

**EAST RUTHERFORD BOARD OF EDUCATION  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL COMPLIANCE AND PERFORMANCE  
JUNE 30, 2020**

**EAST RUTHERFORD BOARD OF EDUCATION  
TABLE OF CONTENTS**

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

	<u>Page No.</u>
Report of Independent Auditors'	1
Scope of Audit	2
Administrative Practices and Procedures	2
Financial Planning, Accounting and Reporting	2-4
School Purchasing Programs	4-5
Food Service Fund	5-6
Student Activity Fund	6
Application for State School Aid	6
Pupil Transportation	7
Facilities and Capital Assets	7
Testing for Lead of All Drinking Water in Educational Facilities	7
Suggestions to Management	7
Follow-Up On Prior Year Findings	7
Schedule of Meal Count Activity – Not Applicable	8
Calculation of Net Cash Resources	9
Schedule of Audited Enrollments	10-12
Calculation of Excess Surplus	13
Recommendations	14
Acknowledgment	15



# 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  
CHRISTOPHER M. VINCI, CPA

## AUDITOR'S MANAGEMENT REPORT

Honorable President and Members  
of the Board of Education  
East Rutherford 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 East Rutherford Board of Education as of and for the fiscal year ended June 30, 2020, and have issued our report thereon dated January 5, 2021.

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 Education, 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*

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

Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
January 5, 2021

**EAST RUTHERFORD 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 Moneys, 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 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>
Lameka Augustin	Board Secretary/School Business Administrator	\$200,000
Diane Chorazy	Treasurer of School Monies	225,000

There is a Public Employees Dishonesty coverage with Selective Insurance Company of America covering all other employees with multiple coverage of \$100,000 per employee and \$500,000 per loss.

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

An examination of claims paid during the period under review did not indicate 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 were approved by the Superintendent and were certified by the President of the Board and Board Secretary/School Business Administrator.

Salary withholdings were promptly remitted to the proper agencies. Employee health benefit contributions withheld were transferred 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.

**EAST RUTHERFORD 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 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.

- **Finding (CAFR Finding 2020-001)** – Our audit of outstanding purchase orders revealed the following:
  - There were several encumbrances that were determined to be invalid and should have been cancelled at year end.
  - Certain purchase orders classified as encumbrances should have been classified as accounts payable.

**Recommendation** – Procedures be revised to ensure open purchase orders are reviewed at year end for validity and proper classification as accounts payable or reserve for encumbrance.

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. As a result of the procedures performed 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.

The prescribed contractual order system was followed.

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

Monthly Board Secretary's report and certifications were approved by the Board in a timely manner.

Treasurer's Records

The Treasurer did perform cash reconciliations for the general operating accounts and payroll accounts.

All cash receipts were promptly deposited.

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

Unemployment Compensation Insurance Trust Fund

The Board has adopted the contributory method therefore a unemployment compensation insurance trust fund is not maintained by the District.

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

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

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

The E.S.E.A. financial exhibits are contained within the Special Revenue Fund of the CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I, Title II, Title III, Title III Immigrant and Title IV 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.

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 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

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.

**School Purchasing Programs**

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18-4 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".

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 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 Board has appointed the Board Secretary/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 Solicitor'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 goods or service, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

**EAST RUTHERFORD 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 my examination indicated that certain individual payments, contracts, or agreements were made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

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 the district purchased items through the use of State contracts.

- **Finding** – Our audit of compliance with purchasing and contract award procedures revealed the following:
  - We noted a certain vendor paid in excess of the bid threshold that was not awarded through a public bid process in accordance with the Public Schools Contract Law.
  - We noted purchases through State contract and cooperative purchasing agreement vendors which exceeded the bid threshold that were not approved in the minutes. In addition, contract award documentation was not on file and available for audit.

**Recommendation** – Procedures be reviewed and revised to ensure contract awards and purchases are procured and approved in accordance with Public School Contracts Law. In addition, documentation be maintained on file to support the District’s awards pursuant to State contracts and cooperative purchasing agreements.

**Food Service Fund**

**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.

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

**Food Service Fund (Continued)**

The school food service program was not selected as a major federal and/or state program. However, the program expenditures exceeded \$100,000 in federal and/or state support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the SFA had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted. In addition, we also inquired of school management and appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

The statement of revenues, expenses and changes in fund net position (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

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.

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

Cash receipts and bank records were reviewed for timely deposit.

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

The District has contracted with Maschio Food Services, Inc, as its 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 cost reimbursable contract/addendum were reviewed and audited.

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 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 not exceed three months average expenditures.

