

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

TENAFLY BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS
- FINANCIAL, COMPLIANCE AND PERFORMANCE

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Honorable President and Members
of the Board of Education
Tenafly Board of Education
Tenafly, 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 Tenafly Board of Education as of and for the fiscal year ended June 30, 2020, and have issued our report thereon dated January 28, 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
Certified Public Accountants
Public School Accountants


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
January 28, 2021

**TENAFLY 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 the Treasurer of School Moneys, 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 the Insurance Schedule in Exhibit J-20 of the District's Comprehensive Annual Financial Report (the "CAFR").

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Yas Usami	Board Secretary/School Business Administrator	\$50,000
Joanne Wilson	Treasurer of School Monies	350,000

There is a Public Employees' Faithful Performance Blanket Position Bond with Selective Insurance covering all other employees with multiple coverage of \$100,000.

Tuition Charges

The District has entered into a five year contract with the Alpine Board of Education to receive Alpine's high school students. The tuition charges for the 2019/2020 school year, by contract, are the State certified rates for the 2018/2019 school year. The final tuition rate was calculated as a tuition adjustment in accordance with NJAC 6A:23A-17.1. The tuition rate for all other students are determined annually by the Board, and are not subject to adjustment.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not reveal any discrepancies with respect to each of signature, certifications 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 payroll taxes were deposited in the Payroll Agency Account.

All payrolls tested were certified by the President of the Board, the Board Secretary/Business Administrator and the Chief School Administrator.

Salary withholdings tested were promptly remitted to the proper agencies including health benefits withholding due to the General Fund.

The District filed the required certificate (E-CERTI) of compliance with requirements for income tax compensation of certain administrators with the NJ Department of Treasury.

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

Financial Planning, Accounting and Reporting (Continued)

Employee Position Control Roster

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

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.

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, a separate test was made to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3 as it relates to administrative coding classification.

Travel

The Board of Trustees has adopted a travel policy that complies with N.J.S.A. 18A:11-12.

Board Secretary's Records

The financial records, books of account and minutes were maintained by the School Business Administrator/Board Secretary.

Acknowledgment of the Board's receipt of the Board Secretary's and cash reconciliation monthly financial reports was included in the minutes.

The Board Secretary's and Treasurer's monthly financial reports were presented to the Board on a timely basis and were submitted to the Executive County Superintendent as prescribed by N.J.S.A. 18A:17-9 and 18A:17-36.

Finding (CAFR Finding 2020-001) – Our audit of the general ledger account balances revealed certain adjusting journal entries were required to reconcile the Board records to agree with subsidiary records and supporting documentation.

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

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 Titles I, II, III and 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.

IDEA Part B

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

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

Financial Planning, Accounting and Reporting (Continued)

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 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.

Nonpublic State Aid

Project Completion Reports were finalized and transmitted to the State by the due date.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

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 \$19,000.

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/Board Secretary 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 indicated that no 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.

**TENAFLY 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)

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5, except as noted below.

Finding – Our audit revealed professional service contracts in excess of \$17,500 for occupational and physical therapy were not approved by Board resolution and advertised in the District’s official newspaper.

Recommendation – Professional service contracts for occupational and physical therapy services be approved by Board resolution and advertised in accordance with N.J.S.A. 18A:18A.

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.

School Food Service

The District does not participate in the School Nutrition Program.

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.

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.

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

Cash receipts and bank records were reviewed for timely deposit.

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 food service management company is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34 and 19-1 through 19-4.1. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

The District contracted with Pomptonian, Inc. to manage the school food services operations. Provisions of the FSMC contract/addendum were reviewed. The Food Service management company contract includes an operating result provision which guarantees that the food service program will break even. The operating results provision was not met due to COVID which impacted food service operations. All vendor discounts, rebates and credits from vendors and/or FSMC were tracked and credited to the Food Service account and reconciled to supporting documentation at least annually.

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

Student Body Activity

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

Cash receipts and disbursements records were maintained in good condition.

Finding- Our audit of the Middle School account noted instances where checks contained only one authorized signature.

Recommendation- It is recommended that two signatures be obtained on all checks issued from the Middle School account.

Finding – Our audit revealed numerous outstanding checks and other reconciling items from prior years reported on the bank reconciliations for the High School Organization, and Athletics accounts.

Recommendation – Prior years' outstanding checks and other reconciling items on student activity bank accounts reconciliations be reviewed and cleared of record.

Finding – Our audit of the Athletic account revealed deposits were not made timely. In addition, gate receipt reports detailing ticket sales at events were not maintained.

Recommendation – Gate receipt reports detailing ticket sales be maintained in a timely manner and reconciled to deposits. In addition, all deposits for athletic accounts be made in a timely manner.

