

**EAST RUTHERFORD BOARD OF EDUCATION  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL COMPLIANCE AND PERFORMANCE  
JUNE 30, 2024**

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

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LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA  
ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA, PSA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA, PSA  
JOHN CUIFFO, CPA, PSA

### AUDITOR'S MANAGEMENT REPORT

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

We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the East Rutherford Board of Education as of and for the fiscal year ended June 30, 2024, and have issued our report thereon dated November 12, 2024.

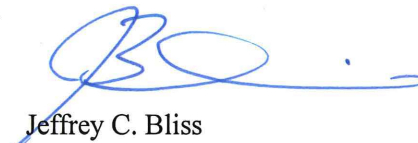
As part of our audit, we performed procedures required by the Office of School Finance, Department of Education, State of New Jersey and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

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 & Bliss, LLP*

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

  
Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
November 12, 2024

**EAST RUTHERFORD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Scope of Audit**

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

**Administrative Practices and Procedures**

**Insurance**

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the district's Annual Comprehensive Financial Report (the "ACFR").

**Official Bonds**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Alessandro Verace	Board Secretary/School Business Administrator	\$200,000
Diane Chorazy	Treasurer of School Monies	225,000

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

**P.L. 2020,C.44**

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A. 18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by school district.

The school district data certification was completed by the chief school administrator. The school district Chapter 44 data was submitted timely.

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

An examination of claims paid during the period under review did not indicate any material discrepancies with respect to signatures, certification or supporting documentation.

**Payroll Account**

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

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

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

The District maintains a personnel tracking and accounting (position control) system.

The School Business Administrator completed and filed the required Certification of Compliance with Federal and State Law for the reporting of compensation for certain administrative employees.

**EAST RUTHERFORD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**Reserve for Encumbrances and Accounts Payable**

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

**Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. As a result of the procedures performed no additional procedures were deemed necessary to test the propriety of expenditure classification.

**Travel**

The District had an approved Board travel policy as required by NJAC 6A:23A-6.13 and NJSA 18A:11-12.

**Board Secretary's Records**

The financial records, books of account and minutes maintained by the Board Secretary were in satisfactory condition.

The prescribed contractual order system was followed with minor exceptions noted.

The Board Secretary's and Treasurer's reports were presented monthly 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).

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

- **Finding 2024-1 (ACFR Finding 2024-001)-** Our audit of the 2020 School Bond Referendum project revealed a transfer of capital reserve in the amount of \$200,000 was made to supplement the project costs resulting from a settlement with the general contractor. Such transfer of capital reserve was not made in accordance with the requirement of N.J.A.C. 6A:23A-14.1(h).

**Recommendation** – Procedures be reviewed and revised to ensure the withdrawal of capital reserve is made in accordance with the requirements of N.J.A.C. 6A:23A-14.1(h).

- **Finding 2024-2** – Our audit of revenues reported in the various funds revealed several mispostings of cash receipts. Audit adjustments were made to reclassify these mispostings to the proper fund.

**Recommendation** – Greater care be exercised to ensure revenues received are recorded to the proper fund in accordance with the Minimum Chart of Accounts for N.J. Public Schools.

**Treasurer's Records**

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

All cash receipts were promptly deposited.

The Treasurer's records agreed with the Board Secretary records.

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

**Unemployment Compensation Insurance Account**

The Board has adopted the contributory method therefore an unemployment compensation insurance account is not maintained by the District.

**EAST RUTHERFORD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

The E.S.E.A. financial exhibits are contained within the Special Revenue Fund of the ACFR. This section of the ACFR documents the financial position pertaining to projects under Title I, Title II, Title III and Title IV of the Elementary and Secondary Education Act as amended and reauthorized.

Our examination of the Federal and State funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Exhibit K-3 and K-4 located in the ACFR.

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.

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 significant 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 not made prior to the end of the 90 day grant liquidation period, required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

**School Purchasing Programs**

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18-4 states, "Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law".

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:39-3 are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school transportation contracts under N.J.S.A. 18A:39-3 is currently \$22,400. The Board has appointed the Board Secretary/Business Administrator as the Qualified Purchasing Agent.

**EAST RUTHERFORD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**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 Solicitor's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or goods or service, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The results of our examination did not indicate any individual payments, contracts, or agreements were made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

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

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal, however, that the district purchased items through the use of State contracts.

