

**MINE HILL TOWNSHIP BOARD OF EDUCATION
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL COMPLIANCE AND PERFORMANCE
JUNE 30, 2015**

**MINE HILL TOWNSHIP BOARD OF EDUCATION
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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REPORT OF INDEPENDENT AUDITORS

Honorable President and Members
of the Board of Trustees
Mine Hill Township Board of Education
Hillside, 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 Mine Hill Township Board of Education in the County of Morris as of and for the fiscal year ended June 30, 2015, and have issued our report thereon dated November 16, 2015.

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

This report is intended solely for the information and use of management, the Board of Trustees, others within the District and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 16, 2015

**MINE HILL TOWNSHIP BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Scope of Audit

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

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on the Schedule of Insurance reported on Exhibit J-20 in the District's Comprehensive Annual Financial Report (CAFR).

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Melissa Simmens	School Business Administrator/ Board Secretary	\$180,000
Lisa Palmieri	Treasurer of School Monies	175,000

There is a Public Employees' Dishonesty Insurance Coverage covering all other employees with \$500,000 per loss.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not reveal any material discrepancies with respect to each of signature certification and proper itemization.

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.

Finding – All payrolls tested were certified by the School Business Administrator/Board Secretary. However, the payroll registers were not certified by the Chief School Administrator and the Board President, as required by NJSA 18A:19-9.

Recommendation – Payroll registers be certified by the Chief School Administrator and the Board President.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the general fund.

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

The Board has implemented and maintained a personnel tracking and accounting (Position Control) system.

**MINE HILL TOWNSHIP BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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:23-8.3. As a result of the procedures performed no additional procedures were deemed necessary to test the propriety of expenditure classification.

Finding – Our audit of the General Fund budget charges revealed certain expenditures were not coded to the appropriate budget line accounts. We noted budget account charges for supplies, repairs and equipment purchases that were not charged to the proper budget line accounts in accordance with the State’s Uniform Minimum Chart of Accounts.

Recommendation – Expenditures be classified and charged to the appropriate budget line accounts in accordance with the Uniform Minimum Chart of Accounts for New Jersey Public Schools.

Board Secretary's Records

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

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

Bids were summarized in the minutes of the Board Secretary.

The Capital Asset records were updated for the additions and disposals of capital assets made during the year.

Finding – The District had uncollected school property taxes of \$13,272 Fund as of June 30, 2015. This amount was subsequently received, therefore a recommendation is not warranted.

Finding (CAFR Finding 2015-001) – Our audit of travel expense reimbursements revealed that the purpose and relevance statements were not attached to travel requests or purchase orders as required by Board policy and the New Jersey Administrative Code.

Recommendation – The District adhere to Board policy to ensure the purpose and relevance statements are attached to travel requests or purchase orders.

Treasurer’s Records

The Treasurer’s records were in agreement with the records of the Board Secretary.

Unemployment Compensation Insurance Trust Fund

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. The financial transactions of this fund are reported in the Trust/Fiduciary Fund.

**MINE HILL TOWNSHIP BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Financial Planning, Accounting and Reporting (Continued)

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

The E.S.E.A. financial exhibits are contained within the Special Revenue section of the CAFR. This section of the CAFR documents the financial position pertaining to projects under Titles I and II, of the Elementary and Secondary Education Act.

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 Exhibit K-4 located in the CAFR.

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

The financial exhibits contained herein represent a true statement of the financial position pertaining to the aforementioned special projects.

T.P.A.F. Reimbursements

Our audit procedures included a test of the semi-monthly reimbursements filed with the Department of Education for District employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The reimbursement to the State for the amount of expenditure charged to the current year's Final Report for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made subsequent to the end of the 60 day grant liquidation period, but prior to the 90 days required by N.J.S.A. 18A:66-90. Accordingly, the expenditure was made in accordance with State law (90 days) and properly reported as obligated and not expended and as an unliquidated balance in the current year's Final Report for all federal awards.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2011 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-2 (as amended) and 18A:18A-3(a) are \$36,000 (with a Qualified Purchasing Agent) and \$26,000 (without a Qualified Purchasing Agent), respectively. The Board appointed the Business Administrator/Board Secretary as the District's qualified purchasing agent and subsequently increased the bid threshold to \$36,000.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Board Attorney's opinion should be sought before a commitment is made.

**MINE HILL TOWNSHIP BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," 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 purchases were made through the use of State contracts.

Food Service Fund

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

Cash receipts and bank records were reviewed for timely deposit.

Finding – Our audit revealed that the District did not maintain a general ledger for the Food Service Enterprise Fund nor were the financial transactions being processed through the Board Secretary's accounting software system.

Recommendation – All transactions of the Food Service Enterprise Fund be recorded in the Board Secretary's financial ledgers and the subsidiary records be reconciled to the general ledger on a monthly basis.

