



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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SHERYL M. NICOLosi, CPA
ROBERT AMPONSAH, CPA

February 20, 2017

Honorable President and Members
Of the Board of Trustees
Boonton Board of Education
434 Lathrop Avenue
Boonton, NJ 07005

Dear Board Members:

We are pleased to confirm our understanding of the services we are to provide to the Boonton Board of Education for the fiscal year ending June 30, 2017. We will audit the financial statements of the governmental activities, the business activities, each major fund and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Boonton Board of Education as of and for the fiscal year ending June 30, 2017. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Boonton Board of Education's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Boonton Board of Education's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- Management's Discussion and Analysis
- Budgetary Comparison Schedules
- GASB-required Supplementary Pension Information

We have also been engaged to report on supplementary information other than RSI that accompanies the Boonton Board of Education's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

- Schedules of expenditures of federal awards and state financial assistance
- Combining and Individual Fund Statements

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information:

- Introductory and Statistical Sections
- Other Financial Schedules

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles ("GAAP") and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objectives also includes reporting on:

- Internal control over financial reporting and compliance with provision of laws, regulations, contracts and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal and state statutes, regulations, and the terms and conditions of federal and state awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

Audit Objectives (continued)

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The U.S. Uniform Guidance and New Jersey Circular 15-08 report on internal control over compliance will include a paragraph that states the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance and New Jersey Circular 15-08. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996, the provisions of U.S. Uniform Guidance and New Jersey Circular 15-08, and will include tests of accounting records, a determination of major program(s) in accordance with U.S. Uniform Guidance and New Jersey Circular 15-08, procedures required by the State of New Jersey, Department of Education, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the Single Audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue reports or may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Audit Procedures—General (continued)

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedules of expenditures of federal awards and state financial assistance, federal and state award programs; compliance with laws, regulations, contracts and grant agreements; and other responsibilities required by general accepted auditing standards.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by U.S. Uniform Guidance and New Jersey Circular 15-08, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal and state award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to U.S. Uniform Guidance and New Jersey Circular 15-08.

Audit Procedures—Internal Controls (continued)

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, U.S. Uniform Guidance, and New Jersey Circular 15-08.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Boonton Board of Education's compliance with provisions of applicable laws and regulations, contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

U.S. Uniform Guidance and New Jersey Circular 15-08 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal and state statutes, regulations and the terms and conditions of federal and state awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *U.S. OMB Compliance Supplement* and *New Jersey State Aid/Grant Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Boonton Board of Education's major programs. The purpose of those procedures will be to express an opinion on the Boonton Board of Education's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to U.S. Uniform Guidance and New Jersey Circular 15-08.

Other Services

We will also assist in preparing the financial statements, schedules of expenditures of federal awards and state financial assistance, and related notes of the Boonton Board of Education in conformity with U.S. generally accepted accounting principles, U.S. Uniform Guidance and New Jersey Circular 15-08 based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards and state financial assistance, and related notes services previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over federal and state awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedules of expenditures of federal awards and state financial assistance, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal and state statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance and New Jersey Circular 15-08, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards and state financial assistance; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior year audit findings and a separate corrective action plan.

Management Responsibilities (continued)

You are responsible for identifying all federal awards and state financial assistance received and understanding and complying with the compliance requirements and for the preparation of the schedules of expenditures of federal awards (including notes and noncash assistance received) and state financial assistance in conformity with U.S. Uniform Guidance and New Jersey Circular 15-08, respectively. You agree to include our report on the schedules of expenditures of federal awards and state financial assistance in any document that contains and indicates that we have reported on the schedules of expenditures of federal awards and state financial assistance. You also agree to include the audited financial statements with any presentation of the schedules of expenditures of federal awards and state financial assistance that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for the presentation of the schedules of expenditures of federal awards and state financial assistance in accordance with U.S. Uniform Guidance and New Jersey Circular 15-08; (2) that you believe the schedules of expenditures of federal awards and state financial assistance, including its form and content, is stated fairly in accordance with U.S. Uniform Guidance and New Jersey Circular 15-08; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedules of expenditures of federal awards and state financial assistance.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles ("GAAP"). You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including their form and content, are fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits or studies. You are also responsible for providing management's views on our current findings, conclusions and recommendations, as well as your planned corrective actions for the report, and the timing and format providing that information.

