

**TENAFLY BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2017**

**TENAFLY BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS
- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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Honorable President and Members
of the Board of Trustees
Tenafly Board of Education
Tenafly, 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 Tenafly Board of Education as of and for the fiscal year ended June 30, 2017, and have issued our report thereon dated October 31, 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 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

Donna L. Japhet
Public School Accountant
PSA Number CS002314

Fair Lawn, New Jersey
October 31, 2017

**TENAFLY BOARD OF EDUCATION
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 the 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 in Exhibit J-20 of the District's Comprehensive Annual Financial Report (the "CAFR").

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Yas Usami	Board Secretary/School Business Administrator	\$50,000
Joanne Wilson	Treasurer of School Monies	350,000

There is a Public Employees' Faithful Performance Blanket Position Bond with Selective Insurance covering all other employees with multiple coverage of \$100,000.

Tuition Charges

The District has entered into a five year contract with the Alpine Board of Education to receive Alpine's high school students. The tuition charges for the 2016/17 school year, by contract, are the State certified rates for the 2015/16 school year. The final tuition rate was calculated as a tuition adjustment in accordance with NJAC 6A:23A-17.1. The tuition rate for all other students are determined annually by the Board, and are not subject to adjustment.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not reveal any discrepancies with respect to each of signature, certifications 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 payroll taxes were deposited in the Payroll Agency Account.

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

Salary withholdings tested were promptly remitted to the proper agencies including health benefits withholding due to the General Fund.

**TENAFLY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Financial Planning, Accounting and Reporting (Continued)

Payroll Account (Continued)

The District maintains a personnel tracking and accounting (Position Control) system.

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, a separate test was made to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3 as it relates to administrative coding classification.

Board Secretary's Records

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

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

Finding – (CAFR Finding 2017-001) - Our audit of the general ledger account balances revealed certain adjusting journal entries were required to reconcile the Board records to agree with subsidiaries records and supporting documentation. We noted transfers approved by Board resolution approving the return of unexpended Capital Reserve funds from Capital Projects Fund to General Fund were not recorded in the subsidiary records. In addition, duplicate postings were noted. It was also noted that certain year-end receivables were not accrued, such as Extraordinary Aid and Non-Public Transportation Aid.

Recommendation – Internal controls over financial accounting and reporting procedures be reviewed and enhanced to ensure financial transactions are properly recorded and reported in the District's internal accounting records.

Finding – Our audit revealed that certain individual budget appropriation lines entered into the District's internal accounting budget report for the Special Revenue Fund were not in agreement with the adopted budget. In addition, the General Fund budgeted was erroneously modified twice for the same capital reserve funded project.

Recommendation – The adopted annual budget appropriations be properly entered into the District's internal accounting budget report and all modifications to the budget be properly entered.

**TENAFLY BOARD OF EDUCATION
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.), as amended by the 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./NCLB 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 II and III of the Elementary and Secondary Education Act as amended and reauthorized.

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 Exhibits 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. Reimbursements 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.

Nonpublic State Aid

Project Completion Reports were finalized and transmitted to the State by the due date.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2015 and thereafter 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 designated the Business Administrator/Board Secretary as the qualified purchasing agent.

**TENAFLY BOARD OF EDUCATION
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 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.

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 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.

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.

School Food Service

The District does not participate in the School Nutrition Program.

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

Cash receipts and bank records were reviewed for timely deposit.

Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursement records reflected expenditures for program related goods and services. The food service management company is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34 and 19-1 through 19-4.1. 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.

The District contracted with Pomptonian, Inc. to manage the school food services operations. Provisions of the FSMC contract/addendum were reviewed. The Food Service management company contract includes an operating result provision which guarantees that the food service program will generate a profit of \$5,500. The operating results provision has been met.

**TENAFLY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Student Body Activity

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

Cash receipts and disbursements records were maintained in good condition.

Finding – Our audit of Athletics and the High School Class account noted numerous instances where deposits were not made in a timely manner.

Recommendation – It is recommended that all deposits for student activity accounts be made in a timely manner.

Finding – Our audit of the High School Class account noted an instance where an individual was not reimbursed for the payment of theme park field trip fees that were charged to the individual's credit card. In addition, it was noted that a portion of the fees collected for the field trip were never deposited into the account, but rather, were given to the individual directly as payment for the balance due for the amount charged to the individual's credit card.

Recommendation – It is recommended that reimbursements made to individuals be limited and that the practice of reimbursing individuals directly with proceeds from field trips be discontinued, and all collections be deposited into student activity accounts.

Finding – Our audit of the High School Class account noted instances where checks only contained one authorized signature.

Recommendation – It is recommended that two signatures be required on all checks issued from the High School Class account.

SACC (School Age Childcare) Program

Separate cash receipts and disbursement journals and billing records were maintained for the SACC program.

