

**BOROUGH OF LAWNSIDE
SCHOOL DISTRICT
COUNTY OF CAMDEN**

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

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

BOROUGH OF LAWNSIDE 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 Honorable President and
Members of the Board of Education
Borough of Lawnside 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 Board of Education of the Borough of Lawnside 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 November 20, 2017.

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 Board of Education of the Borough of Lawnside 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

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Kirk N. Applegate

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

Voorhees, New Jersey
November 20, 2017

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE, AND PERFORMANCE**SCOPE OF AUDIT**

The audit covered the financial transactions of the Board Secretary / School Business Administrator and the Treasurer of School Moneys, the activities of the Board of Education and the records of the various funds under the auspices of the Board of Education.

ADMINISTRATIVE PRACTICES AND PROCEDURES**Insurance**

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

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Dawn Leary	Board Secretary / School Business Administrator	\$ 90,000.00
Nancy McCabe	Treasurer of School Moneys	\$ 200,000.00

There is a Public Employees' Faithful Performance Crime Policy covering all other employees with multiple coverage of \$250,000.00.

Tuition Charges

The School District had no incoming tuition students that required proper adjustment, per N.J.A.C. 6A:23-3.1(f)3.

FINANCIAL PLANNING, ACCOUNTING, AND REPORTING**Examination of Claims**

Sampled claims paid during the fiscal year under audit did not indicate any reportable noncompliance with respect to signatures, certification, or supporting documentation.

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

Sampled salary withholdings were promptly remitted to the proper agencies, including health benefit premium withholdings due to the general fund.

Sampled payrolls were delivered to the Treasurer of School Moneys who then deposited with warrants in separate bank accounts for net payroll and withholdings.

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

Payroll Account (Cont'd)

Finding No. 2017-001

Condition

The School District incorrectly calculated retroactive contract pay to employees for the 2016-17 school year.

Recommendation

The School District should ensure that all employees receive correct payment in accordance with their approved contract.

Finding No. 2017-003

Condition

The School District failed to calculate the correct amount of health insurance contributions in accordance with N.J.S.A. 18A:16-17. We also noted that the School District was not withholding the correct amount of dental insurance contributions in accordance with the negotiated union contract.

Recommendation

The School District should ensure compliance with N.J.S.A. 18A:16-17 and the negotiated union contract by withholding the proper amounts from employee's pay.

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. 2017-002

Condition

During our audit, we noted that there was a break down in the internal controls related to the District's encumbrance and payable accounting system that resulted in twelve purchase orders being classified as accounts payable when they should have been recorded as encumbrances.

Recommendation

The School District should review their internal controls over encumbrances and payables to ensure that all purchases are correctly reported as accounts payable or encumbrances.

Travel

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

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 did not indicate any reportable noncompliance with respect to classification of expenditures.

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

Board Secretary's Records

Our audit of the financial and accounting records maintained by the Board Secretary indicated that they were in satisfactory condition with the following exception:

Finding No. 2017-005

Condition

The School District did not receive county superintendent approval for transfers that exceeded 10% from one appropriation account included on the budget certified for taxes, as required by N.J.S.A. 18A:22-8.1.

Recommendation

The School District should ensure that county superintendent approval is received for all transfers from appropriation accounts included in the budget certified for taxes that exceed 10%, as required by N.J.S.A. 18A:22-8.1.

Treasurer of School Moneys' Records

Our audit of the financial and accounting records maintained by the Treasurer of School Moneys indicated that they were in satisfactory condition.

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 and IIA of the Elementary and Secondary Education Act as amended and reauthorized.

An audit of compliance for E.S.E.A. was not required for school year 2016-17.

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 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 reports 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 no exceptions were noted.

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

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 did not note any 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.

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 school food service program was not selected as a major federal and / or State program. However, the program expenditures exceeded \$100,000.00 in federal and / or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the SFA had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

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

STUDENT BODY ACTIVITIES

Our audit of the financial and accounting records for student activities indicated that they were in satisfactory condition.

APPLICATION FOR STATE SCHOOL AID

Our audit procedures included a sample of information reported in the October 14, 2016 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, 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 minor exceptions. The results of our procedures are presented in the schedule of audited enrollments. The information that was included on the workpapers was verified with the following exception:

Finding No. 2017-004

Condition

The School District did not correctly report all classified low-income students on the A.S.S.A. report.