SACC (School Age Childcare) Program

Separate cash receipts and disbursement journals and billing records were maintained for the SACC program.

Tiger Tots Program

The financial records were maintained in good 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 handicapped, low-income and bilingual students. 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 an isolated 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.

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 exception. 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 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.

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

Facilities and Capital Assets

Our procedures included a review of the 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 capital assets revealed that balances per the district’s capital asset inventory report are not in agreement with the audit balances due to prior years additions and deletions not being reflected in the reporting.

Recommendation – The capital asset report be reviewed and reconciled to audit balances.

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 for lead of all drinking water in educational facilities.

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

**TENAFLY BOARD OF EDUCATION
FOOD SERVICE FUND
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-
DISTRICT DOES NOT PARTICIPATE IN
NATIONAL SCHOOL LUNCH PROGRAM**

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

	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	Reported on District Workpapers Private Schools		Sample for Veri- cation		Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared								
Full Day Kindergarten	147	-	147	-	-	-	43	-	43	-	-	-	-	-	-	-	-	-	-	-
1st Grade	211	-	211	-	-	-	54	-	54	-	-	-	-	-	-	-	-	-	-	-
2nd Grade	230	-	230	-	-	-	59	-	59	-	-	-	-	-	-	-	-	-	-	-
3rd Grade	241	-	241	-	-	-	54	-	54	-	-	-	-	-	-	-	-	-	-	-
4th Grade	245	-	245	-	-	-	65	-	65	-	-	-	-	-	-	-	-	-	-	-
5th Grade	250	-	250	-	-	-	68	-	68	-	-	-	-	-	-	-	-	-	-	-
6th Grade	245	-	245	-	-	-	245	-	245	-	-	-	-	-	-	-	-	-	-	-
7th Grade	266	-	266	-	-	-	266	-	266	-	-	-	-	-	-	-	-	-	-	-
8th Grade	249	-	249	-	-	-	249	-	249	-	-	-	-	-	-	-	-	-	-	-
9th Grade	274	-	274	-	-	-	274	-	274	-	-	-	-	-	-	-	-	-	-	-
10th Grade	255	-	255	-	-	-	255	-	255	-	-	-	-	-	-	-	-	-	-	-
11th Grade	263	-	263	-	-	-	263	-	263	-	-	-	-	-	-	-	-	-	-	-
12th Grade	255	-	255	-	-	-	255	-	255	-	-	-	-	-	-	-	-	-	-	-
Subtotal	3,131	-	3,131	-	-	-	2,150	-	2,150	-	-	-	-	-	-	-	-	-	-	-
Spec Ed - Elementary	187	-	187	-	-	-	44	-	44	-	-	-	4	4	-	-	3	3	-	-
Spec Ed- Middle School	139	-	139	-	-	-	139	-	139	-	-	-	14	14	-	-	12	12	-	-
Spec Ed - High School	195	-	195	-	-	-	195	-	195	-	-	-	22	22	-	-	19	19	-	-
Subtotal	521	-	521	-	-	-	378	-	378	-	-	-	40	40	-	-	34	34	-	-
Totals	3,652	-	3,652	-	-	-	2,528	-	2,528	-	-	-	40	40	-	-	34	34	-	-
Percentage Error	<u>0.00%</u>						<u>0.00%</u>						<u>0.00%</u>							

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

	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 Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
1st Grade	2.0	2.0	-	2.0	2.0	-	-	-	-	-	-	-
2nd Grade	2.0	2.0	-	2.0	2.0	-	1.0	1.0	-	1.0	1.0	-
3rd Grade	-	-	-	-	-	-	-	-	-	-	-	-
4th Grade	1.0	1.0	-	1.0	1.0	-	-	-	-	-	-	-
5th Grade	1.0	1.0	-	1.0	1.0	-	-	-	-	-	-	-
6th Grade	1.0	1.0	-	1.0	1.0	-	1.0	-	1.0	-	-	-
7th Grade	1.0	1.0	-	1.0	1.0	-	-	-	-	-	-	-
8th Grade	-	-	-	-	-	-	-	-	-	-	-	-
9th Grade	1.0	1.0	-	1.0	1.0	-	-	-	-	-	-	-
10th Grade	2.0	2.0	-	2.0	2.0	-	-	-	-	-	-	-
11th Grade	4.0	4.0	-	4.0	4.0	-	-	-	-	-	-	-
12th Grade	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	15.0	15.0	-	15.0	15.0	-	2.0	1.0	1.0	1.0	1.0	-
Spec Ed - Elementary	5.0	5.0	-	4.0	4.0	-	-	-	-	-	-	-
Spec Ed - Middle School	5.0	5.0	-	5.0	5.0	-	-	-	-	-	-	-
Spec Ed - High School	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	10.0	10.0	-	9.0	9.0	-	-	-	-	-	-	-
Totals	25.0	25.0	-	24.0	24.0	-	2.0	1.0	1.0	1.0	1.0	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>50.00%</u>			<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	68.0	68.0	-	39.0	39.0	-
Transported - Non-Public	54.0	54.0	-	31.0	31.0	-
Regular - Spec.	9.0	9.0	-	5.0	5.0	-
Special Needs - Public	87.0	87.0	-	48.0	46.0	2.0
Totals	218.0	218.0	-	123.0	121.0	2.0
			<u>0.00%</u>			<u>1.63%</u>

