

**NORTH HALEDON BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2016**

**NORTH HALEDON BOARD OF EDUCATION
TABLE OF CONTENTS**

**AUDITORS MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS
- FINANCIAL, COMPLIANCE AND PERFORMANCE**

	<u>Page No.</u>
Report of Independent Auditor's	1
Scope of Audit	2
Administrative Practices and Procedures	2
Financial Planning, Accounting and Reporting	2-5
School Purchasing Programs	5
School Food Services	5-6
Student Activity Funds	6
Application for State School Aid	6-7
Pupil Transportation	7
Follow-up on Prior Year Findings	7
Number of Meals Served and (Over)/Underclaim – Not Applicable	8
Schedule of Net Cash Resources – Not Applicable	8
Application of State School Aid Enrollment	9-11
Calculation of Excess Surplus	12
Recommendations	13
Acknowledgment	14



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLOSI, CPA
ROBERT AMPONSAH, CPA

Honorable President and
Members of the Board of Trustees
North Haledon Board of Education
North Haledon, 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 North Haledon Board of Education as of and for the fiscal year ended June 30, 2016, and have issued our report thereon dated October 28, 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 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.


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

Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
October 28, 2016

**NORTH HALEDON 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, 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.

Officials Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Barbara Veltri	Treasurer of School Monies	\$200,000

There is a Public Employees' Faithful Performance Blanket Position Bond with New Jersey Schools Insurance Group covering all other employees with multiple coverage of \$500,000.

Finding (CAFR Finding 2016-003) – Our audit revealed that the Board minutes were incomplete. The minutes did not always reflect action taken nor were they always properly signed by the Board Secretary.

Recommendation – It is recommended that the Board minutes reflect all action taken by the Board and be properly signed by the Board Secretary.

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.

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

Financial Planning, Accounting and Reporting (Continued)

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 – Certain payrolls were not properly certified by the Chief School Administrator and the Business Administrator.

Recommendation - All payrolls be certified by the President of the Board, the Board Secretary/School Business Administrator and the Chief School Administrator.

Finding – The audit of payroll revealed that time sheets were not always approved for hourly employees.

Recommended – All time sheets for hourly employees and overtime be approved by their supervisor.

Salary withholdings were properly remitted to the proper agencies.

Health benefit withholdings were always remitted to general fund.

Payrolls were delivered to the Treasurer of School Monies with a warrant made to her 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.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2(g) 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-2.4.

Board Secretary's Records

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

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

Financial Planning, Accounting and Reporting (Continued)

Board Secretary's Records (Continued)

Our review of the financial and accounting records maintained by the board secretary disclosed the following items.

Finding - Our audit revealed that three (3) budget line accounts were overexpended at June 30, 2016. This was the result of audit adjustments, hence no recommendation is warranted .

Treasurer's Records

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

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

The Treasurer's cash balance for the general operating accounting was in agreement with the reconciled cash balance as determined during the audit.

The Bank reconciliations included reconciling items.

Unemployment Compensation Insurance Trust Fund

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund.

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

The E.S.E.A. financial exhibits contained herein represent a true statement of the financial position pertaining to projects under Title I, Title II, Title IV and Title V of the Elementary and Secondary Education Act as amended.

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 Schedules 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. Reimbursement

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.

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

Financial Planning, Accounting and Reporting (Continued)

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

The amount of the expenditure charged to the current year's Final Report for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

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 \$18,800.

The district board of education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract 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.

Based on the results of examination, there were no individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4, amended.

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

Finding (CAFR 2016-001) - Our audit revealed purchases were made and contracts were entered into without the issuance of a purchase order.

Recommendation – It is recommended that internal controls be enhanced to ensure all purchase orders and contract awards are encumbered.

Finding (CAFR 2016-002) – The audit revealed that certain vendors' invoices were paid twice in error.

Recommendation – Internal controls be enhanced to ensure proper payment of vendor invoices.

School Food Services

The School Food Service Program was not selected as a major State program nor were the program expenditures in excess of \$100,000 for the year. The District was not subject to a federal single audit.

The financial transactions and statistical records of the school food services were maintained in a satisfactory condition.

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

School Food Services (Continued)

Applications for free and reduced price meals were reviewed for completeness and accuracy. 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.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all school food services employees authorized by the board of education.

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.

Food Distribution Program 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.

Student Activity Funds

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

Receipts were promptly deposited.

Prenumbered receipts were utilized.

Finding – The duplicate receipts did not indicate composition of deposit i.e. cash vs check.

Recommendation – All duplicate receipts for student activities reflect composition of deposit i.e. cash vs check.

