

**FINAL SUMMARY MINUTES – SPECIAL MEETING – JANUARY 30, 2013
ELMWOOD PARK BOARD OF EDUCATION**

Following are Final Summary Minutes of Special Meeting of the Elmwood Park Board of Education scheduled for 7 p.m. on Wednesday, January 30, 2013, in the Memorial Middle School Gym. The meeting was opened at 7:05 p.m.

Present were: Keith Cannizzo, Jeanne Freitag, Jennifer Pellegrine, Kathleen Policano, Arlene Rudmann, Peter Scolaro, Stephen Zaccone, Louise Gerardi, and Douglas DeMatteo. Also present were Dr. Richard D. Tomko, Superintendent of Schools, William P. Moffitt, Board Secretary/Business Administrator, Thomas Egan, State Monitor, Andrew Brown, Esq., Board Attorney, Steve Wielkotz of Ferraioli, Wielkotz, Cerullo & Cuva, P.A., Board Auditors, Patricia Otten, Confidential Secretary, for the taking of minutes, David Saper, Principal, Gilbert Avenue, Anthony Iachetti, Director of Special Services, Mayor Richard Mola, Roy Riggitano, Municipal Finance Officer/Treasurer, Borough of Elmwood Park, Councilmen Robert Colletti, Frank Caramagna, Larry Castiglia, and members of the public.

After the flag salute, there was a moment of silence. A copy of the Meeting Notice is hereby incorporated:

The Statement of Compliance, as read by William P. Moffitt Board Secretary/Business Administrator, is hereby incorporated: In accordance with requirements of Chapter 231 of the Public Laws of 1975, known as the "Open Public Meetings Act," this is to confirm that we are in compliance with the Sunshine Law and all appropriate postings and notices have been made. The following information is Board of Education Policy: " 1) Any individual addressing the board of education is to state his/her name and address and sign the register at the podium. 2) No verbal accusation against any employee or member of the board of education shall be permitted. Such accusations may be presented in writing and will be given full consideration by the board of education. 3) No action will be taken by the board of education at the same meeting on requests from the public, which may necessitate either a new policy or a change in existing policy."

Dr. Richard D. Tomko, Superintendent of Schools introduced Steve Wielkotz of Ferraioli Wielkotz, Cerullo & Cuva, P.A., Board Auditors, who gave a brief presentation on the audit. Mr. Wielkotz gave an overview of the presented Comprehensive Annual Financial Report (CAFR) for June 30, 2012.

Following the review of the CAFR, Mr. Wielkotz answered questions posed by the board members.

Trustee, Douglas DeMatteo: Questions in regard to how the district ended up in a deficit.

Steve Wielkotz, Auditor: I identified that eight out of ten budgets were defeated totaling four million dollars over that period of time, together with an increase in out of district special education student placements, and an increase in health benefit costs as some of the factors contributing to the deficit. He also explained that when the deficit was discovered in last year's audit, the report could not be revised so it was included in this year's report resulting in 2.2 million dollar deficit.

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- Trustee, Keith Cannizzo: Asked for an explanation of the recommendation that deposits had to be made in timely manner.
- Steve Wielkotz, Auditor: The rule of thumb is 48 hours, but the district had to make an effort to be timelier in making deposits.
- Trustee, Jeanne N. Freitag: Inquired about when the audit was prepared and where it went.
- Steve Wielkotz, Auditor: Replied that this year a draft was provided to both the school district and Department of Education. Draft report was delivered in the first week of December and the State of New Jersey gave the district an additional month due to circumstances.
- Trustee, Jeanne N. Freitag: Inquired if draft was same as CAFR and were there changes.
- Steve Wielkotz, Auditor: Replied no, there were changes and some housekeeping.
- Trustee Louise Gerardi: Inquired as to why cash reconciliations were important.
- Steve Wielkotz, Auditor: Keeps district aware of the amount of cash “on hand.”
- Trustee, Keith Cannizzo: Inquired as to why there was a cash deficit.
- Steve Wielkotz, Auditor: District received services and did not have revenue to cover the payment of services at the end of fiscal period.
- Trustee, Louise Gerardi: Inquired as to if there were any misappropriations of funds relative to athletic events.
- Steve Wielkotz, Auditor: No. Recommended that the district provide reconciliation of tickets/cash.
- President, Douglas DeMatteo, turned the meeting over to Thomas Egan, State Monitor. Mr. Egan made the following statements.
- Thomas Egan, State Monitor: Stated that he reviewed the Corrective Action Plan procedures, which will address various findings to be considered by the Board of Education and indicated that it would be on the February Board Meeting for approval. He indicated that Lerch, Vinci, & Higgins were hired to perform an independent audit, which should be received by February 15th and discuss district projected monies ending June 2013. The audit will be reviewed by the administration, the Finance Committee, and Board of Education. Information in the Lerch, Vinci, Higgins

