

**CLARK PUBLIC SCHOOL DISTRICT
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2017**

**CLARK PUBLIC SCHOOL DISTRICT
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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Honorable President and Members
of the Board of Education
Clark Public School District
Clark, 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 Clark Public School District as of and for the fiscal year ended June 30, 2017, and have issued our report thereon dated November 20, 2017.

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 Education, management, 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

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

Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
November 20, 2017

**CLARK PUBLIC SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, 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 Exhibit J-20, Insurance Schedule contained in the district's Comprehensive Annual Financial Report (the "CAFR").

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
R. Paul Vizzuso	Business Administrator/Board Secretary	\$250,000
James Testa	Treasurer of School Monies	\$250,000

There is a blanket dishonesty bond covering all other employees, including faithful performance for elected officials, in the amount of \$250,000 per loss.

Financial Planning, Accounting and Reporting

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made.

Examination of Claims

An examination of claims paid during the period under review did not indicate any material discrepancies with respect to signatures and certifications.

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 certified by the President of the Board, the Board Secretary/School Business Administrator and the Superintendent.

Salary withholdings were remitted to the proper agencies including health benefit withholdings due to the General Fund.

- **Finding** – Certain payroll expenditures for employee's salaries were not charged to the proper budget line accounts in accordance with the Uniform Minimum Chart of Accounts.

Recommendation – Expenditures for employee's salaries be charged to budget line accounts in accordance with the Uniform Minimum Chart of Accounts for New Jersey Public Schools.

**CLARK PUBLIC SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 reserves 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.

- **Finding** - Our audit of year end open purchase orders in the General and Special Revenue Funds revealed certain encumbrances should have been classified as accounts payable.

Recommendation – Procedures be reviewed and revised to ensure open purchase orders are reviewed at year end for proper classification as account payable or encumbrances.

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:23A-8.3.

Board Secretary's Records

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

The prescribed contractual order system was followed.

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

Monthly Board Secretary's report and certifications were approved by the Board in a timely manner.

Treasurer's Records

The Treasurer did perform cash reconciliations for all accounts.

All cash receipts were promptly deposited.

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

**CLARK PUBLIC SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Financial Planning, Accounting and Reporting (Continued)

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 are contained within the Special Revenue section of the CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I, II and III of the Elementary and Secondary Education Act, as amended.

Other Special Federal and/or State Projects

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

Our audit 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 are contained within the Special Revenue section of the CAFR. This section of the CAFR documents 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

The reimbursement to 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 90 days required by *N.J.S.A. 18A:66-90*.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law".

Effective April 17, 2000, *N.J.S.A. 18A:18A* (Public School Contracts Law) was revised by P.L. 1999, C. 440.

Effective July 1, 2015 and thereafter the bid thresholds in accordance with *N.J.S.A. 18A:18A-3* and *18A:39-3* are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school transportation contracts under *N.J.S.A. 18A:39-3* is currently \$18,800.

The 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 Board Attorney'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 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.

**CLARK PUBLIC SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

The results of our examination did not indicate that 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. 18A:18A-4, as amended.

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 that purchases were made through the use of state contracts.

- **Finding** – Our audit of purchases and procedures related to compliance with the Public School Contracts Law revealed the following:
 - Two (2) contract awards to state contract and cooperative purchasing vendors were not approved by board resolution.
 - Certain contracts awarded for professional and education services in excess of the bid threshold were not advertised in the official newspaper.

Recommendation – It is recommended that with respect to the Public School Contract Law:

- a) State contract and cooperative purchasing contract awards be approved by board resolution.
- b) Contracts awarded for professional and education services in excess of the bid threshold be advertised in the official newspaper.

School Food Service

The school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the SFA had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

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

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs.

The Statement of Revenues, Expenses, and Changes in Fund Net Position (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

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 \$50,000 profit to the District. The operating results provision has been met.

**CLARK PUBLIC SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

School Food Service (Continued)

Cash receipts and bank records were reviewed for timely deposits.

Expenses 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 expenses for program related goods and services. The appropriate revenue and expense 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.

The District has contracted with Maschio's Food Services, Inc. to operate its school food service program.

Before and After School Program/Preschool Education Program

The financial transactions of the Before and After School Program were maintained as an Enterprise Fund and the financial transactions of the Preschool Education program were maintained in the General Fund. The financial accounts and records for each program were reviewed on a test-check basis.