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

The number of meals claimed for reimbursement was verified against meal count records with no exceptions noted. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement vouchers were timely filed.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications on file, times the number of operating days, on a school by school basis. The free and reduced price meal policy is uniformly administered throughout the school system. The required verification procedures for free and reduced price applications was completed and available for review.

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

**MINE HILL TOWNSHIP BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Food Service Fund (Continued)

The cash disbursement records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. Net cash resources did not exceed three months average expenditures.

Food Distribution Program commodities were received and a separate inventory were maintained on a first-in, first-out basis.

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

Student Body Activities

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

Cash receipts and disbursement records were maintained in good condition.

Supporting documentation was maintained for all cash disbursements tested.

Finding – Our audit of the Student Activity Fund indicated that there were four instances where a “Daily Receipt Log” form was not available to support a deposit made.

Recommendation – All deposits in the Student Activity Fund be supported by a completed “Daily Receipt Log” form.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2014 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, related services and low-income. 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 without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed state forms or their equivalent.

The District had adequate written procedures for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2014-2015 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with minor exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

Finding – Our audit of the District Report of Transported Resident Students (DRTRS) revealed three students were incorrectly reported. The errors are deemed to be immaterial and, therefore, a recommendation is not warranted.

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

**MINE HILL TOWNSHIP BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Facilities and Capital Assets

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

Finding – In 2009, the Board authorized certain capital projects which were to be partially funded by grants from the School Development Authority (SDA). The State has confirmed that the grants receivable outstanding on the Board's financial statements are no longer collectible. Thus, the grant receivables of \$362,521 have been cancelled as of June 30, 2015. This adjustment resulted in the renovations of classrooms and bathrooms project to incur a deficit of \$124,126.

Recommendation – The District take appropriate action to fund the deficit in the renovation of classrooms and bathrooms capital project.

Suggestions to Management

- Old outstanding checks and other reconciling items should be reviewed and cleared of record.
- Interfunds on the various balance sheets should be liquidated.
- The District should prepare an internal memo formally documenting controls regarding legal costs as they relate to the state-wide average per pupil.
- The District should consider integrating the capital assets report with the District's accounting software.

**MINE HILL TOWNSHIP BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOT APPLICABLE

SCHEDULE OF NET CASH RESOURCES – FOOD SERVICE

NOT APPLICABLE

**MINE HILL TOWNSHIP BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

2014-2015 Total General Fund Expenditures per the CAFR	\$	10,372,685
Decreased by:		
On-Behalf TPAF Pension & Social Security		(440,224)
Adjusted 2014-2015 General Fund Expenditures	\$	9,932,461
2% of Adjusted 2014-2015 General Fund Expenditures	\$	198,649
Enter Greater of 2% of Adjusted 2014-2015 General Fund Expenditures or \$250,000	\$	250,000
Increased by: Allowable Adjustments		132,225
Maximum Unassigned Fund Balance		\$ 382,225
Total General Fund - Fund Balance at June 30, 2015 (Per CAFR Budgetary Comparison Schedule/Statement)	\$	1,618,882
Decreased by:		
Year End Encumbrances		291,092
Capital Reserve		767,888
Maintenance Reserve		116,299
Assigned - Designated for Subsequent Year's Expenditures		162,247
Total Unassigned Fund Balance	\$	281,356
Restricted Fund Balance - Reserved Excess Surplus	\$	-
<u>Detail of Allowable Adjustments</u>		
Extraordinary Aid	\$	130,659
Non-Public Transportation Aid		1,566
	\$	132,225

**MINE HILL TOWNSHIP BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
SCHEDULE OF AUDITED ENROLLMENTS
OCTOBER 15, 2014**

	2015-16 Application for State School Aid						Sample for Verification						Private Schools for Disabled					
	Reported on		Reported on		Errors		Sample		Verified per		Errors per		Reported on		Sample			
	A.S.S.A.		Workpapers				Selected from		Register		Registers		A.S.S.A. as		for			
	On Roll		On Roll		Full		Workpapers		On Roll		On Roll		Private		Verifi-			
Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Schools	cation	Sample	Sample	
Verified	Errors																	
Half Day Preschool - 3 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool - 3 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Preschool - 4 years	17	-	17	-	-	-	17	-	17	-	-	-	-	-	-	-	-	-
Full Day Preschool - 4 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	28	-	28	-	-	-	28	-	28	-	-	-	-	-	-	-	-	-
1st Grade	28	-	28	-	-	-	28	-	28	-	-	-	-	-	-	-	-	-
2nd Grade	37	-	37	-	-	-	37	-	37	-	-	-	-	-	-	-	-	-
3rd Grade	26	-	26	-	-	-	26	-	26	-	-	-	-	-	-	-	-	-
4th Grade	29	-	29	-	-	-	29	-	29	-	-	-	-	-	-	-	-	-
5th Grade	40	-	40	-	-	-	40	-	40	-	-	-	-	-	-	-	-	-
6th Grade	41	-	41	-	-	-	41	-	41	-	-	-	-	-	-	-	-	-
Subtotal	246	-	246	-	-	-	246	-	246	-	-	-	-	-	-	-	-	-
Spec Ed - Elementary	22	-	22	-	-	-	22	-	22	-	-	-	-	1	1	1	-	-
Spec Ed - Middle School	8	-	8	-	-	-	8	-	8	-	-	-	-	1	1	1	-	-
Spec Ed - High School	-	-	-	-	-	-	-	-	-	-	-	-	-	11	9	9	-	-
Subtotal	30	-	30	-	-	-	30	-	30	-	-	-	-	13	11	11	-	-
Totals	276	-	276	-	-	-	276	-	276	-	-	-	-	13	11	11	-	-
Percentage Error					<u>0.00%</u>	<u>0.00%</u>					<u>0.00%</u>	<u>0.00%</u>					<u>0.00%</u>	

