

**MAYWOOD BOARD OF EDUCATION  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL COMPLIANCE AND PERFORMANCE  
JUNE 30, 2016**

**MAYWOOD BOARD OF EDUCATION  
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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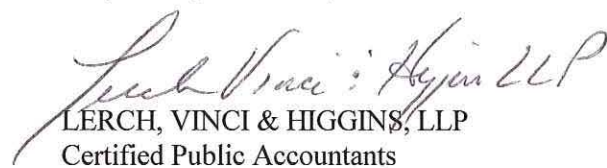
Honorable President and Members  
of the Board of Trustees  
Maywood Board of Education  
Maywood, New Jersey

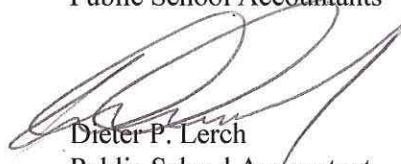
We have audited in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Maywood Board of Education in the County of Bergen as of and for the fiscal year ended June 30, 2016, and have issued our report thereon dated October 14, 2016.

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 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

  
Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
October 14, 2016

**MAYWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Scope of Audit**

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

**Administrative Practices and Procedures**

**Insurance**

Fire insurance coverage was carried in the amounts as detailed on the Insurance Schedule contained in the district's CAFR.

**Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32)**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Jennifer Pfohl	Board Secretary/School Business Administrator	\$200,000
Charley Hargley	Treasurer of School Monies	185,000

There is a Public Employees' Faithful Performance Blanket Position Bond with Utica Mutual Insurance Co. covering all other employees with multiple coverage of \$500,000.

**Finding** – The audit revealed that the surety coverage for the Treasurer of School Monies, in the amount of \$185,000 was below the statutory required amount.

**Recommendation** – It is recommended that the surety bond coverage for the Treasurer of School Monies be increased in accordance with the statutory minimum amount of \$236,000.

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

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

**Payroll Account**

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

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

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

Payrolls were delivered to the Treasurer of School Monies with a warrant made to his order for the full amount of each payroll.

**Reserve for Encumbrances and Accounts Payable**

A review of outstanding issued purchase orders was made as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable.

**MAYWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. As a result of the procedures performed, no transaction errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

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

Our review of the financial and accounting records maintained by the Board Secretary disclosed the following items:

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

Bids received were summarized in the minutes (N.J.S.A. 18A:18A-21).

The capital asset records were updated for the additions and disposals of general fixed assets made during the year.

Treasurer's Records

The following items were noted during our review of the records of the Treasurer:

The Treasurer did perform cash reconciliations for the general operating account, payroll account and payroll agency account (N.J.S.A. 18A:17-36).

All cash receipts were promptly deposited.

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 Fiduciary Fund.

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

The E.S.E.A./IASA financial exhibits are contained within the Special Revenue Fund of the CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I, Title II, Title IV and Title V 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.

**MAYWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

Other Special Federal and/or State Projects

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

Our 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 reimbursement forms 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

There were no TPAF employee's pensionable wages paid from federal funds during the current fiscal year. Therefore, there was no reimbursement amounts due to the State at June 30, 2016.

**School Purchasing Programs**

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(A) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$18,800.

If the purchasing agent is qualified pursuant to subsection b of section 9 of P.L. 1971, c. 198 (c.40A:11-9), the board of education may establish that the bid threshold may be up to \$40,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section. The Board has not designated the business administrator as the qualified purchasing agent.

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

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

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

**MAYWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**School Purchasing Programs (Continued)**

**Contracts and Agreements Requiring Advertisement for Bids (Continued)**

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

**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.

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 return a profit of at least \$4,000. The operating results provision has been met.

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

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

U.S.D.A. commodities were received and a separate inventory was maintained on a first-in, first-out basis.

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

The District contracted with Pomptonian, Inc., to manage the operations of the school food services and deposited funds in accordance with applicable state statutes.

**Student Activity Fund**

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

**MAYWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2015 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers with no exceptions. The information that was included on the workpapers was verified with no exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

The district maintained workpapers on the prescribed State forms or their equivalent.

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

**Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2015-16 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with no exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures included a review of transportation-related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts.

**Follow-up on Prior Year Findings**

In accordance with Government Auditing Standards, our procedures included a review of all prior year recommendations.



