

**NEW MILFORD BOARD OF EDUCATION  
AUDITOR'S MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
JUNE 30, 2018**

**NEW MILFORD BOARD OF EDUCATION  
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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Honorable President and  
Members of the Board of Education  
New Milford Board of Education  
New Milford, 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 New Milford Board of Education in the County of Bergen as of and for the fiscal year ended June 30, 2018, and have issued our report thereon dated January 24, 2019.

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 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

Donna L. Japhet  
Public School Accountant  
PSA Number CS002314

Fair Lawn, New Jersey  
January 24, 2019

**NEW MILFORD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**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) included in the District's Comprehensive Annual Financial Report (CAFR).

**Officials Bonds**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Michael Sawicz	School Business Administrator/ Board Secretary	\$100,000
Denise Amoroso	Treasurer of School Monies	\$250,000

There is Public Employee Dishonesty coverage with Great American Insurance Company, with a limit of \$100,000 per employee and \$500,000 per loss.

**Tuition Charges**

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were greater than estimated costs.

**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, certification or supporting documentation.

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

Salary withholdings were promptly remitted to the proper agencies, including health benefit withholdings due to other funds.

The District filed the required certification (ECERT1) of compliance with requirements for income tax compensation of certain administrators with the NJ Department of Treasury by the March 15 due date.

**Employee Position Control Roster**

The Board has implemented and maintains a personnel tracking and accounting (Position Control) system.

**NEW MILFORD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**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. 6:A23-16.2(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. As a result of the procedures performed, no material transaction errors were noted and therefore, 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 and required certifications were included in the minutes.

The prescribed contractual order system was followed.

**Finding (CAFR Finding 2018-001)** - Our audit of the general ledger account balance revealed certain adjusting journal entries were required to reconcile the Board's records to agree with subsidiary records, supporting documentation and prior year annual audit balances. It was also noted that certain year-end receivables were not accrued, such as Extraordinary Aid, tuition and charter school overpayment. In addition, the financial activity of the Food Service Enterprise Fund is not being maintained in the District's internal accounting records.

**Recommendation** - Internal controls over financial accounting and reporting be reviewed and enhanced to ensure financial transactions are properly recorded and reported in the District's internal accounting records.

**Treasurer's Records**

The Treasurer did perform cash reconciliations for all District accounts. (N.J.S.A. 18A:17-36).

All cash receipts were promptly deposited.

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

The Treasurer's cash balances were in agreement with the reconciled cash balances as determined during the audit.

**NEW MILFORD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

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. The 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 of the E.S.E.A. 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.

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 Exhibit K-3 and Exhibit 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. Reimbursement

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 Office 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 State by the due date.

**NEW MILFORD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**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-3A 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 \$19,000. The school business administrator is a qualified purchasing agent, thereby increasing the bid threshold for items other than transportation to \$40,000.

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.

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 authorized to be made through the use of State contracts.

**School Food Services**

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 compared to 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 was compared to 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 policy is uniformly administered through the school system. The required verification procedures for free and reduced price application were completed and available for review.

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.

The cash disbursement 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.

**NEW MILFORD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**School Food Services (Continued)**

Cash receipts and bank records were reviewed for timely deposit.

**Finding** – Our audit of cash receipts and bank records revealed several instances where deposits were not made in a timely manner.

**Recommendation** – All deposits for the Food Service Enterprise Fund be made in a timely manner.

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

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 result which guarantees that the Food Service will return a profit. The operating results provision has not been met. All vendor discounts, rebates and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation of least annually.

Net cash resources were not in excess of three months average expenditures.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all school food services employees authorized by the board of education. No exceptions were noted.

USDA Food Distribution Program (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

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

The school district maintains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

**Other Enterprise Funds**

**Latch Key Programs, Broadway Kids Summer, After School Enrichment Program and Summer Music Program**

The District provides a before and after school child care program, a summer enrichment program and an after school enrichment program for district students. The accounting records maintained for the programs were in satisfactory condition.

**Finding** – A review of the student rosters of the Broadway Kids Summer and After School Enrichment Program revealed the following:

- Date of actual receipt is not indicated.
- Pre-numbered receipts are not utilized.

**Recommendation** – Continued efforts be made to strengthen the controls for the Broadway Kids Summer and After School Enrichment Program to ensure pre-numbered receipts are utilized and accounting records are maintained to support when fees are collected.