Tiger Tots Program

The financial records were maintained in good condition.

Voice IP Shared Service Program – Internal Service Fund

The financial records were maintained in good condition.

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 handicapped, low-income and bilingual students. 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.

**TENAFLY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 Report 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.

**TENAFLY BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOT APPLICABLE

**FOOD SERVICE FUND
SCHEDULE OF NET CASH RESOURCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOT APPLICABLE

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

	2017-2018 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on A.S.S.A. On Roll		Reported on 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 for Verifi- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool - 3 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool - 3 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Preschool - 4 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool - 4 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	187	-	187	-	-	-	42.0	-	42.0	-	-	-	-	-	-	-
1st Grade	223	-	223	-	-	-	58.0	-	58.0	-	-	-	-	-	-	-
2nd Grade	221	-	221	-	-	-	57.0	-	57.0	-	-	-	-	-	-	-
3rd Grade	243	-	243	-	-	-	57.0	-	57.0	-	-	-	-	-	-	-
4th Grade	243	-	243	-	-	-	64.0	-	64.0	-	-	-	-	-	-	-
5th Grade	231	-	231	-	-	-	52.0	-	52.0	-	-	-	-	-	-	-
6th Grade	265	-	265	-	-	-	265.0	-	265.0	-	-	-	-	-	-	-
7th Grade	260	-	260	-	-	-	260.0	-	260.0	-	-	-	-	-	-	-
8th Grade	257	-	257	-	-	-	257.0	-	257.0	-	-	-	-	-	-	-
9th Grade	242	-	242	-	-	-	242.0	-	242.0	-	-	-	-	-	-	-
10th Grade	226	-	226	-	-	-	226.0	-	226.0	-	-	-	-	-	-	-
11th Grade	233	-	233	-	-	-	233.0	-	233.0	-	-	-	-	-	-	-
12th Grade	223	-	223	-	-	-	223.0	-	223.0	-	-	-	-	-	-	-
Subtotal	3,054	-	3,054	-	-	-	2,036	-	2,036	-	-	-	-	-	-	-
Spec Ed - Elementary	190	-	190	-	-	-	18	-	18	-	-	-	4	3	3	-
Spec Ed- Middle School	142	-	142	-	-	-	142	-	142	-	-	-	4	3	3	-
Spec Ed - High School	181	-	181	-	-	-	181	-	181	-	-	-	10	9	9	-
Subtotal	513	-	513	-	-	-	341	-	341	-	-	-	18	15	15	-
Totals	3,567	-	3,567	-	-	-	2,377	-	2,377	-	-	-	18	15	15	-
Percentage Error							0.00%						0.00%			0.00%

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

	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 Preschool - 3 Yrs	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool - 3 Yrs	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Preschool - 4 Yrs	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool - 4 Yrs	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	2.0	2.0	-	1.0	1.0	-	1.0	1.0	-	1.0	1.0	-
1st Grade	1.0	1.0	-	1.0	1.0	-	1.0	1.0	-	1.0	1.0	-
2nd Grade	-	-	-	-	-	-	-	-	-	-	-	-
3rd Grade	2.0	2.0	-	1.0	1.0	-	-	-	-	-	-	-
4th Grade	3.0	3.0	-	2.0	2.0	-	-	-	-	-	-	-
5th Grade	2.0	2.0	-	1.0	1.0	-	-	-	-	-	-	-
6th Grade	9.0	9.0	-	6.0	6.0	-	1.0	1.0	-	1.0	1.0	-
7th Grade	6.0	6.0	-	4.0	4.0	-	2.0	2.0	-	1.0	1.0	-
8th Grade	8.0	8.0	-	5.0	5.0	-	-	-	-	-	-	-
9th Grade	3.0	3.0	-	2.0	2.0	-	1.0	1.0	-	1.0	1.0	-
10th Grade	6.0	6.0	-	4.0	4.0	-	1.0	1.0	-	1.0	1.0	-
11th Grade	10.0	10.0	-	7.0	7.0	-	1.0	1.0	-	1.0	1.0	-
12th Grade	5.0	5.0	-	3.0	3.0	-	-	-	-	-	-	-
Subtotal	57.0	57.0	-	37.0	37.0	-	8.0	8.0	-	7.0	7.0	-
Spec Ed - Elementary	9.0	9.0	-	7.0	7.0	-	-	-	-	-	-	-
Spec Ed - Middle School	4.0	4.0	-	3.0	3.0	-	-	-	-	-	-	-
Spec Ed - High School	3.0	3.0	-	2.0	2.0	-	-	-	-	-	-	-
Subtotal	16.0	16.0	-	12.0	12.0	-	-	-	-	-	-	-
Totals	73.0	73.0	-	49.0	49.0	-	8.0	8.0	-	7.0	7.0	-
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	57.0	57.0	-	16.0	16.0
Transported - Non-Public	47.0	47.0	-	13.0	13.0	-
Regular - Spec.	7.0	7.0	-	2.0	2.0	-
Special Needs - Public	87.0	87.0	-	24.0	24.0	-
Totals	198.0	198.0	-	55.0	55.0	-
			<u>0.00%</u>		<u>0.00%</u>	