**MAYWOOD BOARD OF EDUCATION  
FOOD SERVICE FUND  
SCHEDULE OF MEAL COUNT ACTIVITY  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOT APPLICABLE

**FOOD SERVICE FUND  
NET CASH RESOURCE SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOT APPLICABLE

**MAYWOOD BOARD OF EDUCATION  
A.S.S.A.  
SCHEDULE OF AUDITED ENROLLMENTS  
OCTOBER 15TH 2015**

	2016-2017 Application for State School Aid						Sample for Verification						On Roll - Special Education			Private Schools for Disabled						
	Reported on A.S.S.A.		Reported on Workpapers		Errors		Sample Selected from Workpapers		Reported on Workpapers		Errors		Sample for Verification	Sample Verified	Sample Errors	Reported on A.S.S.A. as Private Schools		Reported on Workpapers for Private Schools		Sample for Verification		
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				Private Schools	Private Schools	Private Schools	Private Schools	Private Schools	Private Schools	Private Schools
Half Day Preschool - 3 years	5	-	5	-	-	-	5	-	5	-	-	-	-	-	-	-	-	-	-	-	-	
Half Day Preschool - 4 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Full Day Kindergarten	115	-	115	-	-	-	115	-	115	-	-	-	-	-	-	-	-	-	-	-	-	
1st Grade	84	-	84	-	-	-	84	-	84	-	-	-	-	-	-	-	-	-	-	-	-	
2nd Grade	111	-	111	-	-	-	111	-	111	-	-	-	-	-	-	-	-	-	-	-	-	
3rd Grade	98	-	98	-	-	-	98	-	98	-	-	-	-	-	-	-	-	-	-	-	-	
4th Grade	77	-	77	-	-	-	77	-	77	-	-	-	-	-	-	-	-	-	-	-	-	
5th Grade	92	-	92	-	-	-	92	-	92	-	-	-	-	-	-	-	-	-	-	-	-	
6th Grade	98	-	98	-	-	-	98	-	98	-	-	-	-	-	-	-	-	-	-	-	-	
7th Grade	76	-	76	-	-	-	76	-	76	-	-	-	-	-	-	-	-	-	-	-	-	
8th Grade	86	-	86	-	-	-	86	-	86	-	-	-	-	-	-	-	-	-	-	-	-	
9th Grade					-	-					-	-	-	-	-	-	-	-	-	-	-	
10th Grade					-	-					-	-	-	-	-	-	-	-	-	-	-	
11th Grade					-	-					-	-	-	-	-	-	-	-	-	-	-	
12th Grade					-	-					-	-	-	-	-	-	-	-	-	-	-	
<b>Subtotal</b>	<b>842</b>	<b>-</b>	<b>842</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>842</b>	<b>-</b>	<b>842</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Spec Ed - Elementary	88	-	88	-	-	-	38	-	38	-	-	-	27	27	-	3	3	3	3	3	-	
Spec Ed - Middle School	39	-	39	-	-	-	39	-	39	-	-	-	22	22	-	3	3	3	3	3	-	
Spec Ed - High School					-	-					-	-			-						-	
<b>Subtotal</b>	<b>127</b>	<b>-</b>	<b>127</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77</b>	<b>-</b>	<b>77</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49</b>	<b>49</b>	<b>-</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>-</b>	
<b>Totals</b>	<b>969</b>	<b>-</b>	<b>969</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>919</b>	<b>-</b>	<b>919</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49</b>	<b>49</b>	<b>-</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>-</b>	
<b>Percentage Error</b>					<u>0.00%</u>											<u>0.00%</u>					<u>0.00%</u>	

**MAYWOOD BOARD OF EDUCATION  
A.S.S.A.  
SCHEDULE OF AUDITED ENROLLMENTS  
OCTOBER 15TH 2015**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Pre-School (3 Yrs)			-			-			-			-
Half Day Pre-School (4 Yrs)			-			-			-			-
Half Day Kindergarten			-			-			-			-
Full Day Kindergarten	2.0	2.0	-	1.0	1.0	-	-	-	-			-
1st Grade	7.0	7.0	-	2.0	2.0	-	-	-	-	-	-	-
2nd Grade	7.0	7.0	-	2.0	2.0	-	3	3	-	3	3	-
3rd Grade	8.0	8.0	-	2.0	2.0	-	-	-	-	-	-	-
4th Grade	11.0	11.0	-	3.0	3.0	-	-	-	-	-	-	-
5th Grade	10.0	10.0	-	3.0	3.0	-	-	-	-	-	-	-
6th Grade	15.0	15.0	-	5.0	5.0	-	2	2	-	2	2	-
7th Grade	14.0	14.0	-	5.0	5.0	-	-	-	-	-	-	-
8th Grade	12.0	12.0	-	4.0	4.0	-	-	-	-	-	-	-
9th Grade	14.0	14.0	-	4.0	4.0	-	-	-	-	-	-	-
10th Grade	14.0	14.0	-	4.0	4.0	-	-	-	-	-	-	-
11th Grade	14.0	14.0	-	4.0	4.0	-	-	-	-	-	-	-
12th Grade	17.0	17.0	-	5.0	5.0	-	1	1	-	1	1	-
<b>Subtotal</b>	<b>145.0</b>	<b>145.0</b>	<b>-</b>	<b>44</b>	<b>44</b>	<b>-</b>	<b>6</b>	<b>6</b>	<b>-</b>	<b>6</b>	<b>6</b>	<b>-</b>
Spec Ed - Elementary	12.0	12.0	-	4	4	-	-	-	-	-	-	-
Spec Ed - Middle School	11.0	11.0	-	3	3	-	-	-	-	-	-	-
Spec Ed - High School	8.0	8.0	-	2	2	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>31.0</b>	<b>31.0</b>	<b>-</b>	<b>9</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Totals</b>	<b>176.0</b>	<b>176.0</b>	<b>-</b>	<b>53</b>	<b>53</b>	<b>-</b>	<b>6</b>	<b>6</b>	<b>-</b>	<b>6</b>	<b>6</b>	<b>-</b>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