Cash receipt records and bank records were reviewed for timely deposits and proper fee charges.

- **Finding** – Our audit of collections by the Before and After Care and Preschool Education programs revealed that detailed daily cash receipt journals are not maintained.

Recommendation – A detailed daily cash receipts journal be maintained for collections by the Before and After Care and Preschool Education programs.

Cash disbursement records had supporting documentation and reflected program related expenses.

Student Body Activities

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

Cash receipts and cash disbursements records were maintained in good condition.

All cash disbursements had proper supporting documentation.

- **Finding** – Our audit with regards to the various accounts revealed that pre-numbered receipts detailing the composition of deposit for each receipt are not utilized.

Recommendation – Pre-numbered receipts be utilized for collections made for student activity accounts.

- **Finding** – Our audit with regards to Athletic account disbursements revealed that payment approval vouchers were not available for audit.

Recommendation – Payment approval vouchers for disbursements from the athletic account be retained and made available for audit.

**CLARK PUBLIC SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Application for State School Aid

Our audit procedures included a test of information reported in the October 14, 2016 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, on-roll low-income and Limited English Proficient. 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 on the District workpapers was verified with exceptions noted. 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 2016-2017 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary without exception. 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.

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** – The Districts Capital Asset appraisal report was not updated to reflect capital asset additions for building improvements and the acquisition of equipment.

Recommendation – The Capital Asset appraisal report be updated to include capital asset additions and related depreciation for building improvements and equipment acquisitions.

Suggestions to Management

- The District should review the amount due from the Garwood School District based upon the 2015/16 certified tuition rates and related adjustments.

**CLARK PUBLIC SCHOOL DISTRICT
FOOD SERVICE FUND
SCHEDULE OF MEAL COUNT ACTIVITY
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOT APPLICABLE

**COMPARISON OF NET CASH RESOURCES TO THREE
MONTHS AVERAGE EXPENDITURES
ENTERPRISE FUNDS
AS OF JUNE 30, 2017**

NOT APPLICABLE

CLARK BOARD OF EDUCATION
 APPLICATION FOR STATE SCHOOL AID
 ENROLLMENT AS OF OCTOBER 14, 2016
 SCHEDULE OF AUDITED ENROLLMENTS

	2017-2018 Application for State School Aid						Sample for Verification						Private Schools for Disabled						
	Reported on A.S.S.A. On Roll		Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Register On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools		Sample Verification		Sample Errors		
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	
Half Day Pre-K 3yr	6	-	6	-	-	-	6	-	6	-	-	-	-	-	-	-	-	-	-
Full Day Pre-K 3yr	9	-	9	-	-	-	9	-	9	-	-	-	-	-	-	-	-	-	-
Half Day Pre-K 4yr	7	-	7	-	-	-	7	-	7	-	-	-	-	-	-	-	-	-	-
Full Day Pre-K 4yr	13	-	13	-	-	-	13	-	13	-	-	-	-	-	-	-	-	-	-
Full Day K	141	-	141	-	-	-	71	-	71	-	-	-	-	-	-	-	-	-	-
One	150	-	150	-	-	-	69	-	71	-	(2)	-	-	-	-	-	-	-	-
Two	144	-	144	-	-	-	61	-	61	-	-	-	-	-	-	-	-	-	-
Three	163	-	163	-	-	-	90	-	89	-	1	-	-	-	-	-	-	-	-
Four	141	-	141	-	-	-	80	-	80	-	-	-	-	-	-	-	-	-	-
Five	128	-	128	-	-	-	75	-	76	-	(1)	-	-	-	-	-	-	-	-
Six	140	-	140	-	-	-	140	-	140	-	-	-	-	-	-	-	-	-	-
Seven	136	-	136	-	-	-	136	-	137	-	(1)	-	-	-	-	-	-	-	-
Eight	149	-	149	-	-	-	149	-	150	-	(1)	-	-	-	-	-	-	-	-
Nine	121	-	121	-	-	-	121	-	123	-	(2)	-	-	-	-	-	-	-	-
Ten	137	-	137	-	-	-	137	-	141	-	(4)	-	-	-	-	-	-	-	-
Eleven	142	-	142	-	-	-	142	-	146	-	(4)	-	-	-	-	-	-	-	-
Twelve	124	-	124	-	-	-	124	-	127	-	(3)	-	-	-	-	-	-	-	-
Adult School (15+yr)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	1,851	19	1,851	19	-	-	1,430	-	1,447	-	(17)	-	-	-	-	-	-	-	-
Sp. Ed. - Elementary	126	-	126	-	-	-	55	-	57	-	(2)	-	-	7	3	3	3	3	-
Sp. Ed. - Middle School	79	-	79	-	-	-	79	-	80	-	(1)	-	-	7	3	3	3	3	-
Sp. Ed. - High School	67	15	67	15	-	-	65	-	64	-	1	-	-	8	5	5	5	5	-
Subtotal	272	15	272	15	-	-	199	-	201	-	(2)	-	-	22	11	11	11	11	-
Totals	2,123	34	2,123	34	-	-	1,629	-	1,648	-	(19)	-	-	22	11	11	11	11	-