Recommendation

The School District should ensure that all low-income students, reported on the School District's Application for State School Aid (ASSA) report, are correctly classified.

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.

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.

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 that they were in satisfactory condition.

MISCELLANEOUS

Continuing Disclosure Agreements

The School District complied with its most recent continuing disclosure agreements made in relation to prior year bond issuances.

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.

There were no Office of Fiscal Accountability and Compliance audit reports issued during the fiscal year ended June 30, 2017.

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

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Kirk N. Applegate

Kirk N. Applegate
Public School Accountant No. 20CS00223300

BOROUGH OF LAWNSIDE SCHOOL DISTRICT
 Application for State School Aid Summary
 Schedule of Audited Enrollments
 Enrollment as of October 14, 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 Veri- cation	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Half Day Preschool	16		16					16		16							
Full Day Preschool	20		20					20		17		3					
Half Day Kindergarten																	
Full Day Kindergarten	31		31					30		30							
One	35		35					33		33							
Two	22		22					22		23		(1)					
Three	28		28					27		27							
Four	30		30					30		30							
Five	28		28					26		26							
Six	32		32					32		29		3					
Seven	21		21					21		21							
Eight	28		28					28		29		(1)					
Nine																	
Ten																	
Eleven																	
Twelve																	
Post-Graduate																	
Adult H.S. (15+CR.)																	
Adult H.S. (1-14CR.)																	
Subtotal	291	-	291	-	-	-	-	285	-	281	-	4	-	-	-	-	-
Special Education-Elementary	27		27					27		27				11	9	9	
Special Education-Middle School	15		15					15		15				8	7	6	1
Special Education-High School														18	16	16	
Subtotal	42	-	42	-	-	-	-	42	-	42	-	-	-	37	32	31	1
Co. Voc. - Regular																	
Co. Voc. Ft. Post Sec.																	
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	333	-	333	-	-	-	-	327	-	323	-	4	-	37	32	31	1
Percentage Error												1%					3%

BOROUGH OF LAWNSIDE SCHOOL DISTRICT

Application for State School Aid Summary
 Schedule of Audited Enrollments
 Enrollment as of October 14, 2016

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as 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	30	20	10	15	13	2						
One	33	19	14	17	17							
Two	22	15	7	13	13							
Three	27	18	9	15	15							
Four	30	13	17	12	12							
Five	26	15	11	14	14							
Six	32	11	21	9	9							
Seven	21	10	11	9	9							
Eight	28	13	15	10	10							
Nine												
Ten												
Eleven												
Twelve												
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14CR.)												
Subtotal	249	134	115	114	112	2	-	-	-	-	-	-
Special Education-Elementary	27	20	7	18	18							
Special Education-Middle School	15	10	5	8	8							
Special Education-High School												
Subtotal	42	30	12	26	26	-	-	-	-	-	-	-
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
Totals	291	164	127	140	138	2	-	-	-	-	-	-
Percentage Error			44%			1%			-			-

	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	13	13		10	10				7.1	7.1	
Reg. - SpEd, Col. 4									7.1	7.1	
Transported - Non-Public, Col. 3	21	21		16	13	3			13.5	13.5	
Special Needs, Col. 6	19	19		14	14						
Totals	53	53	-	40	37	3					
Percentage Error			-			8%					

BOROUGH OF LAWNSIDE SCHOOL DISTRICT

Application for State School Aid Summary

Schedule of Audited Enrollments

Enrollment as of October 14, 2016

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low <u>Income</u>	Reported on Workpapers as NOT Low <u>Income</u>	<u>Errors</u>	Sample Selected from <u>Workpapers</u>	Verified to Test Score <u>and Register</u>	Sample <u>Errors</u>
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten						
One						
Two						
Three						
Four						
Five						
Six						
Seven						
Eight						
Nine						
Ten						
Eleven						
Twelve						
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14CR.)						
Subtotal	-	-	-	-	-	-
Special Education-Elementary						
Special Education-Middle School						
Special Education-High School						
Subtotal	-	-	-	-	-	-
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Subtotal	-	-	-	-	-	-
Totals	-	-	-	-	-	-
Percentage Error			-			-

