

**NEW MILFORD BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2017**

**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 Trustees
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, State of New Jersey as of and for the fiscal year ended June 30, 2017, and have issued our report thereon dated November 30, 2017.

As part of our audit, we performed procedures required by the Office of School Finance, Department of Education, State of New Jersey and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information of management, the Board of Trustees, others within the District and the New Jersey Department of Education and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

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

Donna L. Japhet
Public School Accountant
PSA Number CS0002314

Fair Lawn, New Jersey
November 30, 2017

**NEW MILFORD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, the activities of the Board of Education and the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on the Insurance Schedule (Exhibit J-20) 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 Selective Insurance Company of America, with a limit of \$100,000 per employee.

Tuition Charges

The District's tuition contracts specify that tuition charges are not subject to annual tuition adjustment.

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, 2017**

Financial Planning, Accounting and Reporting (Continued)

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 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.

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.

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.)/Improving America's Schools Act (IASA) as Reauthorized by the No Child Left Behind Act of 2001

The E.S.E.A./NCLB 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./NCLB funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

**NEW MILFORD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 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.

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 \$26,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$18,800. 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.

**NEW MILFORD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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.

Finding (CAFR Finding 2017-001) - Our audit noted the following with regards to compliance with the Public School Contracts Law:

- Payments to certain vendors for goods/services provided exceeded the quote threshold; however only one quote was obtained.
- The documentation to support cost savings for a contract to a vendor awarded under a national cooperative purchasing agreement was not available for audit.
- There were payments to several vendors under State contract/cooperative purchasing agreements where the rates being charged could not be verified to the specifications of the cooperative contract.

Recommendation – It is recommended that:

- Purchasing procedures be enhanced to ensure competitive quotations are solicited and attached to purchase orders for all contract awards that exceed the quote threshold in accordance with N.J.S.A. 18A:18A-37(a).
- State contract and cooperative purchasing agreements vendor files be maintained to support and document compliance with the applicable cooperative purchases and State contracts utilized by the District.

School Food Services

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.

We 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.

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.

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

**NEW MILFORD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

School Food Services (Continued)

Cash receipts and bank records were reviewed for timely deposit.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

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.

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

Finding – Our audit of food service operations revealed the net cash resources including all respective assets less any associated liabilities, at June 30, 2017 exceeded three (3) months average expenditures. However, significant supplies were subsequently purchased thereby reducing the net cash resources. Therefore, no recommendation is warranted.

The Districts utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18:17-34, and 19-1 through 19-4.1. Provisions of the FSMC contract were reviewed and audited. The operating results provision of the contract has been met.

Exhibits reflecting Child Nutrition Program operations are included in the basic financial statements of the CAFR on Exhibits B-4, B-5 and B-6.

Other Enterprise Funds

Latch Key Programs, Broadway Kids Summer, and After School Enrichment 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.
- Registration fees collected are not being deposited in a timely manner

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, accounting records are maintained to support when fees are collected and registration fees be deposited in a timely manner.

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.

**NEW MILFORD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Student Activity Funds (Continued)

Finding – Our audit of the student activity records revealed certain payment vouchers from the High School activity account did not contain both approval signatures required by Board policy.

Recommendation – In all instances payment vouchers contain all required approval signatures for disbursements to be paid from High School activity funds.

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 14, 2016 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 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 2016-2017 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.

Facilities and Capital Assets

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

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 FUND
SCHEDULE OF MEAL COUNT ACTIVITY
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOT APPLICABLE