Percentage Error
 0.00% 0.00%
 -1.17% 0.00%

CLARK BOARD OF EDUCATION
 APPLICATION FOR STATE SCHOOL AID
 ENROLLMENT AS OF OCTOBER 14, 2016
 SCHEDULE OF AUDITED ENROLLMENTS

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification			
	Reported on A.S.A as Low Income	Reported on Low Income	Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on ASSA as LEP low Income	Reported on LEP low Income	Workpapers as LEP low Income	Errors	Sample Selected	Verified to Test Score and Register
Full Day Pre-K 3yr	6.0	6.0	-	-	-	-	-	-	-	-	-	-	-
Full Day Pre-K 4yr	9.0	9.0	-	-	2.0	2.0	-	-	-	-	-	-	-
Full Day K	7.0	7.0	-	-	3.0	3.0	-	-	-	2.0	(2.0)	2.0	2.0
One	11.0	11.0	-	-	3.0	3.0	-	-	-	2.0	(2.0)	2.0	2.0
Two	13.0	13.0	-	-	3.0	3.0	-	-	-	1.0	(1.0)	1.0	1.0
Three	5.0	5.0	-	-	4.0	4.0	-	-	-	1.0	(1.0)	1.0	1.0
Four	8.0	8.0	-	-	2.0	2.0	-	-	-	-	-	-	-
Five	11.0	11.0	-	-	3.0	3.0	-	-	-	-	-	-	-
Six	9.0	9.0	-	-	4.0	4.0	-	-	-	-	-	-	-
Seven	5.0	5.0	-	-	2.0	2.0	-	-	-	-	-	-	-
Eight	6.0	6.0	-	-	2.0	2.0	-	-	-	-	-	-	-
Nine	10.0	10.0	-	-	3.0	3.0	-	-	-	-	-	-	-
Ten	9.0	9.0	-	-	2.0	2.0	-	-	-	-	-	-	-
Eleven	6.0	6.0	-	-	3.0	3.0	-	-	-	-	-	-	-
Twelve	6.0	6.0	-	-	2.0	2.0	-	-	-	-	-	-	-
Adult School (15+ credits)	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	109.0	104.0	5.0	-	36.0	36.0	-	-	6.0	6.0	(6.0)	6.0	6.0
Special Ed. - Elementary	19.0	19.0	-	-	7.0	7.0	-	-	-	-	-	-	-
Special Ed. - Middle	11.0	11.0	-	-	4.0	4.0	-	-	-	-	-	-	-
Special Ed. - High	10.0	9.0	1.0	-	3.0	3.0	-	-	-	-	-	-	-
Subtotal	40.0	39.0	1.0	-	14.0	14.0	-	-	-	-	-	-	-
Co. Voc. -Regular	-	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	149.0	143.0	6.0	-	50.0	50.0	-	-	6.0	6.0	(6.0)	6.0	6.0
Percentage Error			<u>0.00%</u>								<u>0.00%</u>		<u>0.00%</u>

Transportation

	Reported on DRTRS by BOE	Reported on DRTRS by District	Errors(1)	Tested	Verified	Errors
Regular Public Students	179.0	179.0	-	16.0	15.0	(1.0)
Transported Non-Public Students	11.0	11.0	-	3.0	3.0	-
Special Education (w/o needs)	3.0	3.0	-	2.0	2.0	-
Special Ed Students (w/special needs or out of district)	49.0	49.0	-	5.0	5.0	-
Totals	242.0	242.0	-	26.0	25.0	(1.0)
Percentage Error			<u>0.00%</u>			<u>-3.85%</u>

