

**CARLSTADT-EAST RUTHERFORD REGIONAL
BOARD OF EDUCATION
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2015**

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
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**AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS
- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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AUDITOR'S MANAGEMENT REPORT

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

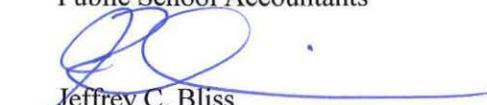
We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Carlstadt-East Rutherford Regional Board of Education as of and for the fiscal year ended June 30, 2015, and have issued our report thereon dated December 18, 2015.

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

This report is intended solely for the information and use of management, the Board of Trustees, others within the District and the New Jersey 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
December 18, 2015

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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 Selective Way Insurance Group covering all other employees with multiple coverage of \$100,000.

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 or certification.

- **Finding** – Our audit of expenditures revealed the following:
 - Certain purchase orders were dated after the invoice date (confirming orders).
 - Certain purchase orders for tuition were paid based on contract amounts and not on monthly invoices. Invoices were not available for audit and/or incomplete supporting documentation was attached.
 - Invoices for dental benefits did not include a detail listing of eligible employees.

Recommendation – Internal controls be reviewed and enhanced over purchasing and payment of bills to ensure purchase orders are issued prior to ordering goods and services and payments be made based on sufficient 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 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.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Financial Planning, Accounting and Reporting (Continued)

Payroll Account (Continued)

- **Finding** – Review of the payroll deduction ledger revealed the ledger is not being maintained by deduction category.

Recommendation – That the payroll deduction ledger be maintained by deduction category.

- **Finding** – Audit of payroll salaries revealed the following:
 - Minute approval of the salary guide did not include the employees correct salary step.
 - Certain employees were not paid in accordance to the contract salary guide.
 - One employee’s retro active pay was calculated incorrectly.
 - Chapter 78 health benefits were not calculated or deducted from employee’s retro active pay.

Recommendation – Internal control procedures be revised to ensure that all salaries are approved and paid in accordance with contractual salary guides and employee health benefit contributions are deducted in accordance with Chapter 78 as required.

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 performed 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.

Acknowledgment of the Board's receipt of the Board Secretary's and Treasurer's monthly financial reports were included in the minutes.

The prescribed contractual order system was followed.

Bids were summarized in the minutes (NJSA 18A:18A-21).

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Financial Planning, Accounting and Reporting (Continued)

Treasurer's Records

The Treasurer did perform cash reconciliations for all District accounts.

All cash receipts were promptly deposited.

Elementary and Secondary Education Act (E.S.E.A.)/Improving America's Schools Act (I.A.S.A.) as Reauthorized by the No Child Left Behind Act (NCLB) of 2001

The E.S.E.A./NCLB 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 and 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.

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.

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 60 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

Effective July 1, 2010 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(A) are \$36,000 (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 \$18,300.

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 \$36,000. 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 as the qualified purchasing agent.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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.

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 (CAFR Finding 2015-001)** – Our audit of bids and contract awards for contracts that were in excess of the bid threshold revealed the following:
 - Aggregate contracts for painting services were not publicly advertised for bid.
 - Payments for installation of clock was not publicly advertised for bid.
 - Purchases for computer equipment and supplies paid in excess of the bid threshold was not bid nor was proof of state contract provided.

Recommendation –All purchases for goods and services that exceed the bid threshold be procured in accordance with the Public School Contracts Law.

Enterprise Funds

Food Service Fund

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

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served did not exceed the number of valid applications on file, times the number of operating days, on a school by school basis. The free and reduced price meal policy is uniformly administered throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review.

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 break even. The operating results provision has been met.

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, 2015**

Enterprise Funds (Continued)

Food Service Fund (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.

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

Student Body Activities

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

- **Finding** – We noted during the year an issue arose with respect to vendor claimants' signatures being signed by the class advisor. The District took action as a result of this finding and modified its procedures over student activity vendor payments. Since corrective action was taken by the District, no recommendation is deemed warranted.

Application for State School Aid

Audit procedures included a test of information reported in the October 15, 2014 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 without exception. The information that was included on the workpapers was verified without exception. 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.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2014-2015 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.

Facilities and Capital Assets

Our audit procedures included a review of the SDA grant agreements for consistency with recording SDA revenue, transfer of local funds from the General Fund or from the capital reserve account, and awarding of contracts for eligible facilities construction.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Follow-up on Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Corrective action has been taken on prior year findings.