**FOOD SERVICE FUND
SCHEDULE OF NET CASH RESOURCES
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOT APPLICABLE

**NEW MILFORD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 14, 2016
SCHEDULE OF AUDITED ENROLLMENTS**

	2017-2018 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on		Reported on		Errors		Sample		Verified per		Errors per		Reported on		Sample	
	A.S.S.A.		Workpapers				Selected from		Register		Registers		A.S.S.A. as		for	
	On Roll		On Roll		Workpapers		On Roll		On Roll		Private		Veri-			
Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Schools	fication	Sample	Sample	
														Verified	Errors	
Half Day Preschool 3 Years Old					-	-										
Full Day Preschool 3 Years Old					-	-										
Half Day Preschool 4 Years Old					-	-										
Full Day Preschool 4 Years Old					-	-										
Half Day Kindergarten					-	-										
Full Day Kindergarten	129		129		-	-	75		75							
Grade 1	137		137		-	-	66		66							
Grade 2	132		132		-	-	69		69							
Grade 3	129		129		-	-	66		66							
Grade 4	117		117		-	-	58		58							
Grade 5	110		110		-	-	62		62							
Grade 6	124		124		-	-	124		124							
Grade 7	141		141		-	-	141		141							
Grade 8	104		104		-	-	104		104							
Grade 9	121		121		-	-	121		121							
Grade 10	124	1	124	1	-	-	124		124							
Grade 11	136	1	136	1	-	-	136		136							
Grade 12	133	2	133	2	-	-	133		133							
Post- Graduate					-	-										
Adult High School (15+ Credits)					-	-										
Adult High School (1-14 Credits)					-	-										
Subtotal	1,637	4	1,637	4	-	-	1,279	-	1,279	-	-	-		-	-	-
Sp Ed - Elementary	144		144		-	-	26		26				3	3	3	-
Sp Ed - Middle School	83		83		-	-	15		15				2	2	2	-
Sp Ed - High School	107	3	107	3	-	-	19	-	19	-	-		10	8	8	-
Subtotal	334	3	334	3	-	-	60	-	60	-	-		15	13	13	-
County Vocational - Regular					-	-										
County Vocational - F.T. Post-Second					-	-										
Subtotal	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-
Totals	1,971	7	1,971	7	-	-	1,339	-	1,339	-	-	-	15	13	13	-
Percentage Error					0.00%					0.00%			0.00%		0.00%	

NEW MILFORD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 14, 2016
SCHEDULE OF AUDITED ENROLLMENTS

	Resident Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application	Sample Errors
	Half Day Preschool 3 Years Old			-		
Full Day Preschool 3 Years Old			-			-
Half Day Preschool 4 Years Old			-			-
Full Day Preschool 4 Years Old			-			-
Half Day Kindergarten			-			-
Full Day Kindergarten	29	29	-	12	12	-
Grade 1	19	19	-	7	7	-
Grade 2	21	20	1	7	7	-
Grade 3	20	20	-	8	8	-
Grade 4	18	18	-	7	7	-
Grade 5	15	15	-	6	6	-
Grade 6	21	21	-	8	8	-
Grade 7	21	21	-	7	7	-
Grade 8	21	21	-	8	8	-
Grade 9	15	15	-	5	5	-
Grade 10	21	21	-	6	6	-
Grade 11	14	14	-	6	6	-
Grade 12	14	14	-	5	5	-
Post- Graduate			-			-
Adult High School (15+ Credits)			-			-
Adult High School (1-14 Credits)			-			-
Subtotal	249	248	1	92	92	-
Sp Ed - Elementary	19	20	(1)	7	7	-
Sp Ed - Middle School	14	16	(2)	6	6	-
Sp Ed - High School	9	9	-	4	4	-
Subtotal	42	45	(3)	17	17	-
County Vocational - Regular			-			-
County Vocational - F.T. Post-Second			-			-
Subtotal	-	-	-	-	-	-
Totals	291.0	293.0	(2.0)	109.0	109.0	-
Percentage Error			<u>-0.69%</u>			<u>0.00%</u>

	Resident LEP Low Income			Sample for Verification		
	Reported on ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected	Verified to Test Score and Register	Errors
	Half Day Preschool 3 Years Old			-		
Full Day Preschool 3 Years Old			-			-
Half Day Preschool 4 Years Old			-			-
Full Day Preschool 4 Years Old			-			-
Half Day Kindergarten			-			-
Full Day Kindergarten	11	11	-	9	9	-
Grade 1	7	6	1	6	6	-
Grade 2	6	6	-	5	5	-
Grade 3	1	1	-	1	1	-
Grade 4	1	1	-	1	1	-
Grade 5	-	-	-	-	-	-
Grade 6	-	-	-	-	-	-
Grade 7	-	-	-	-	-	-
Grade 8	1	1	-	1	1	-
Grade 9	2	2	-	2	2	-
Grade 10	-	-	-	-	-	-
Grade 11	2	2	-	2	2	-
Grade 12	1	1	-	1	1	-
Post- Graduate			-			-
Adult High School (15+ Credits)			-			-
Adult High School (1-14 Credits)			-			-
Subtotal	32	31	1	28	28	-
Sp Ed - Elementary			-			-
Sp Ed - Middle School			-			-
Sp Ed - High School			-			-
Subtotal	-	-	-	-	-	-
County Vocational - Regular			-			-
County Vocational - F.T. Post-Second			-			-
Subtotal	-	-	-	-	-	-
Totals	32	31	1	28	28	-
Percentage Error				<u>3.13%</u>		<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
	Reg. - Public Schools	38	38	-	6	6
Regular - Special Ed	4	4	-	1	1	-
Transported - Non Public	41	41	-	6	6	-
Special Needs	97	97	-	15	15	-
Subtotal	180	180	-	28	28	-
Percentage Error			<u>0.0%</u>			<u>0.0%</u>