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Report will be shared with the general public at the February meeting. The district's 2013-2014 budget will take the information from the Lerch audit into consideration in the planning process. The district should receive state aid information by February 26th when released by the Governor. The budget will be prepared and reviewed by the board in the future and all details will be made public

At 7:17 p.m. Board President, Douglas DeMatteo, opened the meeting to the public.

The following individuals addressed the board during the public portion of the meeting.

- Jeffrey Freitag: Inquired about the revisions to the June 30, 2011, audit and commented that it should have been found sooner.
- Steve Wielkotz, Auditor: Audit was not revised a second time as the fiscal year was closed.
- Thomas Egan, State Monitor: Stated that the June 30, 2011, audit was filed and finalized. It could not be adjusted. Auditors don't go back and revise previous audits. Therefore, because it could not be corrected, it looked like triple in the June 2012 audit.
- Jeffrey Freitag: Comments in regard to deficit and where will the money come from.
- Thomas Egan, State Monitor: Stated that at the February meeting he will come up with a plan to solve the problem. The board must come up with Corrective Action Plan. The district was unable to pay bills because there was no cash flow, and postponed paying bills. He clarified the matter of his salary. His salary will be based on less than 40 hours per week and will not cost the district \$200,000. People have the wrong information and they are doing a disservice to the district by spreading that information.
- Jeffrey Freitag: Wanted to know when the auditor first came into the district and if there was ever a deficit.
- Steve Wielkotz, Auditor: Before 2006, and there was no deficit.
- Gladys Gryskiewicz: Inquiries on the inefficiency in controls and non-compliance. Questioned where the money to address the deficit would come from and why SEMI is not providing more funds. Commented about Mr. Moffitt's responsibility to protect interests of the students.

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- Steve Wielkotz, Auditor: The monitor will prepare a Corrective Action Plan and stated that the board would have a new one next month. The first step would be to stop the bleeding by the time that audit is completed. Six months have passed making it more challenging to correct.
- Gladys Gryskiewicz: Inquired about penalties relating to not securing approval for budget transfers.
- Steve Wielkotz, Auditor: No crimes were committed, no money is missing, and there is no misappropriation of funds. Business Administrator oversees the district staff that perform day to day operations.
- Gladys Gryskiewicz: Comments in regard to the elimination of art, music and language. Inquiries in regard to the Finance Committee's roll in the subject issues.
- Dr. Richard Tomko, Superintendent: Stated that language and other programs were eliminated due to past failed budgets. Commented in regard to stopping the bleeding and that these issues were inherited and are historical.
- Michael Bufis: Comments in regard to information found on a financial website; Inquiries in regard to district management, lack of control and overdrawn line items; Comments in regard to Mr. Moffitt's performance and responsibilities; Inquiries as to roll of the Finance Committee to review monthly purchase orders.
- William P. Moffitt, Board Secretary/Business Administrator: Stated that the Finance Committee reviews a purchase order list that goes to all board members on a monthly basis. Any questions are answered.
- Michael Bufis: Inquiries as to where Corrective Action Plan goes.
- Douglas DeMatteo, Board President: Stated that the Corrective Action Plan goes to the State.
- Michael Bufis: Comments in regard to increasing student enrollment data.
- Dr. Richard Tomko, Superintendent: Stated that the district was using actual numbers and not to confuse over-crowding with bringing back special education students.
- Michael Bufis: Inquired about ending contract for iPads and other related technology.