- **Finding 2024-3** – Our audit of purchase and contract awards in excess of the bid threshold revealed the following:
  - Certain contract award documentation was not reviewed and verified to vendor invoices for purchases made through certain cooperative purchasing program and State contract vendors.
  - Cumulative like-kind services purchased through a State contract vendor that exceeded the bid threshold in the aggregate was not approved by Board resolution.
  - Change orders were not approved by Board resolution for staffing services and other professional services payments which exceeded the contract award amount approved by the Board.

**Recommendation** – Procedures be improved to ensure contract awards and purchase are procured and approved in accordance with the requirements of the Public School Contracts Law and State procurement guidelines.

**Food Service Fund**

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 contract 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 provided meals to all students during the emergency.

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

**EAST RUTHERFORD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Food Service Fund (Continued)**

The district utilized 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 Cost Reimbursable contract were reviewed and audited. The FSMC contract does not include an operating results provision. All vendor discounts, rebates, and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

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

Our audit revealed net cash resources exceeded the three month average expenditures at June 30, 2024 in the Food Service Fund. We noted the District has developed and implemented a plan to eliminate the excess of net cash resources in the Food Service Fund. The District indicated such plan will take more than one year to be fully implemented and to eliminate the excess in net cash resources that exists at June 30, 2024.

Payroll records were maintained on all School Food Services employees authorized by the Board of Education.

The number of meals claimed for reimbursement was compared to meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

Applications for free and reduced price meals were reviewed for completeness and accuracy with immaterial exceptions noted. The number of free and reduced price meals claimed as served was compared on a test basis to the number of valid applications/or to the list of directly certified students on file, times the number of operating days. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review.

USDA Food Distributions Program (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

Non-program foods were purchased, prepared, sold or offered for sale.

The Statement of Revenues, Expenses and Changes in Fund Net Assets (ACFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

The District underwent a Resource Management Comprehensive Review (RMCR) of its school nutrition programs by the State Department of Agriculture. The review included certain findings related to inconsistencies with the completion of meal applications. A corrective action plan was approved by the Board on April 25, 2024 to address the findings in the RMCR.

**Student Activity Fund**

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

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



**EAST RUTHERFORD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Application for State School Aid**

Our audit procedures included a test of information reported in the October 13, 2023 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low-income and bilingual. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers with minor exceptions noted. The information that was included on the workpapers was verified with minor exceptions noted. 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 2023-2024 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures included a review of transportation-related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

**Facilities and Capital Assets**

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

**Testing for Lead of all Drinking Water in Educational Facilities**

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

**Suggestions to Management**

- District take appropriate action to address the Debt Service Fund Balance anticipated as a revenue in the 2024/2025 original budget certified for taxes which was not available at June 30, 2024.
- Old reconciling items on the District's bank reconciliations be reviewed and cleared of record.
- Although payroll deductions are accounted for in the CSI system, the District should maintain a detailed accounting by deduction category.
- Consideration be given for the FSMC to provide an operating results provision in the contract.
- District review it's procedures over reporting eligible expenditures included in the Extraordinary Aid Application.

**Follow-up on Prior Year Findings**

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

**EAST RUTHERFORD BOARD OF EDUCATION  
SCHEDULE OF MEAL COUNT ACTIVITY  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**SCHEDULE OF MEAL COUNT ACTIVITY**

<u>Program</u>	<u>Meals Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Over/(Under) Claimed Meals</u>	<u>Rate per Rate</u>	<u>Total Over/(Under) Claimed Amount</u>
<b><u>National School Lunch</u></b> (Regular Rate)							
	NJEIE	1,095	173	173	-	\$ 3.85	-
	Paid	20,052	4,816	4,816	-	0.83	-
	Reduced	9,551	1,971	1,971	-	3.92	-
	Free	<u>30,579</u>	<u>6,606</u>	<u>6,224</u>	<u>382</u>	4.32	<u>\$ 1,650</u>
	Total Lunch	<u>61,277</u>	<u>13,566</u>	<u>13,184</u>	<u>382</u>		<u>\$ 1,650</u>
<b><u>National School Breakfast</u></b> (Severe Need Rate)							
	NJEIE	608	79	79	-	\$ 2.35	-
	Paid	5,558	1,183	1,183	-	0.38	-
	Reduced	5,525	953	953	-	2.43	-
	Free	<u>17,811</u>	<u>3,551</u>	<u>3,177</u>	<u>374</u>	2.73	<u>\$ 1,021</u>
	Total Breakfast	<u>29,502</u>	<u>5,766</u>	<u>5,392</u>	<u>374</u>		<u>\$ 1,021</u>
						Total Overclaim	<u>\$ 2,671</u>

