

**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, 2018**

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 Acting 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, 2018, which were separately issued in the Comprehensive Annual Financial Report dated May 2, 2019.

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, 2018, 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
May 2, 2019

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

SCOPE OF AUDIT

The audit covered the financial transactions of the 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)

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Anisah A. Coppin	Board Secretary / School Business Administrator	\$200,000.00

Finding No. 2018-013

Condition

Surety bond coverage for the District's Board Secretary was not in compliance with the minimum amounts required in the schedule set forth in N.J.A.C. 6A:23A-16.4.

Recommendation

That surety bond coverage for the District's Board Secretary be in compliance with the minimum amounts required in the schedule set forth in N.J.A.C. 6A:23A-16.4.

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 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 and certified by the Board Secretary / School Business Administrator.

We could not determine if sampled salary withholdings were promptly remitted to the proper agencies, including health benefit premium withholdings due to the general fund.

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

Payroll Account (Cont'd)

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

Finding No. 2018-003

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, establishes liabilities that correspond to subsequent payments and that all differences be investigated for proper resolution.

Finding No. 2018-007

Condition

Evidence that District quarterly and annual payroll tax reports were filed timely was not available for audit, reports were not accurate and did not reconcile with District records.

Recommendation

That documentation of the District filing its quarterly and annual payroll tax reports timely, accurately and that reconcile with District records be retained and available for audit.

Finding No. 2018-008

Condition

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

Recommendation

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

Finding No. 2018-014

Condition

Payroll documentation was not available for audit.

Recommendation

That all payroll documentation be available for audit.

Finding No. 2018-015

Condition

The District did not comply with internal control policies regarding new employees.

Recommendation

That the District comply with its internal control policies regarding new employees.

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

Payroll Account (Cont'd)

Finding No. 2018-016

Condition

The District could not provide the calculations used to determine the amounts paid to employees upon retirement for unused sick and vacation time accrued at the date of retirement.

Recommendation

That the District retain and provide for audit the calculations used to determine the amounts paid to employees upon retirement for unused sick and vacation time accrued at the date of retirement.

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 2017-2018 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 did not indicate any reportable noncompliance with respect to classification of orders.

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.

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. 2018-001

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.

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

Board Secretary's Records (Cont'd)

Finding No. 2018-002

Condition

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

Recommendation

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

Finding No. 2018-006

Condition

Legal costs incurred by the District for the school year ending June 30, 2017 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. 2018-009

Condition

The District did not have good internal control in place regarding the payment of its utility (electric) bills.

Recommendation

That the District design and implement good internal control regarding the payment of its utility (electric) bills.

Finding No. 2018-012

Condition

The District could not provide a monthly Board Secretary report or monthly transfer reports to the Board from March 2018 to June 2018 as required by N.J.S.A. 18A:17-9 and 18A:22-8.1.

Recommendation

That the District provide a monthly Board Secretary report and monthly transfer reports to the Board as required by N.J.S.A. 18A:17-9 and 18A:22-8.1.

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

Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (E.S.S.A.)

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 the projects under Titles I, II, III and IV 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. 2018-017 (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 – School Improvement Grants	C.F.D.A. No. 84.377

Condition

The District did not maintain an effective system of internal control over certain Federal programs as required by Federal CFR 2 200.303 and did not comply with District policy requirements that all employees funded by Federal or State Grants be listed and approved in the minutes.

Recommendation

That the District maintain an effective system of internal control over Federal programs as required by Federal CFR 2 200.303 and comply with District policy requirements that all employees funded by Federal or State Grants be listed and approved in the minutes.

Finding No. 2018-018 (Finding 2017-19)

Information on the Federal Program

N.C.L.B – Title I	C.F.D.A. No. 84.010A
N.C.L.B – School Improvement Grants	C.F.D.A. No. 84.377

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.

Finding No. 2018-019

Information on the Federal Program

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

The District did not provide proper documentation that instructional paraprofessionals, who are paid in whole or part with Title I, Part A funds, met the “highly qualified” requirements as a condition of employment.

