

**CARLSTADT-EAST RUTHERFORD REGIONAL
BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2021**

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

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INDEPENDENT AUDITOR'S MANAGEMENT REPORT

Honorable President and
Members of the Board of Education
Carlstadt-East Rutherford Regional Board of Education
East Rutherford, New Jersey

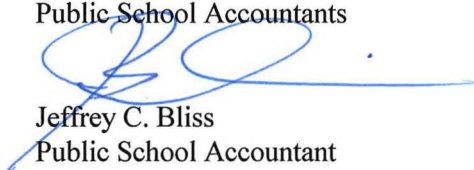
We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Carlstadt-East Rutherford Regional Board of Education as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated February 1, 2022.

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.

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
February 1, 2022

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 Great American Insurance Group 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 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 payroll taxes were deposited in the Payroll Agency Account.

All payrolls tested were approved by the Superintendent and 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.

- **Finding 2021-1** – We noted the pension reports for the retroactive salary payments for the 2018/2019 and 2019/2020 school years have not been completed and submitted to the State.

Recommendation – The required pension reports for the prior years' retroactive salary payments be completed and submitted to the State.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 we noted immaterial instances of incorrect budget charges. Therefore we determined 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.

Acknowledgement of the Board's receipt of the Board Secretary's monthly financial reports was included in the minutes.

The prescribed contractual order system was followed.

Treasurer's Records

The Treasurer did perform cash reconciliations for all District accounts.

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

Acknowledgement of the Board's receipt of the Treasurer's monthly financial reports was included in the minutes.

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 Title I, II, III and IV of the Elementary and Secondary Education Act as amended and reauthorized.

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

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Financial Planning, Accounting and Reporting (Continued)

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.

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

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(A) are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (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 \$19,600.

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 \$44,000. 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 School 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 indicate 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.

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

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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.

- **Finding 2021-2** – Our audit of compliance with purchasing and contract procedures revealed a contract for substitute staffing services that was not awarded through a public bidding or competitive contracting process. In addition we noted the contract award did not include a not to exceed contract amount.

Recommendation – Procedures be reviewed and revised to ensure substitute staffing services are procured and approved in accordance with the Public Schools Contract Law.

School Food Service

Public Health Emergency

In accordance with the Governor’s Declaration of Emergency pertaining to the public health emergency all 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.

During SY 2020-2021 the public health emergency was still applicable. As a result, School Food Authorities (SFA’s) were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO) or the Summer Food Service Program (SFSP) option.

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 all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

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 students during the emergency.

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 state support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

We also inquired of school management, or 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.

We inquired of management about the public health emergency procedures/practices that the SFA instated to provide meals to all students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations. We also inquired if the FSMC received a loan in accordance with the Payroll Protection Plan and whether the funds were used to pay for costs applicable to the Food Service Program. We also inquired if the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amount to the SFA.

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.

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 return a profit of at least \$15,000. The operating results provision was met for 2020/2021.

Cash receipts and bank records were reviewed for timely deposit.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

School Food Service (Continued)

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.

Student Body Activities

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

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

Application for State School Aid

Audit procedures included a test of information reported in the October 15, 2020 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 with exceptions noted. The information that was included on the workpapers was verified with exceptions 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.

- **Finding 2021-3** – Our audit of low income students reported on the ASSA report did not agree to the amounts reported in the workpapers.

Recommendation – Procedures over ASSA reporting be reviewed to ensure low income students reported on the ASSA agree to District workpapers.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2020-2021 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.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Facilities and Capital Assets

Our audit procedures included a review of the transfer of local funds from the General Fund or from the capital reserve accounts, and awarding of contracts for eligible facilities construction.

- **Finding 2021-4** – The capital asset accounting records were not adjusted for duplicate entries and invalid items.

Recommendation – Capital asset accounting records be updated to reflect all required adjustments.

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.

Follow-up on Prior Year Findings

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

Suggestions to Management

- * Establish a Board policy for use of VENMO accounts by the District.
- * A payroll check distribution verification be completed in the 2021/2022 school year.
- * Treasurer of school monies surety bond be increased to \$225,000.

**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, 2021**

SCHEDULE OF MEAL COUNT ACTIVITY

NOT APPLICABLE

CARLSTADT-EAST RUTHERFORD BOARD OF EDUCATION
 APPLICATION FOR STATE SCHOOL AID
 ENROLLMENT AS OF OCTOBER 15, 2020
 SCHEDULE OF AUDITED ENROLLMENTS

	2021-2022 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 Verifi-	Sample Verified	Sample Errors	Reported on A.S.S.A. as Private Schools	Sample for Verifi-	Sample Verified	Sample Errors
	On Roll	On Roll	On Roll	On Roll	Full	Shared	Full	Shared	Full	Shared	Full	Shared	cation	Verified	Errors	Schools	cation	Verified	Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared							
Half Day Preschool 3 Years Old																			
Half Day Preschool 4 Years Old																			
Full Day Preschool 3 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	155	1	155	1	-	-	155	1	157		(2)	1							-
Grade 10	117	2	117	2	-	-	117	2	119	2	(2)	-							-
Grade 11	97	4	97	4	-	-	97	4	97	4	-	-							-
Grade 12	108	1	108	1	-	-	108	1	109	1	(1)	-							-
Post- Graduate					-	-					-	-							-
Adult High School (15+ Credits)					-	-					-	-							-
Adult High School (1-14 Credits)					-	-					-	-							-
Subtotal	477	8	477	8	-	-	477	8	482	7	(5)	1	-	-	-		-	-	-
Sp Ed - Elementary																			-
Sp Ed - Middle School																			-
Sp Ed - High School	86	3	86	3	-	-	86	3	87	3	(1)		49	49	-	7	7	7	-
Subtotal	86	3	86	3	-	-	86	3	87	3	(1)		49	49	-	7	7	7	-
County Vocational - Regular					-	-					-	-							-
County Vocational - F.T. Post-Second					-	-					-	-							-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	563	11	563	11	-	-	563	11	569	10	(6)	1	49	49	-	7	7	7	-
Percentage Error					-	-					-1.07%	9.09%							-