**Finding** – Our audit of the Summer Music Program's cash receipts and bank records for registration fees revealed certain instances where registration fee deposits were not made timely.

**Recommendation** – All cash receipts for the Summer Music Programs be deposited in a timely manner.



**NEW MILFORD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Student Activity Funds**

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

Cash receipts and disbursement records were maintained in good condition.

**Finding** – Our audit of the Athletic account revealed game summary sheets are not reporting the range of tickets sold. In addition, several deposits were not made timely.

**Recommendation** – Athletic game summary sheets be properly completed, including detail of range of tickets sold and deposits be made timely.

**Application for State School Aid**

Our audit procedures included a test of information reported in the October 13, 2017 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual education. 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. 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 2017-2018 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 information on the DRTRS was compared to the district workpapers with exceptions noted. The results of our procedures are presented in the Schedule of Audited Enrollments.

**Finding** – Our audit of the DRTRS revealed that several students classified as special education with special transportation needs did not have a special transportation need specified in their Individualized Education Plan (IEP). As a result, these students should have been reported as regular special education students without special transportation needs.

**Recommendation** – Internal control procedures be reviewed to ensure all students included in the DRTRS are properly classified.

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.

**NEW MILFORD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Facilities and Capital Assets**

The District had no active State School Development Authority (SDA) grant projects during the year.

**Testing for Lead of all Drinking Water in Educational Facilities**

The school district adhered to all requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing of lead of all drinking water in educational facilities.

The school district submitted the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

**Follow-up on Prior Year Findings**

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

**NEW MILFORD BOARD OF EDUCATION  
 FOOD SERVICE ENTERPRISE FUND  
 SCHEDULE OF MEAL COUNT ACTIVITY  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>
National School Lunch (Regular Rate)	Paid	83,467	42,418	42,418
National School Lunch (Regular Rate)	Reduced	10,515	5,285	5,285
National School Lunch (Regular Rate)	Free	25,406	12,711	12,711
	TOTAL	<u>119,388</u>	<u>60,414</u>	<u>60,414</u>
National School Lunch	HHFKA - PB Lunch Only	<u>119,388</u>	<u>60,414</u>	<u>60,414</u>
School Breakfast (Regular Rate)	Paid	154	57	57
	Reduced	2		
	Free	219	81	81
		<u>375</u>	<u>138</u>	<u>138</u>
		<u>239,151</u>	<u>120,966</u>	<u>120,966</u>

**NEW MILFORD BOARD OF EDUCATION  
FOOD SERVICE ENTERPRISE FUND  
CALCULATION OF NET CASH RESOURCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 172,147
Due from Other Governments	10,733
Accounts Receivable	1,939
Due from Other Funds	62,721
<b>Current Liabilities</b>	(75,137)
<b>Net Cash Resources</b>	\$ 172,403
 <b><u>Adjusted Total Operating Expense:</u></b>	
Total Operating Expenses	\$ 888,859
Less Depreciation	(22,513)
Adjusted Total Operating Expense	\$ 866,346
 <b><u>Average Monthly Operating Expense:</u></b>	 \$ 86,635
 <b><u>Three Times Monthly Average:</u></b>	 \$ 259,904
Total Net Cash Resources	\$ 172,403
Three Times Monthly Average	259,904
Excess(Deficit) Cash Resources	\$ (87,501)