Management Suggestion –

- The Board should approve and/or ratify all scholarship awards.
- District follow up on submission to the State Division of Pensions the payroll deductions related to the retro active salary payments.
- In accordance with NJAC 6A:23A-5.2(a)(3), the District should approve a resolution or memorandum to acknowledge that the District exceeds 130% of the statewide average for legal costs and to implement specific internal controls for the reduction of costs or to provide evidence that such procedures would not result in a reduction of costs.

**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, 2015**

SCHEDULE OF MEAL COUNT ACTIVITY

NOT APPLICABLE

CARLSTADT-EAST RUTHERFORD BOARD OF EDUCATION
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 SCHEDULE OF AUDITED ENROLLMENTS
 ENROLLMENT AS OF OCTOBER 15, 2014

| | 2015-2016 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 | Sample for Verifi- cation | Sample Verified | Sample Errors |
| | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Full | Shared | | | | |
| 9th Grade | 109 | 3 | 109 | 3 | - | - | 109 | | 109 | | - | - | | | | |
| 10th Grade | 106 | 2 | 106 | 2 | - | - | 106 | | 106 | | - | - | | | | |
| 11th Grade | 93 | 1 | 93 | 1 | - | - | 93 | | 93 | | - | - | | | | |
| 12th Grade | 118 | 1 | 118 | 1 | - | - | 118 | | 118 | | - | - | | | | |
| Subtotal | 426 | 7 | 426 | 7 | - | - | 426 | - | 426 | - | - | - | - | - | - | - |
| Spec Ed - High School | 56 | 7 | 56 | 7 | - | - | 56 | | 56 | | - | - | 13 | 13 | 13 | - |
| Totals | 482 | 14 | 482 | 14 | - | - | 482 | - | 482 | - | - | - | 13 | 13 | 13 | - |
| Percentage Error | <u>0.00%</u> | | | | | | <u>0.00%</u> | | | | | | <u>0.00%</u> | | | |

**CARLSTADT-EAST RUTHERFORD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLEMENT AS OF OCTOBER 15, 2014**

| | Resident Low Income | | | Sample for Verification | | | Resident LEP Low Income | | | Sample for Verification | | |
|-----------------------|-----------------------------------|--------------------------------------|--------------|---------------------------------|--------------------------------------|---------------|---------------------------------------|--|--------------|---------------------------------|-------------------------------------|---------------|
| | Reported on A.S.S.A as Low Income | Reported on Workpapers as Low Income | Errors | Sample Selected from Workpapers | Verified to Application and Register | Sample Errors | Reported on A.S.S.A as LEP Low Income | Reported on Workpapers as LEP Low Income | Errors | Sample Selected from Workpapers | Verified to Test Score and Register | Sample Errors |
| 9th Grade | 40 | 40 | - | 26 | 26 | - | 2 | 2 | - | | | |
| 10th Grade | 43 | 43 | - | 29 | 29 | - | 3 | 3 | - | 3 | 3 | - |
| 11th Grade | 18 | 18 | - | 12 | 12 | - | 2 | 2 | - | 2 | 2 | - |
| 12th Grade | 25 | 25 | - | 18 | 18 | - | 2 | 2 | - | 2 | 2 | - |
| Subtotal | <u>126</u> | <u>126</u> | - | <u>85</u> | <u>85</u> | - | <u>9</u> | <u>9</u> | - | <u>7</u> | <u>7</u> | - |
| Spec Ed - High School | 24 | 24 | - | 12 | 12 | - | - | - | - | - | - | - |
| Totals | <u>150</u> | <u>150</u> | - | <u>97</u> | <u>97</u> | - | <u>9</u> | <u>9</u> | - | <u>7</u> | <u>7</u> | - |
| Percentage Error | | | <u>0.00%</u> | | | <u>0.00%</u> | | | <u>0.00%</u> | | | <u>0.00%</u> |

| | Transportation | | | | | |
|--------------------------|--------------------------|-------------------------------|--------------|-----------|-----------|--------------|
| | Reported on DRTRS by DOE | Reported on DRTRS by District | Errors | Tested | Verified | Errors |
| Regular - Public Schools | 47 | 47 | - | 30 | 30 | - |
| Regular - Spec. | 3 | 3 | - | 2 | 2 | - |
| Transported - Non-Public | | | - | | | - |
| Special Needs - Public | 54 | 54 | - | 33 | 33 | - |
| Totals | <u>104</u> | <u>104</u> | - | <u>65</u> | <u>65</u> | - |
| | | | <u>0.00%</u> | | | <u>0.00%</u> |