**NEW MILFORD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 14, 2016
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA as NOT Low Income	Reported on Workpapers as NOT low Income	Errors	Sample Selected From Workpapers	Verified to Application	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	7	7	-	6	6	-
Grade 1	9	9	-	8	8	-
Grade 2	6	6	-	5	5	-
Grade 3	4	4	-	3	3	-
Grade 4	-	-	-	-	-	-
Grade 5	1	1	-	1	1	-
Grade 6	3	3	-	3	3	-
Grade 7	2	2	-	2	2	-
Grade 8	-	-	-	-	-	-
Grade 9	1	1	-	1	1	-
Grade 10	1	1	-	1	1	-
Grade 11	-	-	-	-	0	-
Grade 12	2	2	-	2	2	-
Post- Graduate			-			-
Adult High School (15+ Credits)			-			-
Adult High School (1-14 Credits)			-			-
Subtotal	36	36	-	32	32	0
Sp Ed - Elementary						-
Sp Ed - Middle School						-
Sp Ed - High School						-
Subtotal	0	-	-	-	-	-
County Vocational - Regular						
County Vocational - F.T. Post-Second						
Subtotal						
Totals	36	36	-	32	32	-
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, 2017**

2016-17 Total General Fund Expenditures per the CAFR	\$38,792,740	
Decreased by:		
On-Behalf TPAF Pension & Social Security	3,694,266	
Assets Acquired Under Capital Lease	<u>275,156</u>	
Adjusted 2016-17 General Fund Expenditures	<u>\$34,823,318</u>	
2% of Adjusted Expenditures (if less than \$250,000 enter \$250,000)	\$ 696,466	
Increased by: Allowable Adjustment	<u>427,452</u>	
Maximum Unassigned Fund Balance		<u>\$ 1,123,918</u>
Total General Fund – Fund Balance at June 30, 2017	\$3,699,915	
Decreased by:		
Reserved for:		
Year-End Encumbrances	\$ 101,559	
Capital Reserve	286,658	
Maintenance Reserve	118,936	
Emergency Reserve	285,199	
Assigned – Designated for Subsequent Year’s Budget	50,000	
Excess Surplus – Designated for Subsequent Year’s Budget	<u>863,035</u>	
Total Unassigned Fund Balance		<u>\$1,994,528</u>
Restricted Fund Balance – Excess Surplus		<u>\$870,610</u>
<u>Recapitulation of Restricted Excess Surplus as of June 30, 2017</u>		
Excess Surplus		\$ 870,610
Excess Surplus – Designated for Subsequent Year’s Budget		<u>863,035</u>
		<u>\$1,733,645</u>
<u>Analysis of Allowable Adjustment:</u>		
Unbudgeted Portion of Extraordinary Aid		\$386,692
Non-Public Transportation Aid		<u>40,760</u>
Total Allowable Adjustment		<u>\$427,452</u>

RECOMMENDATIONS

I. Administration Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

There are none.

III. School Purchasing Program

It is recommended that:

- * 1. Purchasing procedures be enhanced to ensure competitive quotations are solicited and attached to purchase orders for all contract awards that exceed the quote threshold in accordance with N.J.S.A. 18A:18A-37(a).
- 2. State Contract and cooperative purchasing agreements vendor files be maintained to support and document compliance with the applicable cooperative purchases and State contracts utilized by the District.

IV. School Food Services

There are none

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

- * It is recommended that continued efforts be made to strengthen the controls for the Broadway Kids Summer and After Enrichment Program to ensure pre-numbered receipts are utilized, accounting records are maintained to support when fees are collected and registration fees be deposited in a timely manner.

VI. Student Body Activities

It is recommended that:

- * 1. In all instances, payment vouchers contain all required approval signatures for disbursements to be paid from the High School activity funds.
- 2. 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.

RECOMMENDATIONS
(Continued)

VIII. Pupil Transportation

There are none.

IX. Facilities and Capital Assets

There are none.

X. Miscellaneous

There are none.

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

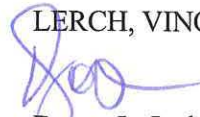
A review was performed on all prior year recommendations. Correction action was taken on all prior year recommendations except the items denoted with an asterisk (*).

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,

LERCH, VINCI & HIGGINS, LLP



Donna L. Japhet
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Certified Public Accountant