CARLSTADT-EAST RUTHERFORD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2020
SCHEDULE OF AUDITED ENROLLMENTS

	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	Sample Errors	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												
Half Day Preschool 4 Years Old												
Full Day Preschool 3 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	20.0	19.0	1.0	14.0	14.0	-	1	1	-	1	1	-
Grade 10	31.0	12.0	19.0	9.0	9.0	-	1	1	-	1	1	-
Grade 11	20.5	12.5	8.0	10.0	10.0	-	3	1	2	1	1	-
Grade 12	45.5	19.0	26.5	14.0	14.0	-						
Post- Graduate												
Adult High School (15+ Credits)												
Adult High School (1-14 Credits)												
Subtotal	117	62.5	55	47	47	-	5	3	2	3	3	-
Sp Ed - Elementary												
Sp Ed - Middle School												
Sp Ed - High School	24.5	22.5	2	18	18	-						-
Subtotal	25	23	2	18	18	-	-	-	-	-	-	-
County Vocational - Regular												
County Vocational - F.T. Post-Second												
Subtotal	-	-	-	-	-	-						
Totals	142	85	56.5	65	65	-	5	3	2	3	3	-
Percentage Error			39.93%			-						-

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	61	61	-	32	32	-
Transported - Non Public			-			-
Regular - Special Ed	9	9	-	5	5	-
Special Needs	24	24	-	12	12	-
Subtotal	94	94	-	49	49	-
Percentage Error			0.00%			0.00%

**CARLSTADT-EAST RUTHERFORD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2020
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	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	1	2	(1)	2	2	-
Grade 10	2	2	-	2	2	-
Grade 11	4	4	-	4	4	-
Grade 12			-			-
Post- Graduate						
Adult High School (15+ Credits)						
Adult High School (1-14 Credits)						
Subtotal	7	8	(1)	8	8	-
Sp Ed - Elementary						
Sp Ed - Middle School						
Sp Ed - High School						-
Subtotal	-	-	-	-	-	-
County Vocational - Regular						
County Vocational - F.T. Post-Second						
Subtotal						
Totals	7	8	(1)	8	8	-
Percentage Error			<u>-14.29%</u>			<u>-</u>

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

SECTION 1 - Four Percent (4%) - Calculation of Excess Surplus

2020-2021 Total General Fund Expenditures		\$ 16,120,379
Decreased by:		
On-Behalf TPAF Pension & Social Security	\$ (2,043,145)	<u>(2,043,145)</u>
Adjusted 2020-2021 General Fund Expenditures		<u>14,077,234</u>
4% of Adjusted 2020-2021 General Fund Expenditures		<u>563,089</u>
Enter Greater of 4% of Adjusted 2020-2021 General Fund Expenditures or \$250,000		563,089
Increased by:		
Allowable Adjustment		<u>265,538</u>
Maximum Unreserved/Undesignated Fund Balance		<u>\$ 828,627</u>

SECTION 2

Total General Fund - Fund Balance at June 30, 2021		\$ 5,544,216
Decreased by:		
Year-End Encumbrances	\$ (150,651)	
Reserved Excess Surplus Designated for Subsequent Years Expenditures	(592,828)	
Assigned- Designated for Subsequent Year's Expenditures	(158,820)	
Other Restricted Fund Balances - Capital Reserve	(2,646,687)	
Other Restricted Fund Balances - Maintenance Reserve	<u>(566,603)</u>	
		<u>(4,115,589)</u>
Total Unassigned Fund Balance for Excess Surplus Calculation		<u>\$ 1,428,627</u>

SECTION 3

Restricted Fund Balance - Excess Surplus		<u>\$ 600,000</u>
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Detail of Allowable Adjustments

Extraordinary Aid		<u>\$ 265,538</u>
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Recapitulation of Excess Surplus as of June 30, 2021

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures		\$ 592,828
Reserved Excess Surplus		<u>600,000</u>
Total Excess Surplus		<u>\$ 1,192,828</u>

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

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

1. It is recommended the required pension reports for the prior years' retroactive salary payments be completed and submitted to the State.

III. School Purchasing Program

- * 2. It is recommended that procedures be reviewed and revised to ensure substitute staffing services are procured and approved in accordance with the Public Schools Contract Law.

IV. Enterprise Funds

There are none.

V. Student Body Activities

There are none.

VI. Application for State School Aid

- * 3. It is recommended that procedures over ASSA reporting be reviewed to ensure low income students reported on the ASSA agree to District workpapers.

VII. Transportation

There are none.

VIII. Facilities and Capital Assets

- * 4. It is recommended that capital asset accounting records be updated to reflect all required adjustments.

VIII. Miscellaneous

There are none.

IX. 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 (*).

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



Jeffrey C. Bliss
Certified Public Accountant
Public School Accountant