**NEW MILFORD BOARD OF EDUCATION**

**SCHEDULE OF AUDITED ENROLLMENTS**

**APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 13, 2017**

	2018-19 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 Registers 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 - 3YR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Preschool - 4YR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	142	-	142	-	-	-	62	-	62	-	-	-	-	-	-	-
One	123	-	123	-	-	-	64	-	64	-	-	-	-	-	-	-
Two	127	-	127	-	-	-	69	-	69	-	-	-	-	-	-	-
Three	133	-	133	-	-	-	70	-	70	-	-	-	-	-	-	-
Four	126	-	126	-	-	-	66	-	66	-	-	-	-	-	-	-
Five	118	-	118	-	-	-	58	-	58	-	-	-	-	-	-	-
Six	116	-	116	-	-	-	116	-	116	-	-	-	-	-	-	-
Seven	121	-	121	-	-	-	121	-	121	-	-	-	-	-	-	-
Eight	145	-	145	-	-	-	145	-	145	-	-	-	-	-	-	-
Nine	98	-	98	-	-	-	98	-	98	-	-	-	-	-	-	-
Ten	129	-	129	-	-	-	129	-	129	-	-	-	-	-	-	-
Eleven	121	2	121	2	-	-	121	2	121	2	-	-	-	-	-	-
Twelve	142	1	142	1	-	-	142	1	142	1	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	- 1,641	- 3	- 1,641	- 3	- -	- -	- 1,261	- 3	- 1,261	- 3	- -	- -	- -	- -	- -	- -
Special Ed - Elementary	151	-	151	-	-	-	26	-	26	-	-	-	3	3	3	-
Special Ed - Middle School	104	-	104	-	-	-	18	-	18	-	-	-	1	1	1	-
Special Ed - High School	97	-	97	-	-	-	17	-	17	-	-	-	5.5	4	4	-
Subtotal	<u>352</u>	<u>-</u>	<u>352</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61</u>	<u>-</u>	<u>61</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9.5</u>	<u>8</u>	<u>8</u>	<u>-</u>
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	<u>1,993</u>	<u>3</u>	<u>1,993</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>1,322</u>	<u>3</u>	<u>1,322</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>9.5</u>	<u>8</u>	<u>8</u>	<u>-</u>
Percentage Error					<u>0.00%</u>	<u>0.00%</u>					<u>0.00%</u>	<u>0.00%</u>				<u>0.00%</u>

**SCHEDULE OF AUDITED ENROLLMENTS**

**NEW MILFORD BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 13, 2017**

	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 LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	19	19	-	4	4	-	6	6	-	5	5	-
One	23	23	-	5	5	-	10	10	-	9	9	-
Two	24	24	-	5	5	-	5	5	-	4	4	-
Three	20	20	-	4	4	-	6	6	-	5	5	-
Four	21	21	-	4	4	-	1	1	-	1	1	-
Five	17	17	-	4	4	-	1	1	-	1	1	-
Six	17	17	-	4	4	-	-	-	-	-	-	-
Seven	18	18	-	4	4	-	-	-	-	-	-	-
Eight	18	18	-	4	4	-	-	-	-	-	-	-
Nine	19	19	-	4	4	-	1	1	-	1	1	-
Ten	10	10	-	2	2	-	2	2	-	2	2	-
Eleven	16	16	-	3	3	-	-	-	-	-	-	-
Twelve	11	11	-	2	2	-	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	233	233	-	49	49	-	32	32	-	28	28	-
Special Ed - Elementary	12	9	3	2	2	-	5	5	-	4	4	-
Special Ed - Middle	12	14	(2)	3	3	-	1	1	-	1	1	-
Special Ed - High	22	22	-	5	5	-	-	-	-	-	-	-
Subtotal	46	45	1	10	10	-	6	6	-	5	5	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	279	278	1	59	59	-	38	38	-	33	33	-
Percentage Error			0.36%			0.00%			0.00%			0.00%

**Transportation**

	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
	Reg. - Public Schools, col. 1	43	43	-	15	15
Reg -SpEd, col. 4	-	-	-	-	10	(10)
Transported - Non-Public, col. 3	30	30	-	11	11	-
Special Ed Spec, col. 6	93	93	-	34	24	10
Totals	166	166	-	60	60	-
Percentage Error					0.00%	