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- Dr. Richard Tomko, Superintendent: Stated that the iPads and related technology were cutting edge and thought it is academically beneficial to students.
- Michael Bufis: Inquired as to responsibility of superintendent for current situation.
- Dr. Richard Tomko, Superintendent: Stated that he has done his due diligence and in his opinion, it is a tough situation, the district is addressing mistakes that were made.
- Michael Bufis: Inquired about superintendent forfeiting his merit pay.
- Mrs. Hayes: Inquired about the likelihood of this happening again.
- Thomas Egan, State Monitor: Stated there were no guarantees. The district will correct problems by adhering to a Corrective Action Plan.
- Mrs. Hayes: Does this deficit mean change in staff?
- Thomas Egan, State Monitor: Stated that we would have to wait for next month to see if the bleeding has stopped. If it has stopped, then some of the checks and balances are working. If it continues, we will go in another direction.
- Daniel Golabek: Inquired about the number of people Mr. Moffitt manages.
- Andy Brown, Esq.: Asked Mr. Golabek to clarify how this related to the annual audit
- Moffitt P. Moffitt, Board Secretary/
Business Administrator: Referred Mr. Golabek to the Organizational Chart in the annual report.
- Daniel Golabek: Inquired about the cost of legal services and how much was in the budget.
- Steve Wielkotz, Auditor: Stated that \$167,000 was spent and \$85,000 was budgeted.
- Daniel Golabek: Inquired as to why the district spent more than \$85,000.
- Andy Brown, Esq.: Stated that there were two tenure charges and a third personnel related lawsuit.
- Daniel Golabek: Commented on how he felt individuals brought up on tenure charges was an injustice.

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- Andy Brown, Esq.: Stated that the Judge in these tenure cases disagreed with Mr. Golabek and cautioned him that personnel matters were not to be discussed publicly.
- Daniel Golabek: Comments in regard to not getting answers to his questions.
- Dr. Richard Tomko, Superintendent: Stated that questions have been answered and that Mr. Egan will present a Corrective Action Plan at the next meeting, at which time he can continue to ask questions.
- Mrs. Aspras: Inquires about how the deficit will be corrected.
- Thomas Egan, State Monitor: Stated that he could not answer at this point, but to come to the February meeting and it will be explained. Commented that the district will have to absorb the deficit without additional taxes being raised. Further details will be provided in February
- Mrs. Aspras: Comments in regard to lack of books and instructional items.
- Thomas Egan, State Monitor: A plan will be presented in February. More time is needed to develop the plan so the district does not continue to suffer.
- Mrs. Aspras: Comments in regard to this being an unacceptable situation.
- Unidentified Resident: Inquired about getting correct information.
- Thomas Egan, State Monitor: Statute indicates that a monitor develops the Corrective Action Plan. He will make sure the children get everything they need. He also stated that he has the authority to say no.
- Mrs. Aspras: Inquired about his authority over Special Education .
- Thomas Egan, State Monitor: The IEP is sacred and that the district cannot make students come back to district. The district can, however, come up with a similar program to educate special education students.

The open session of the meeting was closed at 8:15 p.m.

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By motion of Mrs. Freitag, which was seconded by Mrs. Gerardi, the President called for comments by the board members, which were as follows.

Keith Cannizzo: This team knows we have a problem. We will work tooth and nail to fix it. Comments that students are not getting what they need bother me. When our budgets were voted down and over the years we lost four million dollars, I didn't see anyone coming to meetings complaining about students suffering. We hire teachers at step 1, money has always been a problem. We have a problem, yes, I am not denying it, but how many people don't even take time to vote?

