

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

**RIVER EDGE BOARD OF EDUCATION
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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Honorable President and Members
of the Board of Trustees
Board of Education
River Edge, 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 River Edge Board of Education as of and for the fiscal year ended June 30, 2019, and have issued our report thereon dated November 14, 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 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

Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
November 14, 2019

**RIVER EDGE 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 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 the Insurance Schedule contained in the district's Comprehensive Annual Financial Report (the "CAFR").

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Louise Anne Napolitano	Board Secretary/Business Administrator	\$ 200,000
Antoinette Kelly	Treasurer of School Monies	210,000

There is Public Employee Dishonesty coverage for all other employees in the amount of \$100,000 per employee and \$500,000 per loss.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were greater than estimated costs. The board made a proper adjustment to the billings to sending districts for the per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

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

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of payroll taxes 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 Chief School Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholdings due to general fund.

The required certification (E-CERT1) of compliance with requirements of income tax compensation of administrators (Superintendent and Business Administrator) to the New Jersey Department of Treasury was filed by the March 15, 2019 due date.

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

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

Financial Planning, Accounting and Reporting (Continued)

Employee Position Control Roster

The Board has implemented and maintains a personnel tracking and accounting (Position Control) system.

Unemployment Compensation Trust Fund

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Trust Fund. The financial transactions of this fund are reported in the Expendable Trust Fund.

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.

Travel

The District has an approved board travel policy as required by N.J.A.C. 6A:23A-6.13 and N.J.S.A. 18A:11-12.

Payments made to employees for travel were in accordance with the approved travel policy.

Classification of Expenditures

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

Board Secretary's Records

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

The Board Secretary's and Treasurer's reports were presented monthly to the Board on a timely basis and were submitted to the executive county superintendent as prescribed by (N.J.S.A. 18A:17-9 and 18A:17-36).

The prescribed contractual order system was followed.

Finding – The audit indicated there exists an interfund between the General and Private Purpose Trust Funds as a result of not transferring the Board's share of student related activities.

Recommendation – The interfund between the General and Private Purpose Trust Funds be liquidated.

Finding – The audit revealed that the modified budget on the Monthly Transfer Report did not include all budget modifications.

Recommendation – The Monthly Transfer Report include all budget modifications.

Treasurer's Records

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

A cash receipt tested was promptly deposited.

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

Financial Planning, Accounting and Reporting (Continued)

Elementary and Secondary Education Act (E.S.E.A.)/As Amended by the Every Student Succeeds (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 Titles I, II, III and IV 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.

I.D.E.A. Part B

Separate accounting records were maintained for each approved project.

Grant application approvals and acceptance of grant funds were made by Board resolution.

Other Special Federal and/or State Projects

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

Our examination of the Federal and State funds on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits contained herein represent a true statement of the financial position pertaining to the aforementioned special projects.

T.P.A.F. Reimbursements

Our audit procedures included a test of the semi-monthly reimbursement forms filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

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

None

Non Public 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-3 (as amended) and 18A:39-3 are \$40,000 and \$29,000, respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$19,000.

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 District's business administrator is qualified and the Board has designated the business administrator as the qualified purchasing agent with a bid threshold of \$40,000.

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

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 Solicitor's opinion should be sought before a commitment is made.

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

The results of our examination indicated that individual payments, contracts, or agreements was 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.

Finding – The District made payments to a vendor utilizing non public state aid for security services in excess of the bid threshold without seeking formal bids.

Recommendations – Security services utilized that exceed the bid threshold be obtained in compliance with the Local Public Contracts Law.

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.

School Food Service

The School Food Service Program was utilized to operate a milk program.

The financial transactions and statistical records of the milk program were maintained in satisfactory condition.

Expenditures only included the purchase of milk. Vendor invoices were reviewed and costs verified.

The cash disbursement 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.

The District does not participate in the National School Lunch program.

Summer Enrichment Program

The District maintains a separate bank account for the program. Cash receipts were recorded on electronic worksheets. Cash disbursements were supported by proper documentation.

Finding – The audit of program fees received indicated that deposits are not made on a periodic basis and a detail cash receipts ledger is not maintained.

