	-	84	83	1
Percentage Error			<u>0%</u>			<u>1%</u>

	Resident LEP Low Income			Sample for Verification		
	Reported on ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected	Verified to Test Score and Register	Errors
Half Day Preschool 3 Years Old			-			-
Full Day Preschool 3 Years Old			-			-
Half Day Preschool 4 Years Old			-			-
Full Day Preschool 4 Years Old			-			-
Half Day Kindergarten			-			-
Full Day Kindergarten			-			-
Grade 1			-			-
Grade 2			-			-
Grade 3			-			-
Grade 4			-			-
Grade 5			-			-
Grade 6			-			-
Grade 7			-			-
Grade 8			-			-
Grade 9	4	4	-	4	4	-
Grade 10	1	1	-	1	1	-
Grade 11			-			-
Grade 12	1	1	-	1	1	-
Post- Graduate			-			-
Adult High School (15+ Credits)			-			-
Adult High School (1-14 Credits)			-			-
Subtotal	6	6	-	6	6	-
Sp Ed - Elementary			-			-
Sp Ed - Middle School			-			-
Sp Ed - High School			-			-
Subtotal	-	-	-	-	-	-
County Vocational - Regular			-			-
County Vocational - F.T. Post-Second			-			-
Subtotal	-	-	-	-	-	-
Totals	6	6	-	6	6	-
Percentage Error			<u>0%</u>			<u>0%</u>

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	41	41	-	21	21	-
Regular - Special Ed			-			-
AIL Non-Public			-			-
Transported - Non Public			-			-
Special Needs	53	53	-	28	28	-
Totals	94	94	-	49	49	-
Percentage Error			<u>-</u>			<u>-</u>

**CARLSTADT-EAST RUTHERFORD BOARD OF EDUCATION
 APPLICATION FOR STATE SCHOOL AID
 ENROLLMENT AS OF OCTOBER 14, 2016
 SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA as NOT Low Income	Reported on Workpapers as NOT low Income	Errors	Sample Selected From Workpapers	Verified to Application Workpapers	Errors
Half Day Preschool 3 Years Old			-			-
Full Day Preschool 3 Years Old			-			-
Half Day Preschool 4 Years Old			-			-
Full Day Preschool 4 Years Old			-			-
Half Day Kindergarten			-			-
Full Day Kindergarten			-			-
Grade 1			-			-
Grade 2			-			-
Grade 3			-			-
Grade 4			-			-
Grade 5			-			-
Grade 6			-			-
Grade 7			-			-
Grade 8			-			-
Grade 9			-			-
Grade 10	1	1	-	1	1	-
Grade 11	1	1	-	1	1	-
Grade 12	1	1	-	1	1	-
Post- Graduate	-	-	-	-	-	-
Adult High School (15+ Credits)			-			-
Adult High School (1-14 Credits)			-			-
Subtotal	3	3	-	3	3	0
Sp Ed - Elementary			-			-
Sp Ed - Middle School			-			-
Sp Ed - High School			-			-
Subtotal	0	-	-	-	-	-
County Vocational - Regular			-			-
County Vocational - F.T. Post-Second			-			-
Subtotal						
Totals	3	3	-	3	3	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

SECTION 1 - Two Percent (2%) - Calculation of Excess Surplus

2016-2017 Total General Fund Expenditures		\$ 14,398,866
Increased by:		
Transfer from Capital Reserve to Capital Projects Fund		250,000
Decreased by:		
On-Behalf TPAF Pension & Social Security	\$ (1,211,644)	
Assets Acquired Under Capital Leases	-	
	(1,211,644)	
Adjusted 2016-2017 General Fund Expenditures		13,437,222
2% of Adjusted 2016-2017 General Fund Expenditures		268,744
Enter Greater of 2% of Adjusted 2016-2017 General Fund Expenditures or \$250,000		268,744
Increased by:		
Allowable Adjustment		42,587
Maximum Unreserved/Undesignated Fund Balance		\$ 311,331

SECTION 2

Total General Fund - Fund Balance at June 30, 2017		\$ 2,487,884
Decreased by:		
Year-End Encumbrances	\$ (60,586)	
Legally Restricted - Reserved Excess Surplus Designated for Subsequent Years Expenditures	(544,951)	
Assigned- Designated for Subsequent Year's Expenditures	(28,882)	
Other Restricted Fund Balances - Capital Reserve	(814,992)	
Other Restricted Fund Balances - Maintenance Reserve	(225,000)	
	(1,674,411)	
Total Unassigned Fund Balance for Excess Surplus Calculation		\$ 813,473

SECTION 3

Restricted Fund Balance - Excess Surplus		\$ 502,142
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Detail of Allowable Adjustments

Extraordinary Aid		\$ 42,587
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Recapitulation of Excess Surplus as of June 30, 2017

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures		\$ 544,951
Reserved Excess Surplus		502,142
Total Excess Surplus		\$ 1,047,093

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that final reports for the NCLB and IDEA grant programs be filed on the EWIG system in a timely manner in accordance with program requirements.

III. School Purchasing Program

It is recommended that cooperative purchasing contract awards and purchases to vendors that exceed the bid threshold be specifically approved in the minutes. In addition, documentation be maintained on file and made available for audit to support contract awards and purchases made through cooperative purchasing agreements.

IV. Enterprise Funds

There are none.

V. Student Body Activities

It is recommended that:

- * 1. A review be made of the Student Activity sub-accounts and all deficit balances be reviewed and cleared of record.
- 2. All deposits be made in a timely manner in the Student Activity and Athletic accounts.

VI. Application for State School Aid

There are none.

VII. Transportation

There are none.

VIII. Facilities and Capital Assets

- * It is recommended that the capital asset accounting records be reviewed and updated for all completed capital projects at year end.

IX. 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, except those denoted with an asterisk (*).

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION

ACKNOWLEDGEMENT

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.

Respectfully submitted,

LERCH, VINCI & HIGGINS, LLP

A handwritten signature in blue ink, appearing to be 'J. Bliss', with a long horizontal flourish extending to the right.

Jeffrey C. Bliss
Certified Public Accountant
Public School Accountant