Jeanne Freitag: I must say that I, as a member of the board, cannot understand the accounting mistakes made. I am not blaming anyone, but basic accounting procedures were not followed. I am speaking about not issuing purchase orders, not paying bills on time, not depositing funds in a timely manner, etc. When the deficit was discovered, I don't know what was done to correct it as I was not on the Board of Education. I did not see the CAFR as it exists until the second week of January. I would have liked to have seen it earlier. What caused the problem? It's not just Special Education. I would like to see a list of what caused it, which I thought we would get. At the last board meeting we hired a firm to do a special project. In retrospect, did we need to do this? I am not sure what type of technology is available in the board office to do these projections for us. When I worked at my former employer, we would be able to come up with computer reports, which we would utilize with some additional work to come up with reasonable estimates. The Board of Education is here to make sure that the schools run well. We can't change the past. We have to be able to trust the people who run our schools. Someone must take responsibility. Mr. Egan says to wait until next month to hear his plan, I just hope it's enough to dig us out of the hole we're in.

Jennifer Pellegrine: The two previous members made good points. The Finance Committee meets every month and we do look at all purchase orders, etc. Obviously there were mistakes and budget deficits. The fact of the matter is that whatever school year it was, we are 2.3 million dollars in deficit. Either way our children won't be getting it back. Whether its mistakes, whether its four million dollars in cuts over the years, they are not getting it. I'm grateful to Mr. Egan for what he is doing. We must do our due diligence to see if we are doing everything we can for our students. Good schools make good communities. I appreciate your expressing

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your concerns. We are seeing two different sides of the same situation and we must come together instead of separating, but come together. They, our students, should have 2.3 million dollars regardless if it was through deficits or cut budgets.

Kathleen Policano: Thanks for coming and commenting. I agree with Jennifer Pellegrine that blaming will not stop the problem. I am glad we are getting a second audit. No one is trying to cheat kids.

Arlene Rudmann: I can understand the frustration and some comments were valid. We have to work with Mr. Egan and get checks and balances in place and do all we can do without hurting our children.

Peter Scolaro: We do know there is a problem with the financial report. Now the board and administration need to work together to fix it. I am looking forward to seeing Mr. Egan's report and his plan to fix it.

Stephen Zaccone: I am waiting for the February meeting to see if we can work this out.

Louise Gerardi: I want to thank those who came out tonight and for their input and questions, this helps me to understand. I am looking forward to working with Mr. Egan and moving forward. We are here for the students and we all must come together.

Douglas DeMatteo: Everyone is frustrated and I am also. I'm not here to blame anyone, Mayor and Council, I don't know whether budget cuts helped the situation. Mistakes do happen. We must move forward and come together as a community to solve this problem. Hopefully, in February we will have everything we need to move forward.

After comments by the board, the Board President called for a vote on item F1, Submission of the Comprehensive Annual Financial Report and Auditors Management Report, as attached.

**ELMWOOD PARK PUBLIC SCHOOLS
BUSINESS OFFICE ACTION FORM
RESOLUTION # F1
JANUARY 30, 2013**

**Submission of the Comprehensive Annual Financial Report
And Auditor Management Report**

WHEREAS, the New Jersey Department of Education requires the Elmwood Park Board of Education to conduct an annual audit of the district's accounts and financial transactions as per N.J.S.A 18A: 23 and N.J.A.C. 6A:23; and

WHEREAS, the Comprehensive Annual Financial Report and Auditors Management Report are for the fiscal year ending June 30, 2012; and

WHEREAS, the submitted Comprehensive Annual Financial Report and Auditors Management Report were prepared by a licensed public school accountant; and

WHEREAS, the attached synopsis of the annual audit and recommendations were distributed to the board prior to this public meeting; and

WHEREAS, the Board of Education is required to acknowledge the receipt, review and evaluation of the annual audit; and

WHEREAS, the Comprehensive Annual Financial Report and Auditors Management Report were presented and discussed at a public meeting of the Elmwood Park Board of Education; and

NOW, BE IT RESOLVED, that the Elmwood Park Board of Education hereby acknowledges the receipt, review and evaluation and authorizes the Board Secretary to reflect subject acknowledgement in minutes of the Board of Education meeting as required.