Upon review of the cash disbursements from the student accounts, our audit revealed supporting documentation was available for disbursements, with no exceptions noted.

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, bilingual 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 with numerous exceptions. The information that was included on the workpapers was verified with some minor exceptions.

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.

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

Application for State School Aid (Continued)

Finding (CAFR 2016-006) – The audit of the District ASSA revealed that the student counts reported on the ASSA were not in agreement to the District workpapers.

Recommendation – Internal control procedures be enhanced to ensure student counts reported on the ASSA are in agreement with District workpapers.

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 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.

Follow-up on Prior Year Findings

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

**NORTH HALEDON BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(MEMORANDUM ONLY)**

NOT APPLICABLE

**SCHEDULE OF NET CASH RESOURCES
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOT APPLICABLE

**NORTH HALEDON BOARD OF EDUCATION
A.S.S.A.
SCHEDULE OF AUDITED ENROLLMENTS
10/15/2015**

	2016-2017 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		
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Private	Verifi-	Sample	Sample
												Schools	cation	Verified	Errors	
Half Day Preschool - 3 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Preschool - 4 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	68	-	67	-	1	-	67	-	67	-	-	-	-	-	-	-
1st Grade	67	-	75	-	(8)	-	75	-	75	-	-	-	-	-	-	-
2nd Grade	58	-	61	-	(3)	-	61	-	61	-	-	-	-	-	-	-
3rd Grade	66	-	74	-	(8)	-	74	-	74	-	-	-	-	-	-	-
4th Grade	59	-	62	-	(3)	-	62	-	62	-	-	-	-	-	-	-
5th Grade	62	-	62	-	-	-	62	-	62	-	-	-	-	-	-	-
6th Grade	57	-	57	-	-	-	57	-	57	-	-	-	-	-	-	-
7th Grade	56	-	56	-	-	-	56	-	56	-	-	-	-	-	-	-
8th Grade	80	-	80	-	-	-	80	-	80	-	-	-	-	-	-	-
9th Grade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10th Grade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11th Grade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12th Grade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	573	-	594	-	(21)	-	594	-	594	-	-	-	-	-	-	-
Spec Ed - Elementary	89	-	66	-	23	-	-	-	-	-	-	8	4	4	-	-
Spec Ed - Middle School	28	-	28	-	-	-	-	-	-	-	-	2	4	4	-	-
Spec Ed - High School	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	117	-	94	-	23	-	-	-	-	-	-	10	8	8	-	-
Totals	690	-	688	-	2	-	594	-	594	-	-	10	8	8	-	-
Percentage Error					<u><u>0.29%</u></u>											<u><u>0.00%</u></u>

NORTH HALEDON BOARD OF EDUCATION
A.S.S.A.
SCHEDULE OF AUDITED ENROLLMENTS
10/15/2015

	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 Pre-School (3 Yrs)	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Pre-School (4 Yrs)	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	5	4	1	3	3	-	-	-	-	-	-	-
1st Grade	8	12	(4)	9	9	-	1	1	-	1	1	-
2nd Grade	10	10	-	7	7	-	1	2	(1)	2	2	-
3rd Grade	18	18	-	12	10	2	-	-	-	-	-	-
4th Grade	13	16	(3)	9	8	1	-	-	-	-	-	-
5th Grade	8	8	-	6	5	1	-	-	-	-	-	-
6th Grade	9	9	-	5	5	-	1	1	-	1	1	-
7th Grade	12	12	-	9	8	1	-	-	-	-	-	-
8th Grade	12	12	-	9	9	-	1	1	-	1	1	-
9th Grade	-	-	-	-	-	-	-	-	-	-	-	-
10th Grade	-	-	-	-	-	-	-	-	-	-	-	-
11th Grade	-	-	-	-	-	-	-	-	-	-	-	-
12th Grade	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>95</u>	<u>101</u>	<u>(6)</u>	<u>69</u>	<u>64</u>	<u>5</u>	<u>4</u>	<u>5</u>	<u>(1)</u>	<u>5</u>	<u>5</u>	<u>-</u>
Spec Ed - Elementary	21	15	6	10	8	2	-	-	-	-	-	-
Spec Ed - Middle School	11	11	-	7	7	-	-	-	-	-	-	-
Spec Ed - High School	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>32</u>	<u>26</u>	<u>6</u>	<u>17</u>	<u>15</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>127</u>	<u>127</u>	<u>-</u>	<u>86</u>	<u>79</u>	<u>7</u>	<u>4</u>	<u>5</u>	<u>(1)</u>	<u>5</u>	<u>5</u>	<u>-</u>
Percentage Error			<u>0.00%</u>		<u>8.14%</u>			<u>-25.00%</u>			<u>0.00%</u>	

