

**ADVISORY BOARD OF EDUCATION OF THE  
CITY OF CAMDEN SCHOOL DISTRICT  
COUNTY OF CAMDEN**

**AUDITOR'S MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2017**

**CITY OF CAMDEN SCHOOL DISTRICT**  
Auditor's Management Report on Administrative  
Findings - Financial, Compliance and Performance

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**AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

The State District Superintendent and  
Members of the Advisory Board of Education  
City of Camden School District  
County of Camden, 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 Advisory Board of Education of the City of Camden School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2017, which were separately issued in the Comprehensive Annual Financial Report dated February 13, 2018.

As part of our audit, we also performed procedures required by the Division of Administration and 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 issued in conjunction with the Comprehensive Annual Financial Report of the Advisory Board of Education of the City of Camden School District, for the fiscal year ended June 30, 2017, and is intended for the information of the School District's management and the Division of Administration and Finance, Department of Education, State of New Jersey. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Kirk N. Applegate  
Certified Public Accountant  
Public School Accountant No. 20CS00223300

Voorhees, New Jersey  
February 13, 2018

**ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

**SCOPE OF AUDIT**

The audit covered the financial transactions of the Interim Board Secretary / School Business Administrator, the activities of the City of Camden School District (the "School District") and the records of the various funds under the auspices of the School District.

**ADMINISTRATIVE PRACTICES AND PROCEDURES**

**Insurance**

Fire insurance coverage was carried in the amounts as detailed on exhibit J-20, insurance schedule, contained in the School District's Comprehensive Annual Financial Report (CAFR).

**Official Bonds (N.J.S.A. 18A: 17-26, 18A:17-32, 18A:13-13)**

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>Amount</u></b>
Karen M. Willis	Interim Board Secretary / School Business Administrator	\$200,000.00

There is a Public Employees' Faithful Performance Crime Policy with National Union Insurance Company covering all other employees with multiple coverage of \$2,000,000.00.

**Tuition Charges**

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

**FINANCIAL PLANNING, ACCOUNTING, AND REPORTING**

**Examination of Claims**

Sampled claims paid during the fiscal year under audit indicated the following reportable noncompliance items with respect to signatures, certification, or supporting documentation:

**Finding No. 2017-009**

**Condition**

The District did not comply with its designed internal controls regarding obtaining proper approval, by authorized management personnel, prior to the processing of purchase orders.

**Recommendation**

That the District comply with its designed internal controls regarding the proper approval of purchase orders, by authorized management personnel, prior to the processing of purchase orders.

**FINANCIAL PLANNING, ACCOUNTING, AND REPORTING (CONT'D)**

**Payroll Account**

The net salaries of sampled employees of the School District were deposited in the net payroll account. Employees' payroll deductions and the employer's share of fringe benefits were deposited in the payroll agency account.

Sampled payrolls were approved by an Assistant Superintendent and were certified by the Interim Board Secretary / School Business Administrator.

Sampled salary withholdings were not promptly remitted to the proper agencies, including health benefit premium withholdings due to the general fund.

Sampled payrolls were delivered to the Board Secretary who then deposited with warrants in separate bank accounts for net payroll and withholdings.

**Finding No. 2017-005**

**Condition**

The District maintained a payroll agency analysis as part of its payroll agency account reconciliation process that did not properly account for the funds on deposit. This resulted in an accumulation of funds in this account that did not agree with liabilities subsequently paid to payroll agencies and unidentified monies in the payroll agency account.

**Recommendation**

That the District's payroll agency cash reconciliation process include an analysis of the account that's prepared monthly, accurately allocates cash activity, liabilities correspond to subsequent payments and differences be investigated for proper resolution.

**Finding No. 2017-010**

**Condition**

The District did not have good internal controls in place regarding the payment of payroll and other liabilities resulting in the assessment of late penalties.

**Recommendation**

That the District design and implement good internal controls that will ensure prompt payment of payroll and other liabilities in an effort to avoid late penalties.

**Finding No. 2017-012**

**Condition**

The District did not enroll all its new employees into a pension plan within a reasonable amount of time.

**Recommendation**

That the District enroll all its new employees into a pension plan within a reasonable amount of time.

**Finding No. 2017-015**

**Condition**

Numerous District quarterly and annual payroll tax reports were not filed timely, were not accurate, did not reconcile with District records and did not agree with amounts remitted.

**Recommendation**

That the District file quarterly and annual payroll tax reports timely, accurately, reconcile with District records and agree with amounts remitted.

**FINANCIAL PLANNING, ACCOUNTING, AND REPORTING (CONT'D)**

**Payroll Account (Cont'd)**

**Finding No. 2017-022 (Finding 2016-020)**

**Information on the State Program**

State Aid Public – Cluster:	
Equalization Aid	G.M.I.S. No. 495-034-5120-078
Special Education Categorical Aid	G.M.I.S. No. 495-034-5120-089
Security Aid	G.M.I.S. No. 495-034-5120-084
Adjustment Aid	G.M.I.S. No. 495-034-5120-085
Per Pupil Growth Aid	G.M.I.S. No. 495-034-5120-097
PARCC Readiness Aid	G.M.I.S. No. 495-034-5120-098
Professional Learning Community Aid	G.M.I.S. No. 495-034-5120-101

**Condition**

Our audit of employee benefits revealed that several employee’s health benefit deductions were not withheld in accordance with N.J.S.A. 18A:16-17 and Chapter 78, L. 2011.

**Recommendation**

The District should comply with N.J.S.A. 18A:16-17 and Chapter 78, L. 2011 by withholding, from employees, the proper amount for health benefits.

**Employee Position Control Roster**

A sample of the Employee Position Control Roster indicated that it was in satisfactory condition and was approved by the county office submission with the 2016-2017 budget review checklist.

**Encumbrances and Accounts Payable**

A sample of outstanding issued purchase orders was made as of June 30 for proper classification of orders as encumbrances and accounts payable. Our sample indicated the following reportable noncompliance with respect to classification of orders.

