

**OAKLAND BOARD OF EDUCATION
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL COMPLIANCE AND PERFORMANCE
JUNE 30, 2019**

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

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INDEPENDENT AUDITOR'S MANAGEMENT REPORT

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

We have audited in accordance with audit 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 Oakland Board of Education as of and for the fiscal year ended June 30, 2019 and have issued our report thereon dated November 22, 2019.

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

Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
November 22, 2019

**OAKLAND BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 reported on Exhibit J-20 as contained in the district's Comprehensive Annual Financial Report (the "CAFR").

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Ms. Annette M. Wells	Board Secretary/School Business Administrator	\$260,000
Ms. Judith Favino	Treasurer of School Monies	260,000

There is Employees' Dishonesty with Faithful Performance coverage with Selective Insurance Company of America covering all other employees.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did reveal discrepancies with respect to signatures, certification or supporting documentation.

Finding- Our examination of claims paid during the period under review revealed the following:

- There were numerous purchase orders during August and September that lacked payment approval.
- There were several checks issued from the District's operating bank account that had only authorized signature or had no authorized signatures. It was noted that the bank did honor the checks that were issued with only one authorized signature or no authorized signatures.

Recommendation- It is recommended that payment approval is obtained prior to making payment and all checks issued from the District's operating bank account contain three authorized signatures. It was noted that the District was in transition between business administrators during the first half of the year when these discrepancies occurred and these discrepancies were not found during the second half of the year. Furthermore the District has formalized and adopted a purchasing manual.

**OAKLAND BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Financial Planning, Accounting and Reporting (Continued)

Payroll Account

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

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

Salary withholdings were promptly remitted to the proper agencies, including employee health benefit contribution withholdings due to the General Fund. The School Business Administrator completed and filed the required Certification of Compliance with Federal and State Law respecting the reporting of compensation for certain employees.

The Board has implemented and 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 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.

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.

As a result of the procedures performed, no additional procedures were deemed necessary to test expenditure classification.

Travel

The District has adopted a policy regulating travel.

**OAKLAND BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Financial Planning, Accounting and Reporting (Continued)

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 Treasurer's monthly financial reports was included in the minutes.

The prescribed contractual order system was followed. Bids received were summarized in the minutes (N.J.S.A. 18A:18A-21).

Treasurer's Records

The Treasurer did perform cash reconciliations for the general operating account, payroll account, payroll agency account and the food service accounts.

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

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.) as amended by the Every Student Succeeds Act (ESSA)

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 II and Title IV 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 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 are contained within the Special Revenue Fund section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

**OAKLAND BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Financial Planning, Accounting and Reporting (Continued)

IDEA Part B

Separate accounting was maintained for each approved project. Grant application approvals and acceptance of grant funds were made by board resolution and recorded in the minutes.

Non-Public State Aid

Project completion reports were finalized and transmitted to the State by the due date.

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 material exceptions were noted.

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

There were none.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2010 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 18A:39-3 is \$19,000 for 2018/19. The Board has designated the Business Administrator as the Qualified Purchasing Agent for the District.

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 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.

The results of our examination indicated that no individual payments, contracts, or agreements were 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.

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

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

**OAKLAND BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Food Service Fund

The school food service program was not selected as a major federal and/or State program. The program expenditures did not exceed \$100,000 in federal and/or state support.

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

Cash receipts and bank records were reviewed for timely deposit.

The district utilizes a food service management company (FSMC), Pomptonian 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 have a profit of \$5,000. The operating results provision has been met.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food and 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.

Exhibits reflecting the District's Food Service Program are reflected on Exhibits B-4, B-5 and B-6 of the District's CAFR.

Student Activity Funds

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

Finding- Our audit of the Student Activity Accounts revealed the following:

- Pre-numbered receipts are not being issued when cash is collected from a student for certain events/field trips
- Deposits are not being made timely; in certain instances deposits are being made two-four weeks after initial point of collection.
- There were certain cash collections for \$5 and \$10 amounts in November for the one activity account that the auditor couldn't verify the deposit to the bank statement and pre-numbered receipts were not available for these cash collections.
- The cash disbursement selected for testing for the Dogwood activity account didn't contain a supporting invoice. Furthermore our review of additional cash disbursement vouchers revealed there were several other cash disbursements that didn't contain a supporting invoice.

Recommendation- It is recommended that pre-numbered receipts be issued when collecting cash for events/field trips and that all deposits are made timely. For activity accounts all cash deposits should be verified to the bank statement and all cash disbursements are supported with invoices.

All receipts tested were deposited in a timely manner. All cash disbursements tested had proper supporting documentation.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2018 Application for State School Aid (A.S.S.A.) for on-roll, private school for the handicapped, low-income, and bilingual education. 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 isolated exceptions. The information that was included on the workpapers was verified with isolated 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.

**OAKLAND BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2018-2019 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without 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.

Testing for Lead of all Drinking Water in Educational Facilities

The school district adhered to all requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

Follow-up on Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Corrective action had been taken on all prior year recommendations except for the recommendation denoted with the asterisk.