Recommendation – Procedures relating to the accounting of Summer Enrichment Program fees be reviewed and enhanced.

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

Student Body Activities

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

All receipts were promptly deposited.

Cash disbursements were supported by proper 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 schools for the disabled, low-income and bilingual. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers with an immaterial exception. The information that was included on the workpapers was verified with an immaterial exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The district maintained workpapers on the prescribed 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 2018-2019 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 included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

The District had no SDA grant projects during the year.

Capital assets records were maintained by a third party provider.

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.

The school district submitted the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

**RIVER EDGE BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
SCHEDULE OF MEAL COUNT ACTIVITY
FOOD SERVICE FUND**

NOT APPLICABLE

**SCHEDULE OF NET CASH RESOURCES
FOOD SERVICE FUND**

NOT APPLICABLE

SCHEDULE OF AUDITED ENROLLMENTS

**RIVER EDGE BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018**

	2019-20 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 Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Veri- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool - 3YR	8	-	8	-	-	-	8	-	8	-	-	-	-	-	-	-
Half Day Preschool - 4YR	9	-	9	-	-	-	9	-	9	-	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	161	-	161	-	-	-	98	-	98	-	-	-	-	-	-	-
One	151	-	151	-	-	-	62	-	62	-	-	-	-	-	-	-
Two	159	-	159	-	-	-	59	-	59	-	-	-	-	-	-	-
Three	147	-	147	-	-	-	84	-	84	-	-	-	-	-	-	-
Four	187	-	187	-	-	-	107	-	107	-	-	-	-	-	-	-
Five	132	-	132	-	-	-	67	-	67	-	-	-	-	-	-	-
Six	152	-	152	-	-	-	84	-	84	-	-	-	-	-	-	-
Seven	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eight	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eleven	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Twelve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	1,106	-	1,106	-	-	-	578	-	578	-	-	-	-	-	-	-
Special Ed - Elementary	106	-	106	-	-	-	40	-	40	-	-	-	1	1	1	-
Special Ed - Middle School	23	-	23	-	-	-	9	-	9	-	-	-	-	-	-	-
Special Ed - High School	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	129	-	129	-	-	-	49	-	49	-	-	-	1	1	1	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	1,235	-	1,235	-	-	-	627	-	627	-	-	-	1	1	1	-
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%

SCHEDULE OF AUDITED ENROLLMENTS

**RIVER EDGE BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018**

	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 LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
	Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	1	1	-	1	1	-	-	-	-	-	-	-
One	-	-	-	-	-	-	-	-	-	-	-	-
Two	2	2	-	2	2	-	1	1	-	1	1	-
Three	-	-	-	-	-	-	-	-	-	-	-	-
Four	1	1	-	1	1	-	-	-	-	-	-	-
Five	-	1	(1)	1	1	-	-	-	-	-	-	-
Six	-	-	-	-	-	-	-	-	-	-	-	-
Seven	-	-	-	-	-	-	-	-	-	-	-	-
Eight	-	-	-	-	-	-	-	-	-	-	-	-
Nine	-	-	-	-	-	-	-	-	-	-	-	-
Ten	-	-	-	-	-	-	-	-	-	-	-	-
Eleven	-	-	-	-	-	-	-	-	-	-	-	-
Twelve	-	-	-	-	-	-	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>4</u>	<u>5</u>	<u>(1)</u>	<u>5</u>	<u>5</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Special Ed - Elementary	-	-	-	-	-	-	-	-	-	-	-	-
Special Ed - Middle	-	-	-	-	-	-	-	-	-	-	-	-
Special Ed - High	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	<u>4</u>	<u>5</u>	<u>(1)</u>	<u>5</u>	<u>5</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Percentage Error			<u>-25.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools, col. 1	-	-	-	-	-	-
Reg -SpEd, col. 4	20	20	-	20	20	-
Transported - Non-Public, col. 3	-	-	-	-	-	-
Special Ed Spec, col. 6	1	1	-	1	1	-
Totals	<u>21</u>	<u>21</u>	<u>-</u>	<u>21</u>	<u>21</u>	<u>-</u>
Percentage Error					<u>0.00%</u>	