Recommendation

That the District retain proper documentation that instructional paraprofessionals, who are paid in whole or part with Title I, Part A funds, met the “highly qualified” requirements as a condition of employment.

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

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 indicated the following reportable instances of noncompliance.

Finding No. 2018-020 (Finding 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
Professional Learning Community Aid	G.M.I.S. No. 495-034-5120-101

Condition

The District did not properly calculate and withhold employee health benefit deductions 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.

Finding No. 2018-021 (Finding 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
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.

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

Other Special Federal and / or State Projects (Cont'd)

Finding No. 2018-021 (Finding 2017-023) (Cont'd)

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.

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. The following exception was noted:

Finding No. 2018-023

Information on the State Program

Reimbursed TPAF Social Security Contributions

G.M.I.S. No. 495-034-5095-002

Condition

The District incorrectly reported wages for TPAF members to the State Department of Education for reimbursement.

Recommendation

That the District comply with N.J.S.A. 18A:66-66 requirements by correctly reporting wages for TPAF members to the State Department of Education for reimbursement.

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 the following exception was noted:

Finding No. 2018-010

Condition

Because the District could not provide documentation supporting its Reimbursement to the State of New Jersey form listing all federally funded contractual salaries, the form could not be audited.

Recommendation

That the District retain and provide for audit documentation that supports the numbers reported on its Reimbursement to the State of New Jersey form listing all federally funded contractual salaries as required by 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:

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

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

<http://www.njleg.state.nj.us/>

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 \$19,000.00 for 2017-18.

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.

Finding No. 2018-022 (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. Exceptions were noted.

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

Finding No. 2018-005

Condition

Food service receipts were not deposited promptly and were not recorded appropriately in the revenue ledger.

Recommendation

That all food service receipts be deposited promptly and recorded appropriately in the revenue ledger.

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. 2018-011

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.

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.

SCHOOL FOOD SERVICE (CONT'D)

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.

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 that they were in satisfactory condition.

APPLICATION FOR STATE SCHOOL AID

Our audit procedures included a sample of information reported in the October 13, 2017 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 certain exceptions noted. The information that was included on the workpapers was verified with certain exceptions noted. 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.

Finding No. 2018-024 (Finding 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
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 2017-2018 District Report of Transported Resident Students (DRTRS). The information that was reported on the DRTRS was verified to the DRTRS Eligibility Summary Report with certain exceptions noted. The results of our procedures are presented in the schedule of audited enrollments and indicated the following:

Finding No. 2018-025 (Finding 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.

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.

FACILITIES AND CAPITAL ASSETS

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

Finding No. 2018-004

Condition

The District's capital asset record for the school year ended June 30, 2018 did not properly account for the assets owned by the District, did not identify assets purchased with federal funds and assets were not tagged as required.

Recommendation

That the District maintain a capital asset record that accounts for all assets owned by the District and identify capital assets purchased with federal funds. Additionally, all capital assets should be tagged as required.

MISCELLANEOUS

Continuing Disclosure Agreements

Not applicable - no outstanding bonds

Testing for Lead of All Drinking Water in Education Facilities

The School District complied 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.

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).

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. 2017-002 (See Finding No. 2018-001)

Condition

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

Finding No. 2017-003 (See Finding No. 2018-002)

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.

Finding No. 2017-005 (See Finding No. 2018-003)

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.

Finding No. 2017-007 (See Finding No. 2018-005)

Condition

Food service and student activity receipts were not deposited promptly.

Finding No. 2017-008 (See Finding No. 2018-006)

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).

Finding No. 2017-010 (See Finding No. 2018-008)

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.

Finding No. 2017-011 (See Finding No. 2018-009)

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. 2017-013 (See Finding No. 2018-004)

Condition

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

Finding No. 2017-014 (See Finding No. 2018-010)

Condition

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

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

Finding No. 2017-015 (See Finding No. 2018-007)

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.

Finding No. 2017-017 (See Finding No. 2018-011)

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.

FEDERAL AWARDS

Finding No. 2017-018 (See Finding No. 2018-017)

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.