Facilities and Capital Assets

The District had no SDA grant projects during the year. The District maintained district capital assets records.

**OAKLAND BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOT APPLICABLE

**OAKLAND BOARD OF EDUCATION
FOOD SERVICE FUND
COMPARISON OF NET CASH RESOURCES TO THREE MONTHS AVERAGE EXPENDITURES
ENTERPRISE FUND
AS OF JUNE 30, 2019**

<u>Net Cash Resources:</u>		Food Service B - 4/5	
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 40,805
B-4		Due from Other Gov'ts	13,423
B-4		Accounts Receivable	
B-4		Investments	
CAFR		Current Liabilities	
B-4		Less Accounts Payable	(768)
B-4		Less Accruals	
B-4		Less Due to Other Funds	
B-4		Less Deferred Revenue	<u>(11,947)</u>
		Net Cash Resources	<u><u>41,513</u></u> (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	480,961	
B-5	Less Depreciation	<u>(7,539)</u>	
	Adj. Tot. Oper. Exp.	<u><u>473,422</u></u>	(B)

Average Monthly Operating Expense:

B / 10	\$ <u><u>47,342</u></u>	(C)
--------	-------------------------	-----

Three times monthly Average:

3 X C	\$ <u><u>142,027</u></u>	(D)
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TOTAL IN BOX A	\$	<u>41,513</u>	
LESS TOTAL IN BOX D	\$	<u>142,027</u>	
NET	\$	<u><u>(100,514)</u></u>	
From above:			
A is greater than D, cash exceeds 3 X average monthly operating expenses.			
D is greater than A, cash does not exceed 3 X average monthly operating expenses.			

* Inventories are not to be included in total current assets.

SOURCE - USDA resource management comprehensive review form

**OAKLAND PUBLIC SCHOOLS
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2018**

	2019-20 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on Original 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 Pre K (3yrs)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Pre K (3yrs)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Pre K (4yrs)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Pre K (4yrs)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	139	-	139	-	-	-	56	-	55	-	1	-	-	-	-	-
Grade 1	116	-	116	-	-	-	46	-	46	-	-	-	-	-	-	-
Grade 2	122	-	122	-	-	-	40	-	40	-	-	-	-	-	-	-
Grade 3	128	-	127	-	1	-	48	-	48	-	-	-	-	-	-	-
Grade 4	114	-	114	-	-	-	40	-	40	-	-	-	-	-	-	-
Grade 5	120	-	120	-	-	-	30	-	30	-	-	-	-	-	-	-
Grade 6	110	-	110	-	-	-	110	-	110	-	-	-	-	-	-	-
Grade 7	140	-	140	-	-	-	140	-	140	-	-	-	-	-	-	-
Grade 8	142	-	141	-	1	-	142	-	141	-	1	-	-	-	-	-
Grade 9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grade 10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grade 11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grade 12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	1,131	-	1,129	-	2	-	652	-	650	-	2	-	-	-	-	-
Sp Ed- Elementary	121	-	122	-	(1)	-	15	-	15	-	-	-	9	8	8	-
Sp Ed - Middle School	81	-	82	-	(1)	-	25	-	25	-	-	-	6	5	5	-
Sp Ed - High School	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	202	-	204	-	(2)	-	40	-	40	-	-	-	15	13	13	-
Totals	1,333	-	1,333	-	-	-	692	-	690	-	2	-	15	13	13	-
Percentage Error					<u>0.00%</u>	<u>0.00%</u>					<u>0.29%</u>	<u>0.00%</u>				<u>0.00%</u>

**OAKLAND PUBLIC SCHOOLS
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2018
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A	Reported on Workpapers	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A	Reported on Workpapers	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Pre K (3yrs)	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Pre K (3yrs)	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Pre K (4yrs)	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Pre K (4yrs)	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	6	6	-	6	6	-	1	1	-	1	1	-
Grade 1	10	10	-	10	10	-	-	-	-	-	-	-
Grade 2	5	5	-	5	5	-	-	-	-	-	-	-
Grade 3	7	7	-	7	7	-	-	-	-	-	-	-
Grade 4	10	10	-	7	7	-	1	1	-	1	1	-
Grade 5	1	1	-	1	1	-	-	-	-	-	-	-
Grade 6	8	8	-	8	8	-	1	1	-	1	1	-
Grade 7	3	3	-	3	3	-	-	-	-	-	-	-
Grade 8	3	3	-	3	3	-	-	-	-	-	-	-
Grade 9	-	-	-	-	-	-	-	-	-	-	-	-
Grade 10	-	-	-	-	-	-	-	-	-	-	-	-
Grade 11	-	-	-	-	-	-	-	-	-	-	-	-
Grade 12	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	53	53	-	50	50	-	3	3	-	3	3	-
Sp Ed - Elementary	19	19	-	15	15	-	6	6	-	5	5	-
Sp Ed - Middle School	14	14	-	-	-	-	1	1	-	1	1	-
Sp Ed - High School	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	33	33	-	15	15	-	7	7	-	6	6	-
Totals	86	86	-	65	65	-	10	10	-	9	9	-
Percentage Error			0.00%			0.00%			0.00%			0.00%