Prepared/Approved By: 
William P. Moffitt, Board Secretary/Business Administrator

Motion of: *Ms. Pellegrino*
Seconded by: *Ms. Guardo*
Roll Call Vote:

	KC	JF	JP	KP	AR	PS	SZ	LG	DD
AYE	✓	✓	✓	✓	✓	✓	✓	✓	✓
NAY									
ABSENT									
ABSTAINED									
RECUSED									

Certified to be true copy of resolution adopted by the Elmwood Park Board of Education at its meeting held on January 30, 2013.


William P. Moffitt, Board Secretary

(seal)

**SYNOPSIS OF AUDIT
BOROUGH OF ELMWOOD PARK
BOARD OF EDUCATION
JUNE 30, 2012**

BOROUGH OF FLEMWOOD PARK SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2012

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents		598,695	446	599,141
Interfund Receivables	62,635			62,635
Receivables from Other Governments	509,880	302,614		812,494
Other Receivables	46,256			46,256
Prepaid Expenses	5,916			5,916
Restricted Cash and Cash Equivalents	1			1
Total Assets	<u>624,688</u>	<u>901,309</u>	<u>446</u>	<u>1,526,443</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Cash Deficit	125,914			125,914
Accounts Payable	2,537,050	292,318		2,829,368
Interfund Payables	150,555			150,555
Payable to Other Governments	25,659			25,659
Payable to Federal Government		1,333		1,333
Payable to State Government		519,182		519,182
Temporary Note Payable	81,064			81,064
Deferred Revenue		88,476		88,476
Total Liabilities	<u>2,920,242</u>	<u>901,309</u>	<u>-</u>	<u>3,821,551</u>
Fund Balances:				
Restricted for:				
Capital Reserve Account	1			1
Debt Service			446	446
Unassigned:				
General Fund	(2,295,555)			(2,295,555)
Total Fund Balances	<u>(2,295,554)</u>	<u>-</u>	<u>446</u>	<u>(2,295,108)</u>
Total Liabilities and Fund Balances	<u>624,688</u>	<u>901,309</u>	<u>446</u>	

Amounts reported for governmental activities in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$51,036,638 and the accumulated depreciation is \$9,574,449.	41,465,610
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds.	(473,329)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(27,482,560)</u>
Net assets of governmental activities	<u>11,214,613</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

BOROUGH OF ELMWOOD PARK SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	27,480,103		2,105,580	29,585,683
Tuition	50,831			50,831
Miscellaneous	50,746	23,261	-	74,007
Total - Local Sources	27,581,680	23,261	2,105,580	29,710,521
State Sources	4,629,002	263,188	-	4,892,190
Federal Sources	11,261	1,199,447		1,210,708
Total Revenues	32,221,943	1,485,896	2,105,580	35,813,419
EXPENDITURES				
Current:				
Regular Instruction	7,380,610	833,010		8,213,620
Special Education Instruction	2,261,707			2,261,707
Other Special Instruction	374,630			374,630
Other Instruction	547,661			547,661
Support Services and Undistributed Costs:				
Tuition	5,221,404			5,221,404
Student & Instruction Related Services	3,352,114	484,557		3,836,671
School Administrative Services	1,339,609			1,339,609
General Administrative Services	844,668			844,668
Central Services & Admin. Info. Technology	534,170			534,170
Plant Operations and Maintenance	3,186,256			3,186,256
Pupil Transportation	1,965,964			1,965,964
Unallocated Benefits	6,854,988			6,854,988
Capital Outlay	621,061	168,329		789,390
Transfer to Charter School	149,739			149,739
Debt Service:				
Principal			950,000	950,000
Interest and Other Charges			1,155,584	1,155,584
Total Expenditures	34,634,581	1,485,896	2,105,584	38,226,061
Excess (Deficiency) of Revenues Over Expenditures	(2,412,638)	-	(4)	(2,412,642)
OTHER FINANCING SOURCES (USES)				
Capital Leases (non-budgeted)	540,558			540,558
Transfers in:				
CARE Program	21,700			21,700
Summer Session Program	4,400			4,400
Community School Program	1,002			1,002
Food Service Program	253,971		-	253,971
Total other financing sources and (uses)	821,631	-	-	821,631
Net Change in Fund Balances	(1,591,007)	-	(4)	(1,591,011)
Fund Balance—July 1	(704,547)		450	(704,097)
Fund Balance (Deficit)—June 30	(2,295,554)	-	446	(2,295,108)