**Finding No. 2017-001**

**Condition**

The District incorrectly classified open purchase orders totaling \$76,627.32 as encumbrances instead of accounts payable and recorded encumbrances totaling \$331,830.69 that should have been canceled.

**Recommendation**

That the District correctly classify open purchase orders as encumbrances and/or accounts payable and cancel encumbrances recorded at year-end when required.

**Travel**

A sample of travel expenditures during the fiscal year under audit did not indicate any reportable noncompliance.

**FINANCIAL PLANNING, ACCOUNTING, AND REPORTING (CONT'D)**

**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 randomly sampled expenditure transactions. We also tested the coding of all expenditures included in our compliance and single audit sampling procedures. In addition, a sample was selected that specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. Our samples indicated the following reportable noncompliance with respect to classification of expenditures.

**Finding No. 2017-016**

**Condition**

Our examination of expenditures revealed immaterial instances of improper charging of budget line accounts in accordance with N.J.A.C. 6A:23-2.2(f).

**Recommendation**

That all District expenditures be charged to proper budget line accounts in accordance with N.J.A.C. 6A:23-2.2(f).

**Board Secretary's Records**

Our audit of the financial and accounting records maintained by the Board Secretary indicated that they were not in satisfactory condition as evidenced by the following:

**Finding No. 2017-002**

**Condition**

The District did not maintain an accurate general ledger accounting record that was reconciled monthly to other District accounting records.

**Recommendation**

That the District properly maintain a general ledger and reconcile the ledger monthly with other subsidiary accounting records.

**Finding No. 2017-003**

**Condition**

The District cash reconciliations for the general and food accounts were not prepared accurately in accordance with N.J.S.A. 18A:17-9.

**Recommendation**

That the District accurately reconcile its general and food service cash accounts on a monthly basis in accordance with N.J.S.A. 18A:17-9.

**Finding No. 2017-004**

**Condition**

The District's budget accounting records did not agree with the District's approved budget for school year 2016-17.

**Recommendation**

That the District's budget accounting records agree with the District's approved budget.

**FINANCIAL PLANNING, ACCOUNTING, AND REPORTING (CONT'D)**

**Board Secretary's Records (Cont'd)**

**Finding No. 2017-008**

**Condition**

Legal costs incurred by the District for the school year ending June 30, 2016 exceeded 130% of the Statewide average and the District did not respond as required by N.J.A.C. 6A:23A-5.29(a)(3).

**Recommendation**

That the District comply with 6A:23A-5.29(a)(3) requirements when its legal costs exceed 130% of the Statewide average.

**Finding No. 2017-011**

**Condition**

The District did not have good internal controls in place regarding the payment of its utility bills and payments to home improvement department stores.

**Recommendation**

That the District design and implement good internal controls regarding the payment of its utility and payments to home improvement department stores.

**Finding No. 2017-021 (Finding 2016-005)**

**Information on the State Program**

State Aid Public – Cluster:

Equalization Aid	G.M.I.S. No. 495-034-5120-078
Special Education Categorical Aid	G.M.I.S. No. 495-034-5120-089
Security Aid	G.M.I.S. No. 495-034-5120-084
Adjustment Aid	G.M.I.S. No. 495-034-5120-085
Per Pupil Growth Aid	G.M.I.S. No. 495-034-5120-097
PARCC Readiness Aid	G.M.I.S. No. 495-034-5120-098
Professional Learning Community Aid	G.M.I.S. No. 495-034-5120-101

**Condition**

The District did not comply with N.J.A.C. 6A:23A-16.10 requirements because two budget appropriations were over-expended prior to audit adjustments and audit adjustments resulted in two more appropriations being over-expended at year-end. Throughout the school year, the minutes indicated Board certification that there were no over-expenditures.

**Recommendation**

That in accordance with N.J.A.C. 6A:23A-16.10, the District not over expend its budgetary appropriations.



**FINANCIAL PLANNING, ACCOUNTING, AND REPORTING (CONT'D)**

**Board Secretary's Records (Cont'd)**

**Finding No. 2017-023 (Finding 2016-021)**

**Information on the State Program**

State Aid Public – Cluster:

Equalization Aid	G.M.I.S. No. 495-034-5120-078
Special Education Categorical Aid	G.M.I.S. No. 495-034-5120-089
Security Aid	G.M.I.S. No. 495-034-5120-084
Adjustment Aid	G.M.I.S. No. 495-034-5120-085
Per Pupil Growth Aid	G.M.I.S. No. 495-034-5120-097
PARCC Readiness Aid	G.M.I.S. No. 495-034-5120-098
Professional Learning Community Aid	G.M.I.S. No. 495-034-5120-101

**Condition**

The District could not provide evidence that it obtained Commissioner approval or executive county superintendent as Commissioner's designee for line item transfers from any general fund appropriation account that on a cumulative basis exceed ten percent of the amount of the account included in the budget certified for taxes and for transfers to an advertised appropriation account identified as general administration, school administration, central services and administrative information technology or other support services as required by N.J.A.C. 6A:23A-13.3.

**Recommendation**

That the District comply with N.J.A.C. 6A:23A-13.3 by receiving Commissioner approval or executive county superintendent as Commissioner's designee for line item transfers from any general fund appropriation account that on a cumulative basis exceed ten percent of the amount of the account included in the budget certified for taxes and for transfers to an advertised appropriation account identified as general administration, school administration, central services and administrative information technology or other support services.

**Finding No. 2017-025**

**Information on the State Program**

State Aid Public – Cluster:

Equalization Aid	G.M.I.S. No. 495-034-5120-078
Special Education Categorical Aid	G.M.I.S. No. 495-034-5120-089
Security Aid	G.M.I.S. No. 495-034-5120-084
Adjustment Aid	G.M.I.S. No. 495-034-5120-085
Per Pupil Growth Aid	G.M.I.S. No. 495-034-5120-097
PARCC Readiness Aid	G.M.I.S. No. 495-034-5120-098
Professional Learning Community Aid	G.M.I.S. No. 495-034-5120-101

**Condition**

The District did not file a copy of its annual report with the county superintendent on or before August 1<sup>st</sup> of each year as required by N.J.S.A. 18A:17-10.