**EAST RUTHERFORD BOARD OF EDUCATION  
FOOD SERVICE ENTERPRISE FUND  
CALCULATION OF NET RESOURCE SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NET CASH RESOURCES SCHEDULE**

<b><u>Net Cash Resources:</u></b>		<b>Food Service B - 4/5</b>	
<b>ACFR</b>	<b>*</b>	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	\$ 432,390
B-4		Due from Other Gov'ts	17,872
B-4		Accounts Receivable	16,754
<b>ACFR</b>		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	(138,579)
B-4		Less Unearned Revenue	(5,362)
		<b>Net Cash Resources</b>	<b><u>\$ 323,075</u></b> (A)

**Net Adj. Total Operating Expense:**

B-5	Tot. Operating Expenses	\$ 578,139	
B-5	Less Depreciation	(40,994)	
	<b>Adj. Tot. Oper. Exp.</b>	<b><u>\$ 537,145</u></b>	(B)

**Average Monthly Operating Expense:**

B / 10	<b><u>\$ 53,715</u></b>	(C)
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**Three times monthly Average:**

3 X C	<b><u>\$ 161,144</u></b>	(D)
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TOTAL IN BOX A	\$ 323,075
LESS TOTAL IN BOX D	\$ 161,144
<b>NET</b>	<b><u>\$ 161,932</u></b>

**NET CASH RESOURCES DOES EXCEED THREE MONTH AVERAGE EXPENSES**

**EAST RUTHERFORD BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 13, 2023  
SCHEDULE OF AUDITED ENROLLMENTS**

	2024-2025 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		Sample	Sample
	A.S.S.A.		Workpapers				Selected from		Register		Registers		A.S.S.A. as	Reported on	for		
	On Roll		On Roll				Workpapers		On Roll		On Roll		Private	District	Verifi-		
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Schools	Workpapers	cation	Verified	Errors
Full Day Preschool - 3 yrs	12		12		-		12		12		-						
Half Day Preschool - 4 yrs	2		2		-		2		2		-						
Full Day Preschool - 4 yrs	12		12		-		12		12		-						
Full Day Kindergarten	78		78		-		78		78		-						
Grade 1	74		74		-		74		74		-						
Grade 2	62		62		-		62		62		-						
Grade 3	80		79		1		79		79		-						
Grade 4	59		59		-		59		59		-						
Grade 5	69		69		-		69		69		-						
Grade 6	57		57		-		57		57		-						
Grade 7	70		70		-		70		70		-						
Grade 8	70		70		-		70		70		-						
Subtotal	645	-	644	-	1	-	644	-	644	-	-	-					
Spec Ed - Elementary	82		81		1	-	26		26		-		3	3	1	1	-
Spec Ed - Middle School	39		38		1	-	12		12		-						-
Subtotal	121	-	119	-	2	-	38	-	38	-	-	-	3	3	1	1	-
Totals	766	-	763	-	3	-	682	-	682	-	-	-	3	3	1	1	-
Percentage Error					0.39%	0.00%					0.00%	0.00%					0.00%

**EAST RUTHERFORD BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 13, 2023  
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 Workpapers	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		1	(1)			-			-			-
Full Day Preschool 3 Years Old		2	(2)			-			-			-
Full Day Preschool 4 Years Old		5	(5)	1	1	-			-			-
Full Day Kindergarten	30	30	-	5	5	-	5	5	-	2	2	-
Grade 1	35	35	-	6	5	1	6	5	1	2	1	1
Grade 2	26	26	-	4	3	1	7	7	-	2	2	-
Grade 3	39	38	1	7	7	-	7	7	-	2	2	-
Grade 4	26	26	-	4	4	-	3	3	-	1	1	-
Grade 5	29	29	-	5	5	-	1	1	-			-
Grade 6	21	30	(9)	5	5	-	2	2	-	1	1	-
Grade 7	36	36	-	6	6	-	7	7	-	2	2	-
Grade 8	35	35	-	6	5	1	1	1	-			-
Subtotal	277	293	(16)	49	46	3	39	38	1	12	11	1
Sp Ed - Elementary	38	38	-	7	4	3	3	3	-	1	1	-
Sp Ed - Middle School	23	22	1	4	7	(3)	1	1	-			-
Subtotal	61	60	1	11	11	-	4	4	-	1	1	-
Totals	338	353	(15)	60	57	3	43	42	1	13	12	1
Percentage Error			<u>-4.44%</u>			<u>5.00%</u>			<u>2.33%</u>			<u>7.69%</u>