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

	LEP Not Low Income			Sample for Verification		
	Reported on A.S.S.A as Not Low Income	Reported on Workpapers as Not Low Income	Errors	Sample Selected from Workpapers	Verified to Register	Sample Errors
	Full Day Kindergarten	15.0	15.0	-	4.0	4.0
1st Grade	21.0	21.0	-	5.0	5.0	-
2nd Grade	13.0	13.0	-	3.0	3.0	-
3rd Grade	18.0	18.0	-	5.0	5.0	-
4th Grade	13.0	13.0	-	3.0	3.0	-
5th Grade	19.0	18.0	1.0	5.0	5.0	-
6th Grade	16.0	17.0	(1.0)	4.0	4.0	-
7th Grade	23.0	23.0	-	6.0	6.0	-
8th Grade	18.0	18.0	-	5.0	5.0	-
9th Grade	16.0	16.0	-	4.0	4.0	-
10th Grade	8.0	8.0	-	2.0	2.0	-
11th Grade	8.0	8.0	-	2.0	2.0	-
12th Grade	2.0	2.0	-	1.0	1.0	-
Subtotal	190.0	190.0	-	49.0	49.0	-
Spec Ed - Elementary	4.0	4.0	-	1.0	1.0	-
Spec Ed- Middle School	2.0	2.0	-	1.0	1.0	-
Spec Ed - High School	3.0	3.0	-	1.0	1.0	-
Subtotal	9.0	9.0	-	3.0	3.0	-
Totals	199.0	199.0	-	52.0	52.0	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

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

2019-2020 Total General Fund Expenditures per the CAFR		\$ 79,908,383
Increased by:		
Transfer from Capital Reserve to Capital Projects Fund		1,535,062
Decreased by:		
On-Behalf TPAF Pension & Social Security	\$ 10,812,057	81,443,445
Lease Purchase	1,266,281	12,078,338
Adjusted 2019-2020 General Fund Expenditures		\$ 69,365,107
2% of Adjusted 2019-2020 General Fund Expenditures		\$ 1,387,302
Increased by:		
Allowable Adjustment - Extraordinary Aid		1,067,669
Maximum Unassigned Fund Balance		\$ 2,454,971
Total General Fund - Fund Balance at June 30, 2020 (Per CAFR Budgetary Comparison Schedule C-1)		\$ 11,592,283
Decreased by:		
Year-End Encumbrances	\$ 37,205	
Other Restricted Fund Balance		
Capital Reserve	4,785,359	
Maintenance Reserve	1,205,850	
Emergency Reserve	302,900	
Restricted - Excess Surplus Designated for Subsequent Year's Budget	970,393	
Assigned - Designated for Subsequent Year's Budget	934,936	8,236,643
Total Unassigned Fund Balance		\$ 3,355,640
Fund Balance - Excess Surplus		\$ 900,669
<u>Recapitulation of Excess Surplus as of June 30, 2020</u>		
Excess Surplus- Designated for 2020/21 Budget		\$ 970,393
Excess Surplus- Designated for 2021/22 Budget		900,669
		\$ 1,871,062

**TENAFLY BOARD OF EDUCATION
RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

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

III. School Purchasing Program

It is recommended that professional service contracts for occupational and physical therapy services be approved by Board resolution and advertised in accordance with N.J.S.A. 18A:18A.

IV. School Food Services

There are none.

V. Student Body Activities

It is recommended that:

1. Two signatures be obtained on all checks issued from the Middle School account.
- * 2. Prior years' outstanding checks and other reconciling items on student activity accounts reconciliations be reviewed and cleared of record.
3. Gate receipt reports detailing ticket sales be maintained and reconciled to deposits. In addition, all deposits for the Athletic account be made in a timely manner.

VI. SACC Program/ Tiger Tots Program/ Voice IP Shared Service Program

There are none.

VII. Application for State School Aid

There are none.

VIII. Pupil Transportation

There are none.

IX. Facilities and Capital Assets

It is recommended that the capital asset report be reviewed and reconciled to audit balances.

X. 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 the prior year recommendations, except those 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 us.