	Transportation			Tested	Verified	Errors
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors			
Regular - Public Schools	-	-	-	-	-	-
Transported - Non-Public	56	56	-	38	38	-
AIL - Non-Public	56	56	-	38	38	-
Regular - Spec.	-	-	-	-	-	-
Special Needs - Public	18	18	-	12	12	-
Totals	<u>130</u>	<u>130</u>	<u>-</u>	<u>88</u>	<u>88</u>	<u>-</u>
		<u>0.00%</u>			<u>0.00%</u>	

NORTH HALEDON BOARD OF EDUCATION
A.S.S.A.
SCHEDULE OF AUDITED ENROLLMENTS
10/15/2015

	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	-	-	-	-	-	-
1st Grade	1	1	-	1	1	-
2nd Grade	-	-	-	-	-	-
3rd Grade	-	-	-	-	-	-
4th Grade	-	-	-	-	-	-
5th Grade	-	-	-	-	-	-
6th Grade	-	-	-	-	-	-
7th Grade	-	-	-	-	-	-
8th Grade	-	-	-	-	-	-
9th Grade	-	-	-	-	-	-
10th Grade	-	-	-	-	-	-
11th Grade	-	-	-	-	-	-
12th Grade	-	-	-	-	-	-
Subtotal	1	1	-	1	1	-
Spec Ed - Elementary	-	-	-	-	-	-
Spec Ed - Middle School	-	-	-	-	-	-
Spec Ed - High School	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Totals	1	1	-	1	1	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

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

SECTION 1A - Two Percent (2%) - Calculation of Excess surplus (2015-2016 expenditures of \$100 million or less)

2015-2016 Total General Fund Expenditures per the CAFR	\$ 10,477,620
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(1,083,805)</u>
Adjusted 2015-2016 General Fund Expenditures	9,393,815
2% of Adjusted 2015-2016 General Fund Expenditures	<u>187,876</u>
Enter Greater of 2% of Adjusted 2015-2016 General Fund Expenditures or \$250,000	250,000
Increased by:	
Allowable Adjustment	<u>168,230</u>
Maximum Unassigned Fund Balance	<u>\$ 418,230</u>

SECTION 2

Total General Fund - Fund Balance at June 30, 2016 (Per CAFR Budgetary Comparison schedule/statement)	\$ 478,626
Decreased by:	
Reserved for Encumbrances	33,270
Capital Reserve	11,708
Maintenance Reserve	45,000
Assigned - Designated for SEMI ARRA	<u>292</u>
Total Unreserved/Undesignated Fund Balance for Excess Surplus Calculation	<u>\$ 388,356</u>

SECTION 3

Restricted Fund Balance - Excess Surplus	<u>\$ -</u>
--	-------------

Detail of Allowable Adjustments

Non-Public Transportation Aid	\$ 13,182
Extraordinary Aid	<u>155,048</u>
	<u>\$ 168,230</u>

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

RECOMMENDATIONS

I. Administration Practices and Procedures

It is recommended that the Board minutes reflect all action taken by the Board and be properly signed by the Board Secretary.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. All payrolls be certified by the President of the Board, the Board Secretary/School Business Administrator and the Chief School Administrator.
2. All timesheets for hourly employees and overtime be approved by their supervisor.

III. School Purchasing Program

It is recommended that:

- *
1. Internal controls be enhanced to ensure all purchase orders and contract awards are encumbered.
 2. Internal controls be enhanced to ensure proper payment of vendor invoices.

IV. School Food Services

There are none

V. Student Body Activities

It is recommended that all duplicate receipts for student activities reflect composition of deposit i.e. cash vs. check.

VI. Application for State School Aid

It is recommended that internal control procedures be enhanced to ensure student counts reported on the ASSA are in agreement with District workpapers.

VII. Transportation

There are none.

VIII. Status of Prior Year's Audit Findings/Recommendations

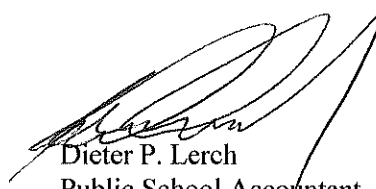
The prior year recommendations have been corrected by management, except those denoted with an asterisk (*).-

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

ACKNOWLEDGEMENT

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

Respectfully submitted,
LERCH, VINCI & HIGGINS, LLP

A handwritten signature in black ink, appearing to read 'Dieter P. Lerch', is written over the typed name.

Dieter P. Lerch
Public School Accountant
Certified Public Accountant