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

**BOROUGH OF ELMWOOD PARK
BOARD OF EDUCATION**

RECOMMENDATIONS

Administrative Practices and Procedures

None

Financial Planning, Accounting and Reporting

Finding: There were instances in which supporting documentation was not available to support purchase orders.

Recommendation: That supporting documentation is available to support all purchase orders prior to approval for payment.

Finding: There were instances of late payment of bills to various vendors.

Recommendation: That steps be taken to ensure all payments are made in a timely manner.

Finding: The employer's share of unemployment deductions was not charged to the budget and paid to the payroll agency account to cover the filing of required NJ 927 tax returns for the following quarters:

- Fourth Quarter 2011
- First Quarter 2012
- Second Quarter 2012

Recommendation: All required employer taxes be charged to the budget and transferred to the agency account for each payroll.

Finding: The fourth quarter NJ 927 was prepared incorrectly resulting in an erroneous reported overpayment to the State of New Jersey.

Recommendation: An amended return be filed reflecting the actual taxes owed and paid.

Finding: There was an instance of an employee's W-4 form not being available for review at the time of audit.

Recommendation: That all employee's W-4 forms be made available for review at the time of audit.

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RECOMMENDATIONS (Continued)

Financial Planning, Accounting and Reporting, (continued)

Finding: There were instances in which good/services were ordered prior to being encumbered.

Recommendation: That the District take proper steps to ensure goods/services are being encumbered prior to the place of an order.

Finding: During our test of transactions, it was noted that the District misclassified expenditures for salaries, tuition costs and required maintenance.

Recommendation: Districts should reference the *Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2012 Edition* and other available reference materials, such as the Budget Guidelines for the proper classifications required to be in compliance with N.J.A.C. 6A:23-2.3(f).

***Finding:** The District ended the year with a deficit in fund balance. The deficit was not a direct result of a delay in the last State Aid payment, therefore, the District was in violation of New Jersey statute and corrective action is required.

***Recommendation:** That corrective action be taken to eliminate the deficit.

***Finding:** There is a cash deficit in the General Fund.

***Recommendation:** That cash flow be monitored regularly to ensure that there is no cash deficit.

Finding: The board designee did not perform cash reconciliations on a monthly basis for the general operating, payroll account, or payroll agency account.

Recommendation: Each month, the board designee should determine cash balances by performing cash reconciliations for the general operating, payroll account, or payroll agency account.

Finding: The District transferred to the advertised appropriation; Undistributed Expenditures – Central Services & Administrative Information Technology (Fund 10) that exceeded 10 percent of the total amount of the original budget without obtaining proper department approval.

Recommendation: Executive County Superintendent approval should be requested for any transfer to an advertised appropriation account as defined under N.J.A.C. 6A:23A-13.3(f), which is cumulatively more than 10 percent of that amount. The district should maintain documentation that substantiates the request was received by the Executive County Superintendent when written approval is not received.

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RECOMMENDATIONS (Continued)

Financial Planning, Accounting and Reporting, (continued)

Finding: The District made board approved line-item transfers during the year but did not maintain a monthly transfer report and year-to-date transfers in a format prescribed by the Commissioner or approved by the Executive County Superintendent

Recommendation: The District should maintain a monthly and year-to-date report of all line item transfers in a format prescribed by the Commissioner or approved by the Executive County Superintendent.