**Recommendation**

That the District comply with N.J.S.A. 18A:17-10 requirements by filing a copy of its annual report with the county superintendent on or before August 1<sup>st</sup> of each year.

**FINANCIAL PLANNING, ACCOUNTING, AND REPORTING (CONT'D)**

**Elementary and Secondary Education Act (E.S.E.A.) / Improving America’s Schools Act (I.A.S.A.) as reauthorized by the No Child Left Behind Act (N.C.L.B.) of 2001**

The E.S.E.A. / N.C.L.B. financial exhibits are contained within the special revenue section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Titles I, Title II and III of the Elementary and Secondary Education Act as amended and reauthorized.

The audit of compliance for E.S.E.A. indicated the following reportable noncompliance.

**Finding No. 2017-020**

**Information on the Federal Program**

N.C.L.B – Title I                                  C.F.D.A. No. 84.010A

**Condition**

In many instances, the District did not have proper documentation supporting the work performed on Title I activities as required by CFR 2 200-430 until requested for audit purposes. In addition, in many instances, the District’s semi-annual time records did not accurately reflect the actual time employees worked on Title I grant activity.

**Recommendation**

That the District keep complete and accurate supporting documentation for the salaries and wages charged to the Title I program in accordance with CFR 2 200-430.

**Elementary and Secondary Education Act (E.S.E.A.) / Improving America’s Schools Act (I.A.S.A.) and Other Special Federal and / or State Projects**

**Finding No. 2017-018**

**Information on the Federal Program**

N.C.L.B – Title I	C.F.D.A. No. 84.010A
N.C.L.B – Title II	C.F.D.A. No. 84.367
N.C.L.B – School Improvement Grants	C.F.D.A. No. 84.377
I.D.E.A. Part B – Basic	C.F.D.A. No. 84.027
I.D.E.A. Part B – Preschool	C.F.D.A. No. 84.173

**Condition**

The District did not maintain an effective system of internal controls over certain Federal programs as required by Federal CFR 2 200.303.

**Recommendation**

That the District maintain an effective system of internal controls over Federal programs as required by Federal CFR 2 200.303.

**FINANCIAL PLANNING, ACCOUNTING, AND REPORTING (CONT'D)**

**Elementary and Secondary Education Act (E.S.E.A.) / Improving America’s Schools Act (I.A.S.A.) and Other Special Federal and / or State Projects (Cont’d)**

**Finding No. 2017-019**

**Information on the Federal Program**

N.C.L.B – Title I	C.F.D.A. No. 84.010A
N.C.L.B – Title II	C.F.D.A. No. 84.367
N.C.L.B – School Improvement Grants	C.F.D.A. No. 84.377
I.D.E.A. Part B – Basic	C.F.D.A. No. 84.027
I.D.E.A. Part B – Preschool	C.F.D.A. No. 84.173

**Condition**

The District did not file federal grant applications and final comparability reports by their respective required filing dates.

**Recommendation**

That the District file its federal grant applications and final comparability reports by their respective required filing dates.

**Other Special Federal and / or State Projects**

The School District's other 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 sample 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 other special projects.

The audit of compliance for other special projects did not indicate any reportable noncompliance.

**TPAF Reimbursement**

Our audit procedures included a sample of the biweekly reimbursements filed with the Department of Education for School District employees who are members of the Teachers' Pension and Annuity Fund. No exceptions were noted.

**TPAF Reimbursement to the State for Federal Salary Expenditures**

The amount of the expenditure charged to the current year’s final report for all federal awards for the School District to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the School District for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management and N.J.S.A. 18A:66-90. The expenditure was inspected subsequent to the reimbursement and the following exceptions was noted.

**Finding No. 2017-014**

**Condition**

The District’s Reimbursement to the State of New Jersey form listing all federally funded contractual salaries was not prepared accurately.

**Recommendation**

That the District’s Reimbursement to the State of New Jersey form listing all federally funded contractual salaries be prepared accurately per N.J.S.A. 18A:66-90.

**SCHOOL PURCHASING PROGRAMS**

**Contracts and Agreements Requiring Advertisement for Bids**

N.J.S.A. 18A:18A-1 et seq. (Public School Contracts Law), the associated rules and related information on the statute, and the school contracts in general, are available on the following website:

<http://www.state.nj.us/dca/divisions/dlgs/programs/lpcl.html>

Current statute is posted on the New Jersey Legislature website at:

[http://lis.njleg.state.nj.us/cgi-bin/om\\_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headingswithhits=on&infobase=statutes.nfo&softpage=TOC Frame Pg42](http://lis.njleg.state.nj.us/cgi-bin/om_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headingswithhits=on&infobase=statutes.nfo&softpage=TOC Frame Pg42)

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$40,000.00 (with a Qualified Purchasing Agent) and \$29,000.00 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is \$18,800.00 for 2016-17.

The School District’s Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor’s opinion should be sought before a commitment is made.

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

**Finding No. 2017-024**

**Information on the State Program**

State Aid Public – Cluster:

Equalization Aid	G.M.I.S. No. 495-034-5120-078
Special Education Categorical Aid	G.M.I.S. No. 495-034-5120-089
Security Aid	G.M.I.S. No. 495-034-5120-084
Adjustment Aid	G.M.I.S. No. 495-034-5120-085
Per Pupil Growth Aid	G.M.I.S. No. 495-034-5120-097
PARCC Readiness Aid	G.M.I.S. No. 495-034-5120-098
Professional Learning Community Aid	G.M.I.S. No. 495-034-5120-101

**Condition**

The District did not provide evidence that it was in compliance with Public School Contracts Law regulations (N.J.S.A. 18A:18A-1 et. seq.).

**Recommendation**

That the District retain evidence that it complied completely with Public School Contracts Law regulations (N.J.S.A. 18A:18A-1 et. seq.).