RIVER EDGE BOARD OF EDUCATION

SCHEDULE OF AUDITED ENROLLMENTS

APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018

	Resident 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 Application and Register	Sample Errors
Half Day Preschool	-	-		-	-	
Full Day Preschool	-	-		-	-	
Half Day Kindergarten	-	-		-	-	
Full Day Kindergarten	52	52	-	25	25	-
One	22	22	-	10	10	-
Two	12	12	-	6	6	-
Three	10	10	-	5	5	-
Four	4	4	-	1	1	-
Five	1	1	-	1	1	-
Six	-	-	-	-	-	-
Seven	-	-	-	-	-	-
Eight	-	-	-	-	-	-
Nine	-	-	-	-	-	-
Ten	-	-	-	-	-	-
Eleven	-	-	-	-	-	-
Twelve	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-
Subtotal	<u>101</u>	<u>101</u>	<u>-</u>	<u>48</u>	<u>48</u>	<u>-</u>
Special Ed - Elementary	2	2	-	1	1	-
Special Ed - Middle	-	-	-	-	-	-
Special Ed - High	-	-	-	-	-	-
Subtotal	<u>2</u>	<u>2</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>103</u>	<u>103</u>	<u>-</u>	<u>49</u>	<u>49</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

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

SECTION 1 - Two Percent (2%) - Calculation of Excess Surplus

2018-2019 Total General Fund Expenditures (Budgetary Basis) Per Schedule C-1 of the CAFR	\$ 20,524,460
Increased by:	
Transfer from Capital Reserve to Capital Projects	352,000
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(2,838,084)</u>
Adjusted 2018-2019 General Fund Expenditures	<u>\$ 18,038,376</u>
2% of Adjusted 2018-2019 General Fund Expenditures	<u>\$ 360,768</u>
Enter Greater of 2% of Adjusted 2018-2019 General Fund Expenditures or \$250,000	\$ 360,768
Increased by Allowable Adjustments*	<u>388,438</u>
Maximum Unassigned Fund Balance	<u>\$ 749,206</u>

SECTION 2

Total General Fund - Fund Balance at June 30, 2019 (Per CAFR Budgetary Comparison Schedule/Statement)	\$ 3,026,146
Decreased by:	
Restricted	
Capital Reserve	827,684
Capital Reserve - Designated for Subsequent Year's Expenditures	364,075
Maintenance Reserve	75,963
Excess Surplus - Designated for Subsequent Year's Expenditures	500,000
Committed	
Year-End Encumbrances	<u>9,218</u>
Total Unassigned Fund Balance	<u>\$ 1,249,206</u>

SECTION 3

Restricted Fund Balance - Excess Surplus	<u>\$ 500,000</u>
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Recapitulation of Excess Surplus

Excess Surplus	\$ 500,000
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>500,000</u>
	<u>\$ 1,000,000</u>

* **Detail of Allowable Adjustment**

Extraordinary Aid (Unbudgeted Portion)	\$ 385,538
Nonpublic Transportation Aid Reimbursement	<u>2,900</u>
Total Adjustments	<u>\$ 388,438</u>

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

RECOMMENDATIONS

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. The interfund between the General and Private Purpose Trust Funds be liquidated.
2. The Monthly Transfer Report include all budget modifications.

III. School Purchasing Program

It is recommended that security services utilized that exceed the bid threshold be obtained in compliance with the Local Public Contracts Law.

IV. School Food Service

There are none.

V. Summer Enrichment Program

It is recommended that procedures relating to the accounting of Summer Enrichment Program fees be reviewed and enhanced.

VI. Student Body Activities

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.

XI. Status of Prior Years' Audit Findings/Recommendations

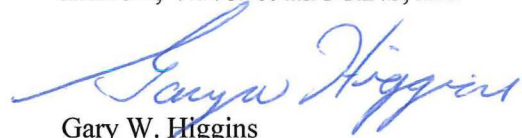
A review was performed on all prior year recommendations and corrective action was taken.

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



Gary W. Higgins
Public School Accountant
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