Management Responsibilities (continued)

With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website and on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access Data Port, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You agree to assume all management responsibilities relating to the financial statements, schedules of expenditures of federal awards and state financial assistance and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with the preparation of the financial statements, schedules of expenditures of federal awards and state financial assistance, and related notes that you have reviewed and approved the financial statements, schedules of expenditures of federal awards and state financial assistance, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

MSRB Municipal Advisor Rule

On September 18, 2013, the Securities and Exchange Commission (the "SEC") adopted a rule requiring that "municipal advisors" register with the Securities and Exchange Commission. A "municipal advisor" is someone that "provides advice to or on behalf of a municipal entity with respect to municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues[.]" Lerch, Vinci & Higgins LLP is not a registered Municipal Advisor and is not subject to the fiduciary duty established in Section 15B(c)(1) of the Exchange Act with respect to the municipal financial product or issuance of municipal securities. Accordingly, pursuant to the new Municipal Advisor rule and absent the available exception to the rule discussed below, Lerch, Vinci & Higgins LLP cannot provide the District with advice or recommendations regarding the issuance of municipal securities.

Under the Municipal Advisor rule, the District may continue to receive advice from its auditor, bond counsel and other professionals, provided both the District and the professional satisfy the "Issuer Has Hired an Independent Municipal Advisor Exemption". First, as municipal issuer, the Board of Education needs to have (i) engaged an independent registered municipal advisor and (ii) made such engagement known in writing to the person seeking to rely on the exemption and/or post this declaration on the Board of Education's web site. Second, the person relying on this exemption, such as us, your bond counsel and others, must:

MSRB Municipal Advisor Rule (continued)

1. Obtain a written representation from the District that it is represented by, and will rely on the advice of, an independent registered municipal advisor. The written representation from the District may be a declaration posted on the District's web site as long as the posting states that the representation is intended to establish the independent municipal advisor exemption pursuant to the Municipal Advisor rule;
2. Provide written disclosure to the District and its independent registered municipal advisor that, by obtaining such representation from the District, the firm is not a municipal advisor and is not subject to the fiduciary duty established in Section 15B(c)(1) of the Exchange Act with respect to the municipal financial product or issuance of municipal securities; and
3. Provide the written disclosure described above at a time and in a manner reasonably designed to allow the District to assess the material incentives and conflicts of interest that such person may have in connection with the municipal advisory activities.

If the District has engaged the services of a registered Municipal Advisor, we encourage you to notify us in accordance with paragraph 1 above. We have already provided to you in this letter the disclosure contained in paragraph 2 above, which we trust is being provided to you in the time and manner set forth in paragraph 3 above. If the District has not engaged the services of a registered Municipal Advisor, or has, but has not satisfied the requirements of the "Issuer Has Hired an Independent Municipal Advisor Exemption", then any services performed by us in connection with the issuance of municipal securities shall be performed pursuant to the Statements on Standards for Attestation Engagements and related Attestation Interpretations as issued by the American Institute of Certified Public Accountants, then currently in effect.

Engagement Administration, Fees, and Other

We understand that your employees will assist our personnel in locating any documents selected by us for testing.

At the conclusion of the engagement, if required, we will complete the appropriate sections of the Data Collection Form that summarize our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditor's reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

Engagement Administration, Fees, and Other (continued)

The audit documentation for this engagement is the property of Lerch, Vinci & Higgins LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the New Jersey State Department of Education or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Lerch, Vinci & Higgins LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release or for any additional period requested by the New Jersey State Department of Education. If we are aware that a federal or state awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Our fee for the above described services is based on our experience in providing prior years audit services to the Board. Our fee for the year ending June 30, 2017 will be \$25,000. Additionally, the District will be billed for any out-of-pocket costs charged by the financial institutions relating to the direct confirmation of the District's bank balances in accordance with generally accepted auditing standards. Our invoices for these fees will be rendered each month as work progresses and are payable upon presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

The above fee includes the provision of professional services in connection with the conversion of the District's Individual Fund Financial Statements and District-Wide Financial Statements to conform with the requirements promulgated by Governmental Accounting Standards Board No. 34 (GASB 34), including assistance in the preparation of the District's Required Supplementary Information (RSI) and Management's Discussion and Analysis (MD&A).

In addition, should the State Department of Education require an audit of the Application for State School Aid and the District Report of Transported Resident Students in addition to the annual audit of the school district, our fee for these services will be billed at our standard billing rates.

Additionally, the firm will provide professional services in connection with the implementation of Governmental Accounting Standards Board Statement No. 68 "Accounting and Financial Reporting for Pensions" as required by the State Department of Education. The fee for these services will be billed at our standard hourly rates.

Engagement Administration, Fees, and Other (continued)

Should the Board request accounting support services in connection with the sale of bonds as a result of a public referendum, the issuance of refunding bonds, or the sale of bonds through a county agency, our fee for these services will be billed on a flat fee basis. In addition, our fee for preparing Secondary Market Disclosure documents is \$500.