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

**SCHOOL FOOD SERVICE**

The financial transactions and statistical records of the school food service fund were audited. The financial accounts, meal count records, and eligibility applications were tested on a sample basis. No exceptions were noted.

Cash receipts and bank records were sampled for timely deposit. The following item was noted.

**Finding No. 2017-007**

**Condition**

Food service and student activity receipts were not deposited promptly.

**Recommendation**

That all food service and student activity receipts be deposited promptly.

The School 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 inspected and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will break-even. The operating results provision has been met.

Expenditures should be separately recorded as food, labor, and other costs. Vendor invoices were sampled 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.

Net cash resources did not exceed three months average expenditures.

Sampled time sheets were tested and labor costs verified. Payroll records were maintained on all sampled school food service employees authorized by the School District. No exceptions were noted.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement claims were submitted / certified in a timely manner.

Sampled applications for free and reduced price meals were tested for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications and / or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy was inspected for uniform administration throughout the school system. The required verification procedures for free and reduced price applications were not completed and available for audit.

**Finding No. 2017-017**

**Condition**

The District could not provide evidence that it verified the accuracy of a representative sample of low-income students as required by the New Jersey Department of Agriculture.

**Recommendation**

That the District verify a representative sample of low-income students and retain evidence that the verification was performed as required by the New Jersey Department of Agriculture.

**SCHOOL FOOD SERVICE (CONT'D)**

USDA Food Distribution Program (food and / or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

The statement of revenues, expenses, and changes in fund net position (CAFR exhibit B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

The School District did provide the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section G of the CAFR.

**STUDENT BODY ACTIVITIES**

Our audit of the financial and accounting records for student activities indicated the following items:

**Finding No. 2017-006**

**Condition**

The District could not provide supporting documentation for all student activity receipts/deposits.

**Recommendation**

That the District obtain and retain supporting documentation for all student activity receipts/deposits.

**Finding No. 2017-007**

**Condition**

Food service and student activity receipts were not deposited promptly.

**Recommendation**

That all food service and student activity receipts be deposited promptly.

**APPLICATION FOR STATE SCHOOL AID**

Our audit procedures included a sample of information reported in the October 15, 2016 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low-income, and bilingual. We also performed an inspection of the School District procedures related to its completion. The information on the A.S.S.A. was compared to the School District workpapers with exception. The information that was included on the workpapers was verified with exception. The results of our procedures are presented in the schedule of audited enrollments.

The School District maintained workpapers on the prescribed State forms or their equivalent.

The School District has adequate written procedures for the recording of student enrollment data.

**APPLICATION FOR STATE SCHOOL AID (CONT'D)**

**Finding No. 2017-026 (Finding 2016-023)**

**Information on the State Program**

State Aid Public – Cluster:

Equalization Aid	G.M.I.S. No. 495-034-5120-078
Special Education Categorical Aid	G.M.I.S. No. 495-034-5120-089
Security Aid	G.M.I.S. No. 495-034-5120-084
Adjustment Aid	G.M.I.S. No. 495-034-5120-085
Per Pupil Growth Aid	G.M.I.S. No. 495-034-5120-097
PARCC Readiness Aid	G.M.I.S. No. 495-034-5120-098
Professional Learning Community Aid	G.M.I.S. No. 495-034-5120-101
Preschool Education Aid	G.M.I.S. No. 495-034-5120-086

**Condition**

The District’s workpapers and corresponding documentation did not agree with the submitted A.S.S.A. report and as a result, differences were identified.

**Recommendation**

That the District’s workpapers and corresponding documentation agree with the submitted A.S.S.A. report.

**PUPIL TRANSPORTATION**

Our audit procedures included a sample of on-roll status reported in the 2016-2017 District Report of Transported Resident Students (DRTRS). The information that was reported 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 and indicated the following item:

**Finding No. 2017-027 (Finding 2016-024)**

**Information on the State Program**

Transportation Aid	G.M.I.S. No. 495-034-5120-014
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**Condition**

Our examination of the District’s District Report of Transported Resident Students (DRTRS) revealed reported students who could not be traced to attendance records and documentation that did not support the District’s classifications.

**Recommendation**

That the District’s District Report of Transported Resident Students (DRTRS) report students who can be traced to attendance records and retain documentation that supports the District’s classifications.

Our procedures also included a sample of transportation related contracts and purchases. Based on our sample, the School District complied with proper bidding procedures and award of contracts. No exceptions were noted in our sample of transportation related purchases of goods and services.

**FACILITIES AND CAPITAL ASSETS**

Our audit of the financial and accounting records for facilities and capital assets indicated the following item:

**Finding No. 2017-013**

**Condition**

The District did not maintain a capital asset record for the school year ended June 30, 2017.

**Recommendation**

That the District maintain a capital asset record that accounts for all assets owned by the District, identify capital assets purchased with federal funds and report depreciation by function.

27600

**MISCELLANEOUS**

**Continuing Disclosure Agreements**

Not applicable - no outstanding bonds

**Testing for Lead of All Drinking Water in Education Facilities**

The School District did comply with all the requirements of N.J.A.C. 6A:26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

**FOLLOW-UP ON PRIOR YEAR'S 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 findings with the exception of the following, which are repeated in this year's recommendations noted as current year findings:

**Finding No. 2016-001 (See Finding No. 2017-001)**

**Condition**

The District's accounting records did not include all transactions that should have been recorded in its accounting records and ultimately in its financial statements as of and for the fiscal year ended June 30, 2016.

**Finding No. 2016-002 (See Finding No. 2017-002)**

**Condition**

The District did not maintain an accurate general ledger accounting record that was reconciled monthly to other District accounting records.

**Finding No. 2016-003 (See Finding No. 2017-003)**

**Condition**

The District cash reconciliations for the general, food service, net payroll, payroll agency, unemployment trust, flexible spending and student activity accounts were not prepared in accordance with N.J.S.A. 18A:17-9.

**Finding No. 2016-004 (See Finding No. 2017-004)**

**Condition**

The District's budget accounting records did not agree with the District's approved budget for school year 2015-16.