EXCESS SURPLUS CALCULATION

REGULAR DISTRICT / CHARTER SCHOOL / RENAISSANCE SCHOOL PROJECT

SECTION 1

2% Calculation of Excess Surplus

2016-17 Total General Fund Expenditures Reported on CAFR Exhibit C-1	\$ 8,755,924.79 (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	_____ (B1a)
Transfer from Capital Reserve to Capital Projects Fund	_____ (B1b)
Transfer from General Fund to SRF for PreK-Regular	_____ (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	_____ (B1d)
Decreased by:	
On-Behalf TPAF Pension & Social Security	670,525.58 (B2a)
Assets Acquired Under Capital Leases	_____ (B2b)
Adjusted 2016-17 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ 8,085,399.21 (B3)
2% of Adjusted 2016-17 General Fund Expenditures [(B3) times .02]	\$ 161,707.98 (B4)
Enter Greater of (B4) or \$250,000	250,000.00 (B5)
Increased by: Allowable Adjustment *	60,559.00 (K)
Maximum Unassigned Fund Balance [(B5) + (K)]	\$ 310,559.00 (M)

SECTION 2

Total General Fund - Fund Balances at June 30, 2017 (Per CAFR Budgetary Comparison Schedule, Ex. C-1)	\$ 1,381,419.75 (C)
Decreased by:	
Year-End Encumbrances	5,880.47 (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	_____ (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	537,600.43 (C3)
Other Restricted Fund Balances ****	100,000.00 (C4)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	33,647.57 (C5)
Additional Assigned Fund Balance - Designated for Subsequent Year's Expenditures July 1, 2017-August 1, 2017	_____ (C6) *****
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C-6)]	\$ 704,291.28 (U1)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER -0-	\$ 393,732.28 (E)
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Recapitulation of Excess Surplus as of June 30, 2017

Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 537,600.43 (C3)
Restricted - Excess Surplus *** [(E)]	393,732.28 (E)
Total Excess Surplus [(C3)+(E)]	\$ 931,332.71 (D)

EXCESS SURPLUS CALCULATION (CONT'D)

REGULAR DISTRICT / CHARTER SCHOOL / RENAISSANCE SCHOOL PROJECT

Footnotes:

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

(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, 2016 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.

Notes to auditor: Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid, and Additional Nonpublic School Transportation Aid.

Detail of Allowable Adjustments

Federal Impact Aid	_____	(H)
Sale & Lease-back	_____	(I)
Extraordinary Aid	\$ 56,905.00	(J1)
Additional Nonpublic School Transportation Aid	3,654.00	(J2)
Current Year School Bus Advertising Revenue Recognized	_____	(J3)
Family Crisis Transportation Aid	_____	(J4)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	 \$ 60,559.00	 (K)

** 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.

***** Increase in Assigned Fund Balance - Designated for Subsequent Year's expenditures July 1, 2017 to August 1, 2017 resulting from decrease in state aid after adoption of 2017-18 district budget. Refer to Commissioner's Broadcast and to page I-4.2 of this Audit Program.

Detail of Other Restricted Fund Balance

Statutory restrictions:		
Approved unspent separate proposal	_____	
Sale/lease-back reserve	_____	
Capital reserve	_____	
Maintenance reserve	\$ 50,000.00	
Emergency reserve	_____	
Tuition reserve	50,000.00	
School bus advertising 50% fuel offset reserve - current year	_____	
School bus advertising 50% fuel offset reserve - prior year	_____	
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	 \$ 100,000.00	 (C4)

BOROUGH OF LAWNSIDE SCHOOL DISTRICT
Audit Recommendations Summary
For the Fiscal Year Ended June 30, 2017

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

The School District should ensure that all employees receive correct payment in accordance with their approved contract.

The School District should ensure compliance with N.J.S.A. 18A:16-17 and the negotiated union contract by withholding the proper amounts from employee's pay.

The School District should review their internal controls over encumbrances and payables to ensure that all purchases are correctly reported as accounts payable or encumbrances.

The School District should ensure that county superintendent approval is received for all transfers from appropriation accounts included in the budget certified for taxes that exceed 10%, as required by N.J.S.A. 18A:22-8.1.

3. School Purchasing Programs

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

The School District should ensure that all low-income students, reported on the School District's Application for State School Aid (ASSA) report, are correctly classified.

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

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.