Lerch, Vinci & Higgins LLP will not act as dissemination agent for the District in connection with the District's obligations, if any, to provide secondary market disclosure. Our work to prepare secondary market disclosure documents shall consist of and be limited to (1) distribution of the District's audited financial statements to the District or its designated dissemination agent in an electronic format that complies with the requirements of the Municipal Securities Rulemaking Board's Electronic Municipal Market Access Data Port, and (2) preparation of operating data, customarily consisting of the operating and financial information contained in Appendix A to an Official Statement, and distribution of the operating data to the District or its designated dissemination agent in an electronic format that complies with the requirements of the Municipal Securities Rulemaking Board's Electronic Municipal Market Access Data Port. The District, or its designated dissemination agent, shall remain responsible for filing required secondary market disclosure information and "material event" notices in accordance with any prior undertakings, and Lerch, Vinci & Higgins LLP shall not have any responsibility nor liability for the failure of the District, or its designated dissemination agent, to comply with the District's secondary market disclosure undertakings.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

Any matters performed on behalf of the Board not covered under this engagement letter will be billed out based on our standard billing rates.

Our standard billing rates for 2017 are as follows:

Partners	\$140- \$170 per hour
Managers	\$110 -\$130 per hour
Senior Accountants/Supervisors	\$ 85 - \$105 per hour
Staff Accountants	\$ 70 - \$ 80 per hour
Other Personnel	\$ 45 per hour

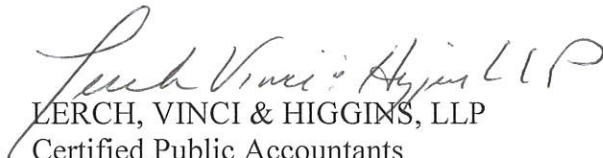
Government Auditing Standards requires that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our September 30, 2015 peer review report accompanies this letter.

The parties to this Agreement agree to incorporate into this Agreement the mandatory language of N.J.S.A. 10:5-31 et seq. (N.J.A.C. 17:27), a copy of which is attached hereto as Exhibit "A".

* * * * *

We appreciate the opportunity to be of service to the Boonton Board of Education and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants

This letter correctly sets forth the understanding of the Boonton Board of Education.

By: _____

Title: _____

Date: _____

EXHIBIT A

MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE

N.J.S.A. 10:5-31 et seq., (P.L. 1975, C.127)

N.J.A.C. 17:27 et seq.

GOODS, PROFESSIONAL SERVICES AND GENERAL SERVICE CONTRACTS

During the performance of the contract, the contractor agrees as follows:

The Contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the Contractor will ensure that equal employment opportunity is afforded to such applications in recruitment and employment, and that employee are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such equal employment opportunity shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause;

The Contractor or subcontractor, where applicable, will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex;

The Contractor or subcontractor will send to each labor union, with which it has a collective bargaining agreement, a notice, to be provided by the agency contracting officer advising the labor union of the Contractor's commitment under this chapter and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The Contractor or subcontractor, where applicable, agrees to comply with the regulations promulgated by the Treasurer pursuant to N.J.S.A. 10:5-31 et seq., as amended and supplemented from time to time, and the Americans with Disabilities Act.

The Contractor or subcontractor agrees to make good faith efforts to afford equal employment opportunities to minority workers consistent with good faith efforts to meet targeted county employment goals established in accordance with N.J.A.C. 17:27-5.2, or good faith efforts to meet targeted county employment goals established in accordance with N.J.A.C. 17:27-5.2.

The Contractor or subcontractor agrees to inform in writing appropriate recruitment agencies, including, but not limited to, employment agencies, placement bureaus, colleges, universities, and labor unions, that it does not discriminate on the basis of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

The Contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

In conforming with the targeted employment goals, the Contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey and applicable federal law and applicable federal court decisions.

The Contractor shall submit to the public agency, after notification of award but prior to execution of a goods and services contract, one of the following three documents:

Letter of Federal Affirmative Action Plan Approval;
Certificate of Employee Information Report; or
Employee Information Report Form AA302

The Contractor and its subcontractors shall furnish such reports or other documents to the Division of Purchase & Property, CCAU, EEO Monitoring Program as may be requested by the office from time to time in order to carry out the purpose of these regulations, and public agencies shall furnish such information as may be requested by the Division of Purchase & Property, CCAU, EEO Monitoring Program for conducting a compliance investigation pursuant to N.J.A.C. 17:27-1.1 et seq.

System Review Report

February 25, 2016

To the partners of Lerch, Vinci & Higgins, LLP
and the Peer Review Committee of the NJCPA

We have reviewed the system of quality control for the accounting and auditing practice of Lerch, Vinci & Higgins, LLP (the firm) in effect for the year ended September 30, 2015. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*.

In our opinion, the system of quality control for the accounting and auditing practice of Lerch, Vinci & Higgins, LLP in effect for the year ended September 30, 2015, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all materials respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Lerch, Vinci & Higgins, LLP has received a peer review rating of *pass*.

DAVIE KAPLAN, CPA, P.C.

Davie Kaplan, CPA, P.C.