**Finding No. 2016-005 (See Finding No. 2017-021)**

**Condition**

The District did not comply with N.J.A.C. 6A:23A-16.10 requirements because numerous District budget appropriations were over-expended at year-end and the minutes indicated that the Board certified that there were no over-expenditures.

**Finding No. 2016-006 (See Finding No. 2017-016)**

**Condition**

The District did not charge all its expenses in accordance with the State Department of Education's approved chart of accounts.



27600

**FOLLOW-UP ON PRIOR YEAR'S FINDINGS (CONT'D)**

**Finding No. 2016-007 (See Finding No. 2017-005)**

**Condition**

The District did not maintain, on a monthly basis, a payroll agency analysis as part of its payroll agency account reconciliation process. This resulted in an accumulation of funds in this account that did not agree with liabilities subsequently paid to payroll agencies and also indicated unidentified monies in the payroll agency account.

**Finding No. 2016-008 (See Finding No. 2017-006)**

**Condition**

The District could not provide supporting documentation for all student activity receipts/deposits and disbursements.

**Finding No. 2016-009 (See Finding No. 2017-007)**

**Condition**

Food service and student activity receipts were not deposited promptly.

**Finding No. 2016-010 (See Finding No. 2017-008)**

**Condition**

Legal costs incurred by the District for the school year ending June 30, 2015 exceeded 130% of the Statewide average and the District did not respond as required by N.J.A.C. 6A:23A-5.29(a)(3).

**Finding No. 2016-011 (See Finding No. 2017-009)**

**Condition**

The District did not comply with its designed internal controls regarding obtaining proper approval, by authorized management personnel, prior to the processing of purchase orders.

**Finding No. 2016-012 (See Finding No. 2017-010)**

**Condition**

The District did not have good internal controls in place regarding the payment of payroll liabilities resulting in the assessment of late penalties.

**Finding No. 2016-013 (See Finding No. 2017-011)**

**Condition**

The District did not have good internal controls in place regarding the payment of its utility bills and payments to home improvement department stores.

**Finding No. 2016-016 (See Finding No. 2017-012)**

**Condition**

The District did not enroll all its new employees into a pension plan within a reasonable amount of time.

**Finding No. 2016-017 (See Finding No. 2017-013)**

**Condition**

The District's capital asset record was not maintained timely, did not account for all the assets owned by the District, included additions from prior years that were not previously reported, did not specifically identify assets purchased with federal funds and did not report depreciation by function.

**FOLLOW-UP ON PRIOR YEAR'S FINDINGS (CONT'D)**

**Finding No. 2016-018 (See Finding No. 2017-014)**

**Condition**

The District's Reimbursement to the State of New Jersey form listing all federally funded contractual salaries reported on the Social Security Wage report and Teachers' Pension and Annuity report was not prepared accurately.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

**Finding No. 2016-020 (See Finding No. 2017-022)**

**Information on the State Program**

State Aid Public – Cluster:

Equalization Aid	G.M.I.S. No. 495-034-5120-078
Special Education Categorical Aid	G.M.I.S. No. 495-034-5120-089
Security Aid	G.M.I.S. No. 495-034-5120-084
Adjustment Aid	G.M.I.S. No. 495-034-5120-085
Per Pupil Growth Aid	G.M.I.S. No. 495-034-5120-097
PARCC Readiness Aid	G.M.I.S. No. 495-034-5120-098

**Condition**

The District did not comply with N.J.S.A. 18A:16-17 requirements regarding the proper amounts contributed by employees for health benefits coverage.

**Finding No. 2016-021 (See Finding No. 2017-023)**

**Information on the State Program**

State Aid Public – Cluster:

Equalization Aid	G.M.I.S. No. 495-034-5120-078
Special Education Categorical Aid	G.M.I.S. No. 495-034-5120-089
Security Aid	G.M.I.S. No. 495-034-5120-084
Adjustment Aid	G.M.I.S. No. 495-034-5120-085
Per Pupil Growth Aid	G.M.I.S. No. 495-034-5120-097
PARCC Readiness Aid	G.M.I.S. No. 495-034-5120-098

**Condition**

The District could not provide evidence that it obtained Commissioner approval or executive county superintendent as Commissioner's designee for line item transfers from any general fund appropriation account that on a cumulative basis exceed ten percent of the amount of the account included in the budget certified for taxes and for transfers to an advertised appropriation account identified as general administration, school administration, central services and administrative information technology or other support services as required by N.J.A.C. 6A:23A-13.3.

**FOLLOW-UP ON PRIOR YEAR'S FINDINGS (CONT'D)**

**STATE FINANCIAL ASSISTANCE PROGRAMS (CONT'D)**

**Finding No. 2016-023 (See Finding No. 2017-026)**

**Information on the State Program**

State Aid Public – Cluster:

Equalization Aid	G.M.I.S. No. 495-034-5120-078
Special Education Categorical Aid	G.M.I.S. No. 495-034-5120-089
Security Aid	G.M.I.S. No. 495-034-5120-084
Adjustment Aid	G.M.I.S. No. 495-034-5120-085
Per Pupil Growth Aid	G.M.I.S. No. 495-034-5120-097
PARCC Readiness Aid	G.M.I.S. No. 495-034-5120-098
Preschool Education Aid	G.M.I.S. No. 495-034-5120-086

**Condition**

The District's workpapers and corresponding documentation did not agree with the submitted A.S.S.A. report and as a result, differences were identified.

**Finding No. 2016-024 (See Finding No. 2017-027)**

**Information on the State Program**

Transportation Aid      G.M.I.S. No. 495-034-5120-014

**Condition**

Our examination of the District's District Report of Transported Resident Students (DRTRS) revealed reported students who could not be traced to attendance records and documentation that did not support the District's classifications.

We have also inspected any findings contained in the audit reports issued by the Office of Fiscal Accountability and Compliance (OFAC). The District prepared corrective action plans responding to the reports and is currently implementing its corrections.