Transportation						
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	48	48	-	11	11	-
Transported - Non-Public	90	90	-	21	21	-
AIL - Non-Public	49	49	-	11	11	-
Special Needs - Public	51	51	-	12	12	-
<b>Totals</b>	<b>238</b>	<b>238</b>	<b>-</b>	<b>55</b>	<b>55</b>	<b>-</b>
			<u>0.00%</u>			<u>0.00%</u>

**MAYWOOD BOARD OF EDUCATION  
A.S.S.A.  
SCHEDULE OF AUDITED ENROLLMENTS  
OCTOBER 15TH 2015**

	Resident 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 Pre-School (3 Yrs)			-			-
Half Day Pre-School (4 Yrs)			-			-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	10	10	-	10	10	-
1st Grade	4	4	-	4	4	-
2nd Grade	2	2	-	2	2	-
3rd Grade	2	2	-	2	2	-
4th Grade	3	3	-	3	3	-
5th Grade	1	1	-	1	1	-
6th Grade	-	-	-	-	-	-
7th Grade	1	1	-	1	1	-
8th Grade	1	1	-	1	1	-
9th Grade	-	-	-	-	-	-
10th Grade	-	-	-	-	-	-
11th Grade	1	1	-	1	1	-
12th Grade	-	-	-	-	-	-
<b>Subtotal</b>	<b>25</b>	<b>25</b>	<b>-</b>	<b>25</b>	<b>25</b>	<b>-</b>
Spec Ed - Elementary	-	-	-	-	-	-
Spec Ed - Middle School	-	-	-	-	-	-
Spec Ed - High School	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Totals</b>	<b>25</b>	<b>25</b>	<b>-</b>	<b>25</b>	<b>25</b>	<b>-</b>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**MAYWOOD BOARD OF EDUCATION  
EXCESS SURPLUS CALCULATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**SECTION 1A - 2% Calculation of Excess Surplus**

2015-2016 Total General Fund Expenditures per the CAFR	\$ 20,043,567	
Decreased by:		
On-Behalf TPAF Pension & Social Security	(1,408,454)	
Adjusted 2015-2016 General Fund Expenditures	<u>\$ 18,635,113</u>	
2% of Adjusted 2015-2016 General Fund Expenditures	<u>\$ 372,702</u>	
Enter Greater of 2% of Adjusted 2015-16 General Fund Expenditures or \$250,000	\$ 372,702	
Increased by: Allowable Adjustments	<u>206,809</u>	
Maximum Unreserved/Undesignated Fund Balance		<u>\$ 579,511</u>

**SECTION 2**

Total General Fund - Fund Balances at June 30, 2016 (Per CAFR Budgetary Comparison schedule/statement)	\$ 2,404,006	
Decreased by:		
Year-end Encumbrance	\$ 129,859	
Excess Surplus - Designated for Subsequent Year's Expenditures	451,978	
Capital Reserve	173,994	
Capital Reserve - Designated for Subsequent Year's Expenditures	75,000	
ARRA/SEMI - Unreserved - Designated for Subsequent Years' Expenditures	2,058	
Assigned Fund Balance - Unreserved - Designated for Subsequent Years' Expenditures	<u>327,951</u>	
Total Unassigned Fund Balance		<u>\$ 1,243,166</u>

**SECTION 3**

Restricted Fund Balance – Excess Surplus		<u>\$ 663,655</u>
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**Detail of Allowable Adjustments**

Extraordinary Aid - Unbudgeted	\$ 196,149	
Nonpublic School Transportation Aid	<u>10,660</u>	
	<u>\$ 206,809</u>	

**MAYWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**RECOMMENDATIONS**

I. Administrative Practices and Procedures

It is recommended that the surety bond coverage for the Treasurer of School Monies be increased in accordance with the statutory minimum amount of \$236,000.

II. Financial Planning, Accounting and Reporting

There are none.

III. School Purchasing Program

There are none.

IV. School Food Services

There are none.

V. Student Body Activities

There are none.

VI. Application for State School Aid

There are none.

VII. Pupil Transportation

There are none.

VIII. Facilities and Capital Assets

There are none.

IX. Miscellaneous

There are none.

X. Status of Prior Years' Audit Findings/Recommendations

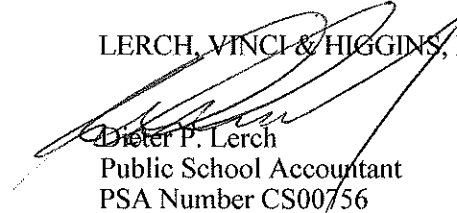
A review was performed on all prior years' recommendations. Corrective action was taken on all prior year recommendations.

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

  
Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756