Finding: The District is not maximizing its efforts under the Special Medicaid Initiative (SEMI) Program for obtaining federal funding for special education services.

Recommendation: The District should establish procedures to ensure that it its efforts under SEMI for obtaining federal reimbursement for special education services.

Finding: The District did not update the in-house fixed asset report for acquisitions and/or disposals during FY12.

Recommendation: That the District take proper steps in order to ensure that the fixed asset report is updated for any asset acquisitions and/or disposals during the year.

Finding: There were instances in which the FY2011 final reports were not in agreement with the financial records of the district for the following grant awards:

- FY2011 Title II, Part D
- FY2011 Title II, Part A

Recommendation: District personnel verify all financial information recorded through the State Electronic Web-Enabled Grant System to that of the budget reports and prior years' cancelled payables to ensure agreement prior to submission.

Finding: There were instances in which accounts payable and encumbrances recorded against Fiscal Year 2010 and Fiscal Year 2011 Title I, Title IIA and Title IID, and Title III entitlements were recorded as expenditures through the Electronic Web-Enabled Grant system but were subsequently determined to be invalid and/or never paid resulting in an overstatement of expenses and, therefore, an over claim of reimbursement against those programs.

Recommendation: The District should ensure that only true cash expenditures be recorded as expenditures against entitlement programs to ensure accuracy of reporting and reimbursement.

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RECOMMENDATIONS (Continued)

School Purchasing Programs

Finding: There was one instance in which quotes were not obtained for item exceeding the quote threshold.

Recommendation: That the District obtain at least 3 quotes for all purchases exceeding quote threshold.

School Food Service

Finding: The Food Service Account disbursements only have one authorizing signature to release checks for payment.

Recommendation: That all Food Service Account disbursements have at least two authorizing signatures to release payment for improved controls.

Finding: Food Service Point of Service System List of Patrons with an Account Balance Report is carrying positive and negative cash balances for some students as of June 30, 2012.

Recommendation: The Food Service Point of Service System of Patrons with an Account Balance Report should be reviewed to ensure negative balances are collected and positive balances for graduates are returned to the students.

Student Body Activities

Finding: An accurate analysis of student activity account balances by function and/or activity was not accurately maintained throughout the course of the year.

Recommendation: Cash receipts and disbursements be properly posted according to function and or activity to ensure an accurate accounting of each activities balances.

Finding: Deposits are not being made in a timely manner.

Recommendation: That all receipts be promptly deposited in the bank.

Finding: Auditor unable to verify that all revenue from all athletic events was collected, recorded and deposited.

Recommendation: That District takes steps to ensure that all revenue from athletic events be recorded, deposited and made available for review at the time of audit.

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RECOMMENDATIONS (Continued)

Application for State School Aid

None

Pupil Transportation

None

Facilities and Capital Assets

None

Miscellaneous

Single Audit

Finding 2012-2: Several budgetary line accounts were over-expended during the fiscal year and at June 30 without Board Secretary's monthly certification.

Recommendation: None

Finding 2012-3: Condition: The amounts used to calculate allowable costs for the Extraordinary Aid applicable did not agree with contracted amounts.

Recommendation: None

Follow-up on Prior Year Findings

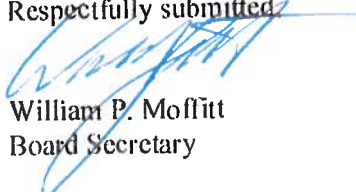
None

**FINAL SUMMARY MINUTES – SPECIAL MEETING – JANUARY 30, 2013
ELMWOOD PARK BOARD OF EDUCATION**

By motion of Ms. Pellegrine, which was seconded Mrs. Gerardi, the meeting was adjourned at 8:40 p.m.

I hereby certify these final summary minutes of the Special Meeting of the Elmwood Park Board of Education in session on Wednesday, January 30, 2013, to be true and correct and in complete agreement with the official Minute Book of the Board of Education.

Respectfully submitted,



William P. Moffitt
Board Secretary