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	25	25	-	7	8	(1)
Transported - Non Public	1	1	-	1	-	1
Regular - Special Ed	16	16	-	5	5	-
Special Needs	7	7	-	2	2	-
	49	49	-	15	15	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**EAST RUTHERFORD BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 13, 2023  
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA as Not Low Income	Reported on Workpapers Not Low Income	Errors	Sample Selected From Workpapers	Verified to Application	Errors
Full Day Kindergarten	4	4	-	1	1	-
Grade 1	5	6	(1)	3	3	-
Grade 2	2	2	-	1	1	-
Grade 3	1	1	-			-
Grade 4			-			-
Grade 5	1	1	-			-
Grade 6	1	1	-			-
Grade 7			-			-
Grade 8	3	3	-	1	1	-
Subtotal	17	18	(1)	6	6	-
Sp Ed - Elementary	1	1	-			-
Sp Ed - Middle School			-			-
Subtotal	1	1	-	-	-	-
Totals	18	19	(1)	6	6	-
Percentage Error			<u>-5.56%</u>			<u>0.00%</u>

**EAST RUTHERFORD BOARD OF EDUCATION  
CALCULATION OF EXCESS SURPLUS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**SECTION 1 - Regular District**

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

2023-2024 Total General Fund Expenditures per the ACFR	\$ 23,444,807
Increase by:	
Transfer from Capital Reserve to Debt Service Fund	200,000
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(4,426,364)</u>
Adjusted 2023-2024 General Fund Expenditures	<u>\$ 19,218,443</u>
2% of Adjusted 2023-2024 General Fund Expenditures	\$ 384,369
Allowable Adjustment	<u>455</u>
Maximum Unassigned Fund Balance	<u>\$ 384,824</u>

**SECTION 2 - All Districts**

Total General Fund - Fund Balance at June 30, 2024	\$ 6,692,199
Decreased by:	
Capital Reserve	\$ 3,199,736
Capital Reserve - Designated for Subsequent Year's Expenditures	1,005,320
Maintenance Reserve	574,684
Maintenance Reserve - Designated for Subsequent Year's Expenditures	165,398
Excess Surplus - Designated for Subsequent Year's Expenditures	600,000
Assigned - Year End Encumbrances	45,720
Assigned - Designated for Subsequent Year's Expenditures	<u>16,517</u>
	<u>5,607,375</u>
Total Unassigned Fund Balance	<u>\$ 1,084,824</u>

**SECTION 3 - All Districts**

Reserved Fund Balance - Excess Surplus	<u>\$ 700,000</u>
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**Recapitulation of Excess Surplus as of June 30, 2024**

Reserved Excess Surplus	\$ 700,000
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	<u>600,000</u>
Total	<u>\$ 1,300,000</u>

**Detail of Allowable Adjustments**

Nonpublic Transportation Aid - Unbudgeted	<u>\$ 455</u>
	<u>\$ 455</u>

**EAST RUTHERFORD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. Procedures be reviewed and revised to ensure the withdrawal of capital reserve is made in accordance with the requirements of N.J.A.C. 6A:23A – 14.1(h).
2. Greater care be exercised to ensure revenues received are recorded to the proper fund in accordance with the Minimum Chart of Accounts for N.J. Public Schools.

III. School Purchasing Program

- \* 3. It is recommended that procedures be improved to ensure contract awards and purchase are procured and approved in accordance with the requirements of the Public School Contracts Law and State procurement guidelines.

IV. School Food Services

There are none.

V. Student Body Activities

There are none.

VI. Application for State School Aid

There are none.

VII. Pupil Transportation

There are none.

VIII. Facilities and Capital Assets

There are none.

IX. Status of Prior Years' Audit Findings/Recommendations

A review was performed on all prior years' recommendations and corrective action was taken on all, except those denoted with an asterisk (\*).



**EAST RUTHERFORD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**ACKNOWLEDGEMENT**

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to us.

Respectfully submitted,

LERCH, VINCI & BLISS, LLP



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932