**MINE HILL TOWNSHIP BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
SCHEDULE OF AUDITED ENROLLMENTS
OCTOBER 15, 2014**

	Low Income			Sample for Verification			LEP Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool (3 Yrs)	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool (3 Yrs)	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Preschool (4 Yrs)	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool (4 Yrs)	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	8	8	-	6	6	-	-	-	-	-	-	-
1st Grade	8	8	-	6	6	-	1	1	-	1	1	-
2nd Grade	8	8	-	6	6	-	2	2	-	1	1	-
3rd Grade	15	15	-	12	12	-	-	-	-	-	-	-
4th Grade	7	7	-	5	5	-	-	-	-	-	-	-
5th Grade	12	12	-	9	9	-	1	1	-	1	1	-
6th Grade	16	16	-	12	12	-	1	1	-	1	1	-
Subtotal	<u>74</u>	<u>74</u>	-	<u>56</u>	<u>56</u>	-	<u>5</u>	<u>5</u>	-	<u>4</u>	<u>4</u>	-
Spec Ed - Elementary	9	9	-	7	7	-	-	-	-	-	-	-
Spec Ed - Middle School	6	6	-	5	5	-	-	-	-	-	-	-
Spec Ed - High School	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>15</u>	<u>15</u>	-	<u>12</u>	<u>12</u>	-	<u>-</u>	<u>-</u>	-	<u>-</u>	<u>-</u>	-
Totals	<u>89</u>	<u>89</u>	-	<u>68</u>	<u>68</u>	-	<u>5</u>	<u>5</u>	-	<u>4</u>	<u>4</u>	-
Percentage Error		<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>	

	Transportation			Tested	Verified	Errors
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors			
Regular - Public Schools	178	178	-	101	99	2
Transported - Non-Public	-	-	-	-	-	-
Regular - Spec.	1	1	-	1	1	-
Special Needs - Public	38	38	-	21	20	1
Totals	<u>217</u>	<u>217</u>	-	<u>123</u>	<u>120</u>	<u>3</u>
		<u>0.00%</u>			<u>2.44%</u>	

**MINE HILL TOWNSHIP BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
SCHEDULE OF AUDITED ENROLLMENTS
OCTOBER 15, 2014**

	LEP Not 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 Register	Sample Errors
Half Day Preschool (3 Yrs)	-	-	-	-	-	-
Full Day Preschool (3 Yrs)	-	-	-	-	-	-
Half Day Preschool (4 Yrs)	-	-	-	-	-	-
Full Day Preschool (4 Yrs)	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	-	-	-	-	-	-
1st Grade	-	-	-	-	-	-
2nd Grade	-	-	-	-	-	-
3rd Grade	-	-	-	-	-	-
4th Grade	-	-	-	-	-	-
5th Grade	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Spec Ed - Elementary	-	-	-	-	-	-
Spec Ed - Middle School	-	-	-	-	-	-
Spec Ed - High School	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Totals	-	-	-	-	-	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**MINE HILL TOWNSHIP BOARD OF EDUCATION
RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. Payroll registers be certified by the Chief School Administrator and the Board President.
2. Expenditures be classified and charged to the appropriate budget line accounts in accordance with the Uniform Minimum Chart of Accounts for New Jersey Public Schools.
3. The District adhere to Board policy to ensure the purpose and relevance statements are attached to travel requests or purchase orders.

III. School Purchasing Program

There are none.

IV. School Food Services

It is recommended that all transactions of the Food Service Enterprise Fund be recorded in the Board Secretary's financial ledgers and the subsidiary records be reconciled to the general ledger on a monthly basis.

V. Student Body Activities

It is recommended that all deposits in the Student Activity Fund be supported by a completed "Daily Receipt Log" form.

VI. Application for State School Aid

There are none.

VII. Transportation

There are none.

VIII. Facilities and Capital Assets

It is recommended that the District take appropriate action to fund the deficit in the renovation of classrooms and bathrooms capital project.

IX. Miscellaneous

There are none.

X. Status of Prior Years' Audit Findings/Recommendations

Corrective action has been taken on all.

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 & HIGGINS, LLP



Gary J. Vinci
Certified Public Accountant
Public School Accountant