**ACKNOWLEDGMENT**

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

Respectfully submitted,

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Kirk N. Applegate  
Public School Accountant No. 20CS00223300

**CITY OF CAMDEN SCHOOL DISTRICT**  
 Schedule of Meal Count Activity  
 Food Service Fund  
 Number of Meals Served and (Over) / Underclaim - Federal  
 Enterprise Fund  
 For the Fiscal Year Ended June 30, 2017

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>Estimated (Over) / Under Claim</u>
National School Lunch (High Rate)	Paid	-	2,071	2,071	-	\$ 0.32	\$ -
	Reduced	-	262	262	-	2.78	-
	Free	<u>1,758,958</u>	<u>14,171</u>	<u>14,171</u>	<u>-</u>	3.18	<u>-</u>
	Total	<u>1,758,958</u>	<u>16,504</u>	<u>16,504</u>	<u>-</u>		<u>-</u>
National School Lunch	HHFKA - PB Lunch Only	<u>1,758,958</u>	<u>17,759</u>	<u>17,759</u>	<u>-</u>	0.06	<u>-</u>
School Breakfast (Regular Rate)	Paid	-	-	-	-	0.29	-
	Reduced	-	-	-	-	1.41	-
	Free	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	1.71	<u>-</u>
	Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>
School Breakfast (Severe Need Rate)	Paid	-	942	942	-	0.29	-
	Reduced	-	144	144	-	1.74	-
	Free	<u>1,321,295</u>	<u>10,904</u>	<u>10,904</u>	<u>-</u>	2.04	<u>-</u>
	Total	<u>1,321,295</u>	<u>11,990</u>	<u>11,990</u>	<u>-</u>		<u>-</u>
After School Snacks At Risk / Area Eligible (No Charge)	Free (Area Eligible)	<u>179,660</u>	<u>407</u>	<u>407</u>	<u>-</u>	0.86	<u>-</u>
	Total	<u>179,660</u>	<u>407</u>	<u>407</u>	<u>-</u>		<u>-</u>
CACFP (d) - Food	Free	122,769	14,305	14,305	-	3.16	-
CACFP (d) - Cash-in-lieu of USDA Foods	Free	<u>122,769</u>	<u>14,305</u>	<u>14,305</u>	<u>-</u>	0.23	<u>-</u>
Total Net Underclaim / (Overclaim)							<u>\$ -</u>

**CITY OF CAMDEN SCHOOL DISTRICT**  
 Schedule of Meal Count Activity  
 Food Service Fund  
 Number of Meals Served and (Over) / Underclaim - State  
 Enterprise Fund  
 For the Fiscal Year Ended June 30, 2017

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>Estimated (Over) / Under Claim</u>
National School Lunch (Regular Rate)	Paid	-	2,071	2,071	-	\$ 0.040	\$ -
	Reduced	-	262	262	-	0.055	-
	Free	<u>1,758,958</u>	<u>14,171</u>	<u>14,171</u>	<u>-</u>	0.055	<u>-</u>
	Total	<u>1,758,958</u>	<u>16,504</u>	<u>16,504</u>	<u>-</u>		
Total Net Underclaim / (Overclaim)							<u>\$ -</u>

**CITY OF CAMDEN SCHOOL DISTRICT**  
 Schedule of Net Cash Resources  
 Net Cash Resources Did/Did Not Exceed Three Months of Expenditures  
 Proprietary Funds - Food Service Fund  
 For the Fiscal Year Ended June 30, 2017

<u>Net Cash Resources:</u>	<u>Food Service B - 4/5</u>	
<b>CAFR</b>	<b>Current Assets</b>	
B-4	Cash & Cash Equivalents	\$ 1,978,305.21
B-4	Due from Other Governments	1,714,480.39
B-4	Due from Other Funds	185,491.89
B-4	Accounts Receivable	71,664.15
<b>CAFR</b>	<b>Current Liabilities</b>	
B-4	Less Accounts Payable	(1,807,976.00)
B-4	Less Accruals	(7,420.96)
B-4	Less Due to Other Funds	(124,722.59)
B-4	Less Unearned Revenue	(1,529.13)
	<b>Net Cash Resources</b>	<u><u>\$ 2,008,292.96</u></u> <b>(A)</b>
 <b><u>Net Adjusted Total Operating Expense:</u></b>		
B-5	Total Operating Expenditures	\$ 10,009,745.60
B-5	Less Depreciation	<u>-</u>
	<b>Adjusted Total Operating Expense</b>	<u><u>\$ 10,009,745.60</u></u> <b>(B)</b>
 <b><u>Average Monthly Operating Expense:</u></b>		
	B / 10	<u><u>\$ 1,000,974.56</u></u> <b>(C)</b>
 <b><u>Three Times Monthly Average:</u></b>		
	3 X C	<u><u>\$ 3,002,923.68</u></u> <b>(D)</b>

TOTAL IN BOX A	\$ 2,008,292.96
LESS TOTAL IN BOX D	<u>\$ 3,002,923.68</u>
NET	<u><u>\$ (994,630.72)</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.

**CITY OF CAMDEN SCHOOL DISTRICT**  
 Application for State School Aid Summary  
 Schedule of Audited Enrollments  
 Enrollment as of October 15, 2016

	2017-2018 Application for State School Aid						Sample for Verification						Private Schools for the 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 Verifi- cation	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Half Day Preschool																	
Full Day Preschool	988		988					78		78							
Half Day Kindergarten																	
Full Day Kindergarten	1,351		1,349		2			123		125		(2)					
One	1,322		1,322					80		81		(1)					
Two	1,337		1,340		(3)			31		28		3					
Three	1,161		1,162		(1)			112		110		2					
Four	1,110		1,109		1			233		234		(1)					
Five	1,045		1,042		3			114		120		(6)					
Six	938		939		(1)			28		27		1					
Seven	929		932		(3)			123		31		92					
Eight	900		901		(1)			74		73		1					
Nine	761		765		(4)			214		216		(2)					
Ten	656		657		(1)			113		112		1					
Eleven	619		625		(6)			55		49		6					
Twelve	554		554					172		172							
Post-Graduate																	
Adult H.S. (15+CR.)																	
Adult H.S. (1-14CR.)																	
Subtotal	13,671	-	13,685	-	(14)	-		1,550	-	1,456	-	94	-	-	-	-	
Special Education-Elementary	1,141		1,145		(4)			32		28		4		31	13	12	1
Special Education-Middle School	720		727		(7)			49		42		7		39	32	32	
Special Education-High School	728		733		(5)			36		31		5		76	55	50	5
Subtotal	2,589	-	2,605	-	(16)	-		117	-	101	-	16	-	146	100	94	6
Co. Voc. - Regular																	
Co. Voc. Ft. Post Sec.																	
Subtotal	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-
Totals	16,260	-	16,290	-	(30)	-		1,667	-	1,557	-	110	-	146	100	94	6
Percentage Error					-0.18%	-						6.60%	-				6.00%