**CLARK BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 14, 2016
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP Not Low Income Reported on	Workpapers as LEP Not low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample for Verification
Full Day Pre-K 3yr			-			-
Full Day Pre-K 4yr			-			-
Full Day Kindergarten			-			-
One	1	1	-	1	1.0	-
Two	1	1	-	1	1.0	-
Three	2	2	-	2	2.0	-
Four	-	-	-	-	-	-
Five	1	1	-	1	1.0	-
Six	-	-	-	-	-	-
Seven	-	-	-	-	-	-
Eight	1	1	-	1	1.0	-
Nine	1	1	-	1	1.0	-
Ten	-	-	-	-	-	-
Eleven	1	1	-	1	1.0	-
Twelve	1	1	-	1.0	1.0	-
Adult School (15+ credits)	-	-	-	-	-	-
Subtotal	9.0	9.0	-	9.0	9.0	-
Special Ed. - Elementary			-	-	-	-
Special Ed. - Middle			-	-	-	-
Special Ed. - High			-	-	-	-
Subtotal	-	-	-	-	-	-
Co.Voc. -Regular						
Co.Voc. Ft. Post Sec.						
Totals	9.0	9.0	-	9.0	9.0	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**CLARK PUBLIC SCHOOL DISTRICT
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

SECTION 1A - Two Percent (2%) - Calculation of Excess surplus (2016-2017 expenditures of \$100 million or less)

2016-2017 Total General Fund Expenditures per the CAFR	\$	36,909,058
Increased by:		
Transfer from Capital Reserve to Capital Projects Fund		-
Decreased by:		
On-Behalf TPAF Pension & Social Security		4,052,924
Assets Acquired Under Capital Leases		-
		-
 Adjusted 2016-2017 General Fund Expenditures	 \$	 32,856,134
 2% of Adjusted 2016-2017 General Fund Expenditures	 \$	 657,123
 Enter Greater of 2% of Adjusted 2015-2016 General Fund Expenditures or \$250,000	 \$	 657,123
Increased by:		
Allowable Adjustment		27,014
		27,014
 Maximum Unassigned Fund Balance	 \$	 684,137

SECTION 2

Total General Fund - Fund Balance at June 30, 2017	\$	3,666,131
Decreased by:		
Capital Reserve		585,663
Maintenance Reserve		750,000
Year End Encumbrances		91,987
		91,987
 Total Unassigned Fund Balance	 \$	 2,238,481

SECTION 3

Restricted Fund Balance - Excess Surplus	\$	1,554,344
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Recapitulation of Excess Surplus as of June 30, 2017

Excess Surplus	\$	1,554,344
		1,554,344

Detail of Allowable Adjustments

Extraordinary Aid	\$	9,774
Nonpublic Transportation Aid		17,240
		17,240
	\$	27,014

**CLARK PUBLIC SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

RECOMMENDATIONS

I. Administration Practices and Procedures

There were none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. Expenditures for employee's salaries be charged to budget line accounts in accordance with the Uniform Minimum Chart of Accounts for New Jersey Public Schools.
- * 2. Procedures be reviewed and revised to ensure open purchase orders are reviewed at year end for proper classification as account payable or encumbrances.

III. School Purchasing Program

It is recommended that with respect to the Public School Contract Law:

- * a. State contract and cooperative contract awards be approved by board resolution.
- b. Contracts awarded for professional and education services in excess of the bid threshold be advertised in the official newspaper.

IV. School Food Service

There are none.

V. Before and After School Programs/Preschool Education Program

- * It is recommended that a detailed daily cash receipts journal be maintained for collections by the Before and After Care and Preschool Education programs.

VI. Student Body Activities

It is recommended that:

1. Pre-numbered receipts be utilized for collections made for student activity accounts.
2. Payment approval vouchers for disbursements from the athletic account be retained and made available for audit.

VII. Application for State School Aid

There are none.

VIII. Pupil Transportation

There are none.

**CLARK PUBLIC SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

RECOMMENDATIONS

IX. Facilities and Capital Assets

It is recommended that the Capital Asset appraisal report be updated to include capital asset additions and related depreciation for building improvements and equipment acquisitions.

X. Status of Prior Years' Audit Findings/Recommendations


A review was performed on the prior year's recommendations and corrective action was taken on all, except the recommendation denoted with an asterisk (*).

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


Jeffrey C. Bliss
Public School Accountant
Certified Public Accountant