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

**Student Activity Fund**

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

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

**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, low-income and bilingual. 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 without 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.



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

**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 Report without exceptions. 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**

The District's voters passed a \$35,553,000 referendum on January 20, 2020 for various renovations and upgrades to the District's schools.

The District had no active SDA grant funded projects during the current year.

**Testing for 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).

**Suggestions to Management**

- Old reconciling items on the District's bank reconciliations be reviewed and cleared of record.
- Greater care be exercised in the posting of receipts and recording of receivables in the CSI Financial Accounting and Reporting System.
- Although payroll deductions are accounted for in the CSI system, the District should maintain a detailed accounting by deduction category.

**Follow-up on Prior Year Findings**

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

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

**SCHEDULE OF MEAL COUNT ACTIVITY**

**NOT APPLICABLE**

**EAST RUTHERFORD BOARD OF EDUCATION  
FOOD SERVICE ENTERPRISE FUND  
CALCULATION OF NET RESOURCE SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Food  
Service**

**Net Cash Resources:**

<b>CAFR</b>	<b>*</b>	<b>Current Assets</b>		
B-4		Cash & Cash Equiv.	\$	48,402
B-4		Due from Other Gov'ts		4,391
B-4		Accounts Receivable		2,136
<b>CAFR</b>		<b>Current Liabilities</b>		
B-4		Less Accounts Payable		
B-4		Less Due to Other Funds		
B-4		Less Deferred Revenue		(8,038)
<b>Net Cash Resources</b>			<b>\$</b>	<b>46,891</b> (A)

**Net Adj. Total Operating Expense:**

B-5	Tot. Operating Exp.	\$	215,926
B-5	Less Depreciation		(4,890)
<b>Adj. Tot. Oper. Exp.</b>		<b>\$</b>	<b>211,036</b> (B)

**Average Monthly Operating Expense:**

	\$	21,104	(C)

**Three times monthly Average:**

	\$	63,311	(D)

TOTAL IN BOX A	\$	46,891	
LESS TOTAL IN BOX D	\$	63,311	
NET	\$	(16,420)	
Net Cash Resources did not exceed three months average expenditures.			

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

	2020-21 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 - 4yr	12		12	-	-	-	12	-	12	-	-	-				
Full Day Preschool - 3yr	9		9	-	-	-	9	-	9	-	-	-				
Full Day Preschool - 4yr	12		12	-	-	-	12	-	12	-	-	-				
Half Day Kindegarten			-	-	-	-	-	-	-	-	-	-				
Full Day Kindergarten	81		81	-	-	-	81	-	81	-	-	-				
One	81		81	-	-	-	81	-	81	-	-	-				
Two	79		79	-	-	-	79	-	79	-	-	-				
Three	71		71	-	-	-	71	-	71	-	-	-				
Four	63		63	-	-	-	63	-	63	-	-	-				
Five	59		59	-	-	-	59	-	59	-	-	-				
Six	58		58	-	-	-	58	-	58	-	-	-				
Seven	74		74	-	-	-	74	-	74	-	-	-				
Eight	62		62	-	-	-	62	-	62	-	-	-				
Subtotal	<u>661</u>	<u>-</u>	<u>661</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>661</u>	<u>-</u>	<u>661</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special Ed - Elementary	74		74	-	-	-	63		63	-	-	-	1	1	1	-
Special Ed - Middle School	38		38	-	-	-	38		38	-	-	-	5	5	5	-
Subtotal	<u>112</u>	<u>-</u>	<u>112</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101</u>	<u>-</u>	<u>101</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>-</u>
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	<u>773</u>	<u>-</u>	<u>773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>762</u>	<u>-</u>	<u>762</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>6</u>	<u>6</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>