**NEW MILFORD BOARD OF EDUCATION**

**SCHEDULE OF AUDITED ENROLLMENTS**

**APPLICATION FOR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 13, 2017**

	<b>Resident LEP NOT Low Income</b>			<b>Sample for Verification</b>		
	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
Half Day Preschool	-	-		-	-	
Full Day Preschool	-	-		-	-	
Half Day Kindegarten	-	-		-	-	
Full Day Kindergarten	10	10	-	8	8	-
One	8	8	-	6	6	-
Two	7	7	-	6	6	-
Three	3	3	-	3	3	-
Four	6	6	-	5	5	-
Five	3	3	-	3	3	-
Six	2	2	-	2	2	-
Seven	2	2	-	2	2	-
Eight	1	1	-	1	1	-
Nine	1	1	-	1	1	-
Ten	3	3	-	2	2	-
Eleven	-	-	-	-	-	-
Twelve	1	1	-	1	1	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-
Subtotal	<u>47</u>	<u>47</u>	<u>-</u>	<u>40</u>	<u>40</u>	<u>-</u>
Special Ed - Elementary	1	1	-	1	1	-
Special Ed - Middle	2	2	-	1	1	-
Special Ed - High	1	1	-	1	1	-
Subtotal	<u>4</u>	<u>4</u>	<u>-</u>	<u>3</u>	<u>3</u>	<u>-</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>51</u>	<u>51</u>	<u>-</u>	<u>43</u>	<u>43</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**NEW MILFORD BOARD OF EDUCATION  
CALCULATION OF EXCESS SURPLUS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

2017-2018 Total General Fund Expenditures (Budgetary Basis) Per Schedule C-1 of the CAFR	\$ 39,508,086
Decreased by:	
On-Behalf TPAF Pension & Social Security	(4,302,042)
Adjusted 2017-2018 General Fund Expenditures	<u>\$ 35,206,044</u>
2% of Adjusted 2017-2018 General Fund Expenditures	<u>\$ 704,121</u>
Enter Greater of 2% of Adjusted 2018-2018 General Fund Expenditures or \$250,000	\$ 704,121
Increased by Allowable Adjustments*	<u>432,323</u>
Maximum Unassigned Fund Balance	<u>\$ 1,136,444</u>

**SECTION 2**

Total General Fund - Fund Balance at June 30, 2018 (Per CAFR Budgetary Comparison Schedule/Statement)	\$ 4,499,987
Decreased by:	
Restricted	
Capital Reserve	611,411
Maintenance Reserve	319,405
Emergency Reserve	285,874
Excess Surplus - Designated for Subsequent Year's Expenditures	870,610
Committed	
Year-End Encumbrances	31,250
Assigned	
Designated for Subsequent Year's Expenditures	100,000
Year-End Encumbrances	<u>191,455</u>
Total Unassigned Fund Balance	<u>\$ 2,089,982</u>

**SECTION 3**

Restricted Fund Balance - Excess Surplus	<u>\$ 953,538</u>
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**Recapitulation of Excess Surplus**

Excess Surplus	\$ 953,538
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>870,610</u>
	<u>\$ 1,824,148</u>

\* **Detail of Allowable Adjustment**

Extraordinary Aid (Unbudgeted Portion)	\$ 373,295
Nonpublic Transportation Aid Reimbursement	<u>59,028</u>
Total Adjustments	<u>\$ 432,323</u>



**NEW MILFORD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**RECOMMENDATIONS**

**I. Administration Practices and Procedures**

There are none.

**II. Financial Planning, Accounting and Reporting**

It is recommended that internal controls over financial accounting and reporting be reviewed and enhanced to ensure financial transactions are properly recorded and reported in the District's internal accounting records.

**III. School Purchasing Program**

There are none.

**IV. School Food Services**

It is recommended that all deposits for the Food Service Enterprise Fund be made in a timely manner.

**V. Latch Key/Broadway Kids Summer/After School Enrichment Programs/Summer Music Programs**

It is recommended that:

- \* 1. Continued efforts be made to strengthen the controls for the Broadway Kids Summer and After Enrichment Program to ensure pre-numbered receipts are utilized and accounting records are maintained to support when fees are collected.
- 2. All cash receipts for the Summer Music Program be deposited in a timely manner.

**VI. Student Body Activities**

- \* It is recommended that athletic game summary sheets be properly completed, including detail of range of tickets sold and deposits be made timely.

**VII. Application for State School Aid**

There are none.

**NEW MILFORD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**RECOMMENDATIONS**  
**(Continued)**

**VIII. Pupil Transportation**

It is recommended that internal control procedures be reviewed to ensure all students included in the DRTRS are properly classified.

**IX. Facilities and Capital Assets**

There are none.

**X. Miscellaneous**

There are none.

**XI. Status of Prior Year's Audit Findings/Recommendations**

A review was performed on all prior year recommendations. Correction action was taken on all prior year recommendations except the items denoted with an asterisk (\*).

**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,

PERCH, VINCI & HIGGINS, LLP



Donna L. Japhet  
Public School Accountant  
Certified Public Accountant