**CARLSTADT-EAST RUTHERFORD BOARD OF EDUCATION
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 SCHEDULE OF AUDITED ENROLLMENTS
 ENROLLMENT AS OF OCTOBER 15, 2014**

| | Resident 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 Application and Register | Sample Errors |
| 9th Grade | 1 | 1 | - | 1 | 1 | - |
| 10th Grade | 1 | 1 | - | 1 | 1 | - |
| 11th Grade | | | - | | | - |
| 12th Grade | | | - | | | - |
| Subtotal | <u>2</u> | <u>2</u> | <u>-</u> | <u>2</u> | <u>2</u> | <u>-</u> |
| Spec Ed - High School | | | - | | | - |
| Totals | <u>2</u> | <u>2</u> | <u>-</u> | <u>2</u> | <u>2</u> | <u>-</u> |
| Percentage Error | | | <u>0.00%</u> | | | <u>0.00%</u> |

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

| | | |
|---|-----------------|-------------------|
| 2014-2015 Total General Fund Expenditures | | \$ 13,445,355 |
| Increased by: | | |
| Transfer from Capital Reserve to Capital Projects Fund | | 800,000 |
| Decreased by: | | |
| On-Behalf TPAF Pension & Social Security | \$ (906,021) | |
| Assets Acquired Under Capital Leases | <u>(13,787)</u> | |
| | | <u>(919,808)</u> |
| Adjusted 2014-2015 General Fund Expenditures | | <u>13,325,547</u> |
| 2% of Adjusted 2014-2015 General Fund Expenditures | | <u>266,511</u> |
| Enter Greater of 2% of Adjusted 2014-2015 General Fund Expenditures or \$250,000 | | 266,511 |
| Increased by: | | |
| Allowable Adjustment | | <u>58,428</u> |
| Maximum Unreserved/Undesignated Fund Balance | | <u>\$ 324,939</u> |

SECTION 2

| | | |
|--|--------------------|--------------------|
| Total General Fund - Fund Balance at June 30, 2015 | | \$ 3,030,952 |
| Decreased by: | | |
| Year-End Encumbrances | \$ (59,413) | |
| Legally Restricted - Reserved Excess Surplus Designated for Subsequent Years Expenditures | (500,000) | |
| Assigned- Designated for Subsequent Year's Expenditures | (46,608) | |
| Other Restricted Fund Balances - Capital Reserve | <u>(1,599,992)</u> | |
| | | <u>(2,206,013)</u> |
| Total Unassigned Fund Balance for Excess Surplus Calculation | | <u>\$ 824,939</u> |

SECTION 3

| | | |
|--|--|-------------------|
| Restricted Fund Balance - Excess Surplus | | <u>\$ 500,000</u> |
|--|--|-------------------|

Detail of Allowable Adjustments

| | | |
|-------------------|--|------------------|
| Extraordinary Aid | | <u>\$ 58,428</u> |
|-------------------|--|------------------|

Recapitulation of Excess Surplus as of June 30, 2015

| | | |
|---|--|---------------------|
| Reserved Excess Surplus - Desiguated for Subsequent Year's Expenditures | | \$ 500,000 |
| Reserved Excess Surplus | | <u>500,000</u> |
| Total Excess Surplus | | <u>\$ 1,000,000</u> |

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

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. Internal controls be reviewed and enhanced over purchasing and payment of bills to ensure purchase orders are issued prior to ordering goods and services and payments are made based on sufficient supporting documentation.
2. The payroll deduction ledger be maintained by deduction category.
3. Internal control procedures be revised to ensure that all salaries are approved and paid in accordance with contractual salary guides and employee health benefit contributions are deducted in accordance with Chapter 78 as required.

III. School Purchasing Program

It is recommended that for all purchases for goods and services that exceed the bid threshold be procured in accordance with the Public School Contracts Law.

IV. Enterprise Funds

There are none.

V. Student Body Activities

There are none.

VI. Application for State School Aid

There are none.

VII. Transportation

There are none.

VIII. Facilities and Capital Assets

There are none.

IX. 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 all prior year recommendations.

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

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