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

	LEP Not Low Income			Sample for Verification		
	Reported on A.S.S.A as Not Low Income	Reported on Workpapers as Not 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	22.0	22.0	-	5.0	5.0	-
1st Grade	27.0	27.0	-	7.0	7.0	-
2nd Grade	15.0	15.0	-	4.0	4.0	-
3rd Grade	21.0	21.0	-	5.0	5.0	-
4th Grade	13.0	13.0	-	3.0	3.0	-
5th Grade	21.0	21.0	-	5.0	5.0	-
6th Grade	12.0	12.0	-	3.0	3.0	-
7th Grade	17.0	17.0	-	4.0	4.0	-
8th Grade	21.0	21.0	-	5.0	5.0	-
9th Grade	11.0	11.0	-	3.0	3.0	-
10th Grade	13.0	13.0	-	3.0	3.0	-
11th Grade	6.0	6.0	-	2.0	2.0	-
12th Grade	3.0	3.0	-	1.0	1.0	-
Subtotal	202.0	202.0	-	50.0	50.0	-
Spec Ed - Elementary	3.0	3.0	-	1.0	1.0	-
Spec Ed- Middle School	1.0	1.0	-	1.0	1.0	-
Spec Ed - High School	4.0	4.0	-	1.0	1.0	-
Subtotal	8.0	8.0	-	3.0	3.0	-
Totals	210.0	210.0	-	53.0	53.0	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**TENAFLY BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

2016-17 Total General Fund Expenditures per the CAFR		\$71,608,712
Increased by:		
Transfer from Capital Outlay and Capital Reserve to Capital Projects Fund		<u>558,750</u>
		72,167,462
Decreased by:		
On-Behalf TPAF Pension & Reimbursed TPAF Social Security		<u>7,847,724</u>
Adjusted 2016-2017 General Fund Expenditures		<u>\$64,319,738</u>
2% of Adjusted 2016-2017 General Fund Expenditures		\$1,286,395
Increased by:		
Allowable Adjustment*		<u>922,097</u>
Maximum Unassigned Fund Balance		<u>\$2,208,492</u>
Total General Fund – Fund Balance at June 30, 2017		\$9,830,725
Decreased by:		
Year End Encumbrances	\$ 80,916	
Restricted Fund Balances – Capital Reserve	2,282,919	
Restricted Fund Balances – Maintenance Reserve	350,350	
Restricted Fund Balances – Emergency Reserve	300,000	
Designated for Subsequent Year’s Expenditures		
Maintenance Reserve	350,000	
Capital Reserve	576,000	
Designated for Subsequent Year’s Expenditures (Excess Surplus & Assigned)	<u>2,392,774</u>	
Total Unassigned Fund Balance		<u>\$3,497,766</u>
Fund Balance – Excess Surplus		<u>\$1,289,274</u>
<u>Recapitulation of Excess Surplus as of June 30, 2017</u>		
Excess Surplus – Designated for 2017/2018 Budget		\$1,228,164
Excess Surplus – Designated for 2018/2019 Budget		<u>1,289,274</u>
		<u>\$ 2,517,438</u>
Unbudgeted Extraordinary Aid		\$902,798
Unbudgeted Additional Nonpublic Transportation Aid		<u>19,299</u>
Total Allowable Adjustments		<u>\$922,097</u>

RECOMMENDATIONS

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. Internal controls over financial accounting and reporting procedures be reviewed and enhanced to ensure financial transactions are properly recorded and reported in the District's internal accounting records.
2. The adopted annual budget appropriations be properly entered into the District's internal accounting budget report and modifications to the budget be properly entered.

III. School Purchasing Program

There are none.

IV. School Food Services

There are none.

V. Student Body Activities

It is recommended that:

1. All deposits for student activity accounts be made in a timely manner.
2. Reimbursements made to individuals be limited and that the practice of reimbursing individuals directly with proceeds from field trips be discontinued and all collections be deposited into student activity accounts.
3. Two signatures be required on all checks issued from the High School Class account.

VI. SACC Program/ Tiger Tots Program/ Voice IP Shared Service Program

There are none.

VII. Application for State School Aid

There are none.

VIII. Pupil Transportation

There are none.

IX. Facilities and Capital Assets

There are none.

X. Miscellaneous

There are none.

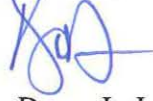
X. Status of Prior Years' Audit Findings/Recommendations

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



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Public School Accountant