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

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as Low Income</u>	<u>Reported on Workpapers as Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>	<u>Reported on A.S.S.A. as LEP low Income</u>	<u>Reported on Workpapers as LEP low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Test Score and Register</u>	<u>Sample Errors</u>
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten	27.0	27.0	-	6.0	6.0	-	5.0	5.0	-	4.0	4.0	-
One	13.0	13.0	-	4.0	4.0	-	5.0	5.0	-	4.0	4.0	-
Two	23.0	23.0	-	5.0	5.0	-	3.0	3.0	-	3.0	3.0	-
Three	16.0	16.0	-	4.0	4.0	-	-	-	-	-	-	-
Four	20.0	20.0	-	5.0	5.0	-	1.0	1.0	-	1.0	1.0	-
Five	19.0	19.0	-	5.0	5.0	-	1.0	1.0	-	1.0	1.0	-
Six	19.0	19.0	-	5.0	5.0	-	-	-	-	-	-	-
Seven	22.0	22.0	-	5.0	5.0	-	2.0	2.0	-	2.0	2.0	-
Eight	18.0	18.0	-	4.0	4.0	-	2.0	2.0	-	2.0	2.0	-
Subtotal	177.0	177.0	-	43.0	43.0	-	19.0	19.0	-	17.0	17.0	-
Special Ed - Elementary	31.0	31.0	-	7.0	7.0	-	3.0	3.0	-	2.0	2.0	-
Special Ed - Middle	23.0	23.0	-	6.0	6.0	-	-	-	-	-	-	-
Subtotal	54.0	54.0	-	13.0	13.0	-	3.0	3.0	-	2.0	2.0	-
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	231.0	231.0	-	56.0	56.0	-	22.0	22.0	-	19.0	19.0	-
Percentage Error			0.00%			0.00%			0.00%			0.00%

	<u>Transportation</u>					
	<u>Reported on DRTRS by DOE/county</u>	<u>Reported on DRTRS by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>
Reg. - Public Schools, col. 1	25.0	25.0	-	22.0	22.0	-
Transported - Non-Public, col. 3	-	-	-	-	-	-
Reg -SpEd, col. 4	2.0	2.0	-	2.0	2.0	-
Special Ed Spec, col. 6	40.0	40.0	-	34.0	34.0	-
Totals	67.0	67.0	-	58.0	58.0	-
Percentage Error					0.00%	

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

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as NOT Low Income</u>	<u>Reported on Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Half Day Preschool						
Full Day Preschool						
Half Day Kindegarten						
Full Day Kindergarten	15	15	-	12	12	-
One	5	5	-	4	4	-
Two	4	4	-	3	3	-
Three	3	3	-	3	3	-
Four	3	3	-	3	3	-
Five	2	2	-	2	2	-
Six	-	-	-	-	-	-
Seven	2	2	-	2	2	-
Eight			-			-
Subtotal	<u>34</u>	<u>34</u>	<u>-</u>	<u>29</u>	<u>29</u>	<u>-</u>
Special Ed - Elementary	1	1	-	1	1	-
Special Ed - Middle	-	-	-	-	-	-
Subtotal	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>35</u>	<u>35</u>	<u>-</u>	<u>30</u>	<u>30</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

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

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

2019-2020 Total General Fund Expenditures	\$	18,688,314
Decreased by:		
On-Behalf TPAF Pension & Social Security		(2,706,899)
Adjusted 2019-2020 General Fund Expenditures		15,981,415
2% of Adjusted 2019-2020 General Fund Expenditures		319,628
Enter Greater of 2% of Adjusted 2019-2020 General Fund Expenditures or \$250,000		319,628
Increased by:		
Allowable Adjustment		-
Maximum Unreserved/Undesignated Fund Balance		\$ 319,628

**SECTION 2**

Total General Fund - Fund Balance at June 30, 2020	\$	3,848,037
Decreased by:		
Year-End Encumbrances	\$	(182,763)
Other Restricted Fund Balances - Capital Reserve		(2,023,189)
Other Restricted Fund Balances - Maintenance Reserve		(740,082)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures		(207,375)
		(3,153,409)
Total Unassigned Fund Balance for Excess Surplus Calculation		\$ 694,628

**SECTION 3**

Restricted Fund Balance - Excess Surplus	\$	375,000
--	----	---------

**Recapitulation of Excess Surplus as of June 30, 2020**

Restricted Fund Balance - Excess Surplus	\$	375,000
Restricted Fund Balance - Excess Surplus - Designated for Subsequent Year's Expenditures		-
Total Excess Surplus	\$	375,000

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

**RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that procedures be revised to ensure open purchase orders are reviewed at year end for validity and proper classification as accounts payable or reserve for encumbrance.

III. School Purchasing Program

It is recommended that procedures be reviewed and revised to ensure contract awards and purchases are procured and approved in accordance with Public School Contracts Law. In addition, documentation be maintained on file to support the District's awards pursuant to State contract and cooperating purchasing agreements

IV. School Food Services

There are none.

V. Student Body Activities

There are none.

VI. Application for State School Aid

There are none.

VII. Pupil Transportation

There are none.

VIII. Facilities and Capital Assets

There are none.

IX. Status of Prior Years' Audit Findings/Recommendations

Corrective action was taken on all prior year recommendations except the recommendation denoted with an asterisk (\*).



**EAST RUTHERFORD 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



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932