**CITY OF CAMDEN SCHOOL DISTRICT**  
 Application for State School Aid Summary  
 Schedule of Audited Enrollments  
 Enrollment as of October 15, 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 LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Application, Test Score and Register	Sample Errors
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten	1,202	1,202		27	27		104	104		8	8	
One	1,158	1,158		20	20		120	120		6	6	
Two	1,184	1,184		8	8		125	125		11	11	
Three	1,014	1,014		22	22		81	81		4	4	
Four	976	976		25	25		71	71		5	5	
Five	928	928		6	6		45	45		3	3	
Six	814	814		7	7		49	49				
Seven	790	790		5	5		42	42				
Eight	731	731		5	4	1	44	44				
Nine	630	630		16	16		59	59		25	25	
Ten	499	499		10	10		38	38		19	19	
Eleven	449	449		9	9		33	33		19	19	
Twelve	367	367		61	60	1	19	19		11	11	
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14CR.)												
Subtotal	10,742	10,742	-	221	219	2	830	830	-	111	111	-
Special Education-Elementary	961	962	(1)	28	28		113	113		13	13	
Special Education-Middle School	577	577		80	80		42	42		1	1	
Special Education-High School	508	508		10	10		12	12		4	4	
Subtotal	2,046	2,047	(1)	118	118	-	167	167	-	18	18	-
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
Totals	12,788	12,789	(1)	339	337	2	997	997	-	129	129	-
Percentage Error			-0.01%			0.59%			-			-

	Transportation						Reg. Avg. (Mileage) = Regular Including Grade PK students (Part A)	Reg. Avg. (Mileage) = Regular Excluding Grade PK students (Part B)	Spec. Avg. (Mileage) = Special Ed. with Special Needs	Reported	Re-Calculated
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors					
Reg. - Public Schools, Col. 1	2,948	2,948		184	64	120			3.5	3.5	
Reg. - SpEd, Col. 4	627	627		38	26	12			3.5	3.5	
Transported - Non-Public, Col. 3	216	216		13	13				5.9	5.9	
Special Needs, Col. 6	884	884		55	35	20					
Totals	4,675	4,675	-	290	138	152					
Percentage Error			-			52.41%					



**CITY OF CAMDEN SCHOOL DISTRICT**  
 Application for State School Aid Summary  
 Schedule of Audited Enrollments  
 Enrollment as of October 15, 2016

	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 Test Score and Register	Sample Errors
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten	19	19				
One	33	33		4	4	
Two	24	24		5	5	
Three	18	18		3	3	
Four	13	13		1	1	
Five	9	9		4	4	
Six	16	16		9	9	
Seven	10	10		8	8	
Eight	17	17		17	17	
Nine	24	24		21	21	
Ten	23	23		25	25	
Eleven	10	10		10	10	
Twelve	18	18		16	16	
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14CR.)						
Subtotal	234	234	-	123	123	-
Special Education-Elementary	10	10				
Special Education-Middle School	3	3		2	2	
Special Education-High School	6	6				
Subtotal	19	19	-	2	2	-
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Subtotal	-	-	-	-	-	-
Totals	253	253	-	125	125	-
Percentage Error			-			-

**EXCESS SURPLUS CALCULATION (CONT'D)**

**SCHOOL BASED BUDGET DISTRICT**

**SECTION 2**

Total General Fund - Fund Balances at June 30, 2017	<u>18,124,645.85</u> (C)
Decreased by:	
Year-end Encumbrances	<u>1,236,381.00</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>-</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	<u>-</u> (C3)
Other Restricted Fund Balances ****	<u>1,000,001.00</u> (C4)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	<u>4,071.00</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	<u><u>15,884,192.85</u></u> (U)

**SECTION 3**

Restricted Fund Balance - Excess Surplus *** [(U)-(M)] IF NEGATIVE ENTER -0-	<u><u>9,530,644.66</u></u> (E)
--	--------------------------------

**Recapitulation of Excess Surplus as of June 30, 2017**

Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	<u>-</u> (C3)
Restricted - Excess Surplus *** [(E)]	<u><u>9,530,644.66</u></u> (E)
Total Excess Surplus [(C3)+(E)]	<u><u>9,530,644.66</u></u> (D)

**Footnotes:**

\* Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below is to be utilized when

(H) Federal Impact Aid. The passage of P.L.2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, effective for the year ending June 30, 2017 the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve – General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);

(I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);

(J1) Extraordinary Aid;

(J2) Additional Nonpublic School Transportation Aid;

(J3) Recognized current year School Bus Advertising Revenue; and

(J4) Family Crisis Transportation Aid.

**Detail of Allowable Adjustments**

Federal Impact Aid	<u>52,126.18</u> (H)
Sale & Lease-Back	<u>-</u> (I)
Extraordinary Aid	<u>-</u> (J1)
Additional Nonpublic School Transportation Aid	<u>57,315.00</u> (J2)
Current Year School Bus Advertising Revenue Recognized	<u>-</u> (J3)
Family Crisis Transportation Aid	<u>-</u> (J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	<u><u>109,441.18</u></u> (K)

**EXCESS SURPLUS CALCULATION (CONT'D)**

**SCHOOL BASED BUDGET DISTRICT**

Footnotes: (Cont'd)

- \*\* This amount represents the June 30, 2016 Excess Surplus (C3 above) and must be included in the Audit Summary Line 90031. This amount was to be appropriated in the 2017-2018 general fund budget.
- \*\*\* Amounts must agree to the June 30, 2017 CAFR and must agree to Audit Summary Line 90030.
- \*\*\*\* Amount for Other Restricted Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by another type of government, such as the judicial branch of government, must have departmental approval. District requests should be submitted to the Division of Administration and Finance prior to September 30.