	Transportation						
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors	Errors
Reg. - Public Schools	188	188	-	36	36	-	-
Special Ed. - Public	6	6	-	2	2	-	-
Transported - Non - Public	32	32	-	6	6	-	-
Special Needs - Public	51	51	-	12	12	-	-
Subtotal	277	277	-	56	56	-	-
Percentage Error			0.00%			0.00%	

**OAKLAND PUBLIC SCHOOLS
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2018
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP Not Low Income			Sample for Verification		
	Reported on A.S.S.A	Reported on Workpapers	Errors	Sample Selected from Workpapers	Verified to Register	Sample Errors
Half Day Pre K (3yrs)	-	-	-	-	-	-
Full Day Pre K (3yrs)						-
Half Day Pre K (4yrs)						-
Full Day Pre K (4yrs)						-
Half Day Kindergarten						-
Full Day Kindergarten	1	1		1	1	-
Grade 1						-
Grade 2	1	1		1	1	-
Grade 3						-
Grade 4						-
Grade 5						-
Grade 6	1	1		1	1	-
Grade 7						-
Grade 8						-
Grade 9						-
Grade 10						-
Grade 11						-
Grade 12	-	-	-	-	-	-
Subtotal	3	3	-	3	3	-
Sp Ed - Elementary	2	2		2	2	-
Sp Ed - Middle School						-
Sp Ed - High School						-
Subtotal	2	2	-	2	2	-
Totals	5	5	-	5	5	-
		0.00%			0.00%	

**OAKLAND BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

2018-2019 Total General Fund Expenditures per the CAFR	\$ 35,461,337	
Decreased by:		
On-Behalf TPAF Pension & Social Security	<u>4,654,001</u>	
Adjusted 2018-2019 General Fund Expenditures	<u>\$ 30,807,336</u>	
2% of Adjusted 2018-2019 General Fund Expenditures		\$ 616,147
Increased by: Allowable Adjustments		
Extraordinary Aid in Excess of Amount Budgeted		199,950
Nonpublic School Transportation Aid		<u>6,960</u>
Maximum Unreserved/Undesignated Fund Balance		<u>\$ 823,057</u>
Total General Fund - Fund Balances at June 30, 2019		\$ 5,729,374
Decreased by:		
Year End Encumbrances	\$ 411,841	
Legally Restricted- Excess Surplus- Designated for Subsequent Year's Expenditures	759,542	
Emergency Reserve	217,389	
Emergency Reserve - Designated for Subsequent Year's Expenditure	56,376	
Capital Reserve	1,596,497	
Capital Reserve - Designated for Subsequent Year's Expenditure	825,000	
Maintenance Reserve	157,635	
Maintenance Reserve- Designated for Subsequent Year's Expenditures	<u>121,937</u>	
		<u>4,146,217</u>
Total UnassignedUnrestricted Fund Balance		<u>\$ 1,583,157</u>
Restricted Fund Balance - Excess Surplus		<u>\$ 760,100</u>
<u>Recapitulation of Excess Surplus as of June 30, 2019</u>		
Reserved Fund Balance - Excess Surplus		\$ 1,519,642
Reserve Excess Surplus- Designated for Subsequent Year's Expenditures	\$ 759,542	
Reserve Excess Surplus	<u>760,100</u>	
Total Excess Surplus		<u>\$ 1,519,642</u>

OAKLAND BOARD OF EDUCATION

RECOMMENDATIONS

I. Administration Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that payment approval is obtained prior to making payment and all checks issued from the District's operating bank account contain three authorized signatures. It was noted that the District was in transition between business administrators during the first half of the year when these discrepancies occurred and these discrepancies were not found during the second half of the year. Furthermore the District has formalized and adopted a purchasing manual.

III. School Purchasing Program

There are none.

IV. Food Service Fund

There are none.

V. Student Activity Funds

Pre-numbered receipts be issued when collecting cash for events/field trips and that all deposits are made timely. For activity accounts all cash deposits should be verified to the bank statements and all cash disbursements are supported with invoices.

VI. Application for State School Aid

There are none.

VII. Pupil Transportation

There are none.

VIII. Facilities and Capital Assets

There are none.

VIII. Miscellaneous

There are none.

IX. Status of Prior Year Audit Findings/Recommendations

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Corrective action had been taken on all prior year recommendations.

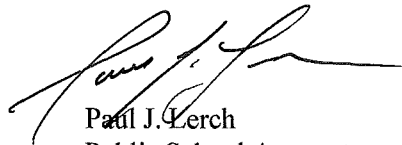
OAKLAND BOARD OF EDUCATION

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

A handwritten signature in black ink, appearing to read "Paul J. Lerch", written in a cursive style.

Paul J. Lerch
Public School Accountant
Certified Public Accountant