**Detail of Other Restricted Fund Balance**

Statutory restrictions:

Approved unspent separate proposal	-
Sale/lease-back reserve	-
Capital reserve	1.00
Maintenance reserve	-
Tuition reserve	-
Emergency reserve	1,000,000.00
School bus advertising 50% fuel offset reserve	-
School bus advertising 50% fuel offset reserve	-
Impact Aid General Fund Reserve (Sections 8002 and 8003)	-
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	-
Other state/government mandated reserves	-
[Other Restricted Fund Balance not noted above]****	-
Total Other Restricted Fund Balance	<u>1,000,001.00 (C4)</u>

**CITY OF CAMDEN SCHOOL DISTRICT**  
Audit Recommendations Summary  
For the Fiscal Year Ended June 30, 2017

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Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

That the District comply with its designed internal controls regarding the proper approval of purchase orders, by authorized management personnel, prior to the processing of purchase orders.

That the District's payroll agency cash reconciliation process include an analysis of the account that's prepared monthly, accurately allocates cash activity, liabilities correspond to subsequent payments and differences be investigated for proper resolution.

That the District design and implement good internal controls that will ensure prompt payment of payroll and other liabilities in an effort to avoid late penalties.

That the District enroll all its new employees into a pension plan within a reasonable amount of time.

That the District file quarterly and annual payroll tax reports timely, accurately, reconcile with District records and agree with amounts remitted.

The District should comply with N.J.S.A. 18A:16-17 and Chapter 78, L. 2011 by withholding, from employees, the proper amount for health benefits.

That the District correctly classify open purchase orders as encumbrances and/or accounts payable and cancel encumbrances recorded at year-end when required.

That all District expenditures be charged to proper budget line accounts in accordance with N.J.A.C. 6A:23-2.2(f).

That the District properly maintain a general ledger and reconcile the ledger monthly with other subsidiary accounting records.

That the District accurately reconcile its general and food service cash accounts on a monthly basis in accordance with N.J.S.A. 18A:17-9.

That the District's budget accounting records agree with the District's approved budget.

That the District comply with 6A:23A-5.29(a)(3) requirements when its legal costs exceed 130% of the Statewide average.

That the District design and implement good internal controls regarding the payment of its utility and payments to home improvement department stores.

That in accordance with N.J.A.C. 6A:23A-16.10, the District not over expend its budgetary appropriations.

**CITY OF CAMDEN SCHOOL DISTRICT**  
Audit Recommendations Summary (Cont'd)  
For the Fiscal Year Ended June 30, 2017

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## Recommendations (Cont'd):

2. Financial Planning, Accounting and Reporting (Cont'd)

That the District comply with N.J.A.C. 6A:23A-13.3 by receiving Commissioner approval or executive county superintendent as Commissioner's designee for line item transfers from any general fund appropriation account that on a cumulative basis exceed ten percent of the amount of the account included in the budget certified for taxes and for transfers to an advertised appropriation account identified as general administration, school administration, central services and administrative information technology or other support services.

That the District comply with N.J.S.A. 18A:17-10 requirements by filing a copy of its annual report with the county superintendent on or before August 1<sup>st</sup> of each year.

That the District keep complete and accurate supporting documentation for the salaries and wages charged to the Title I program in accordance with CFR 2 200-430.

That the District maintain an effective system of internal controls over Federal programs as required by Federal CFR 2 200.303.

That the District file its federal grant applications and final comparability reports by their respective required filing dates.

That the District's Reimbursement to the State of New Jersey form listing all federally funded contractual salaries be prepared accurately per N.J.S.A. 18A:66-90.

3. School Purchasing Programs

That the District retain evidence that it complied completely with Public School Contracts Law regulations (N.J.S.A. 18A:18A-1 et. seq.).

4. School Food Service

That all food service and student activity receipts be deposited promptly.

That the District verify a representative sample of low-income students and retain evidence that the verification was performed as required by the New Jersey Department of Agriculture.

5. Student Body Activities

That the District obtain and retain supporting documentation for all student activity receipts/deposits.

That all food service and student activity receipts be deposited promptly.

6. Application for State School Aid

That the District's workpapers and corresponding documentation agree with the submitted A.S.S.A. report.

**CITY OF CAMDEN SCHOOL DISTRICT**  
 Audit Recommendations Summary (Cont'd)  
 For the Fiscal Year Ended June 30, 2017

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Recommendations (Cont'd):

7. Pupil Transportation

That the District's District Report of Transported Resident Students (DRTRS) report students who can be traced to attendance records and retain documentation that supports the District's classifications.

8. Facilities and Capital Assets

That the District maintain a capital asset record that accounts for all assets owned by the District, identify capital assets purchased with federal funds and report depreciation by function.

9. Miscellaneous

None

10. Status of Prior Year Audit Findings/Recommendations

A review was performed on the prior year recommendations and corrective action was taken on all prior year findings, with the exception of the following, which are repeated in this year's recommendations:

<u>Prior Year Finding No.</u>	<u>Current Year Finding No.</u>
2016-001	2017-001
2016-002	2017-002
2016-003	2017-003
2016-004	2017-004
2016-005	2017-021
2016-006	2017-016
2016-007	2017-005
2016-008	2017-006
2016-009	2017-007
2016-010	2017-008
2016-011	2017-009
2016-012	2017-010
2016-013	2017-011
2016-016	2017-012
2016-017	2017-013
2016-018	2017-014
2016-020	2017-022
2016-021	2017-023
2016-023	2017-026
2016-024	2017-027