Finding No. 2017-019 (See Finding No. 2018-018)

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 file federal grant applications and final comparability reports by their respective required filing dates.

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

STATE FINANCIAL ASSISTANCE PROGRAMS

Finding No. 2017-022 (See Finding No. 2018-020)

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.

Finding No. 2017-023 (See Finding No. 2018-021)

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.

Finding No. 2017-024 (See Finding No. 2018-022)

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
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.).

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

STATE FINANCIAL ASSISTANCE PROGRAMS (CONT'D)

Finding No. 2017-026 (See Finding No. 2018-024)

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
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. 2017-027 (See Finding No. 2018-025)

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.

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, 2018

<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	-	3,287	3,287	-	\$ 0.3300	\$ -
	Reduced	-	43	43	-	2.8500	-
	Free	<u>1,555,947</u>	<u>12,090</u>	<u>12,090</u>	<u>-</u>	3.2500	<u>-</u>
	Total	<u>1,555,947</u>	<u>15,420</u>	<u>15,420</u>	<u>-</u>		<u>-</u>
National School Lunch	HHFKA - PB Lunch Only	<u>1,555,947</u>	<u>17,759</u>	<u>17,759</u>	<u>-</u>	0.0600	<u>-</u>
School Breakfast (Regular Rate)	Paid	-	-	-	-	0.3000	-
	Reduced	-	-	-	-	1.4500	-
	Free	<u>6,230</u>	<u>-</u>	<u>-</u>	<u>-</u>	1.7500	<u>-</u>
	Total	<u>6,230</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>
School Breakfast (Severe Need Rate)	Paid	-	1,611	1,611	-	0.3000	-
	Reduced	-	25	25	-	1.7900	-
	Free	<u>1,140,012</u>	<u>7,455</u>	<u>7,455</u>	<u>-</u>	2.0900	<u>-</u>
	Total	<u>1,140,012</u>	<u>9,091</u>	<u>9,091</u>	<u>-</u>		<u>-</u>
After School Snacks At Risk / Area Eligible (No Charge)	Free (Area Eligible)	<u>89,336</u>	<u>397</u>	<u>397</u>	<u>-</u>	0.8800	<u>-</u>
	Total	<u>89,336</u>	<u>397</u>	<u>397</u>	<u>-</u>		<u>-</u>
CACFP (d) - Food	Free	89,471	10,202	10,202	-	3.2300	-
CACFP (d) - Cash-in-lieu of USDA Foods	Free	<u>89,471</u>	<u>10,202</u>	<u>10,202</u>	<u>-</u>	0.2325	<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, 2018

<u>Net Cash Resources:</u>	<u>Food Service B - 4/5</u>	
CAFR	Current Assets	
B-4	Cash & Cash Equivalents	\$ 1,749,735.40
B-4	Due from Other Governments	2,328,687.10
B-4	Due from Other Funds	185,491.89
B-4	Accounts Receivable	42,514.44
CAFR	Current Liabilities	
B-4	Less Accounts Payable	(2,138,572.97)
B-4	Less Accruals	(174,832.42)
B-4	Less Due to Other Funds	(160,992.01)
B-4	Less Unearned Revenue	(883.48)
	Net Cash Resources	<u><u>\$ 1,831,147.95</u></u> (A)
<u>Net Adjusted Total Operating Expense:</u>		
B-5	Total Operating Expenditures	\$ 9,002,792.26
B-5	Less Depreciation	-
	Adjusted Total Operating Expense	<u><u>\$ 9,002,792.26</u></u> (B)
<u>Average Monthly Operating Expense:</u>		
	B / 10	<u><u>\$ 900,279.23</u></u> (C)
<u>Three Times Monthly Average:</u>		
	3 X C	<u><u>\$ 2,700,837.68</u></u> (D)

TOTAL IN BOX A	\$ 1,831,147.95
LESS TOTAL IN BOX D	<u>\$ 2,700,837.68</u>
NET	<u><u>\$ (869,689.73)</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 13, 2017

	2018-2019 Application for State School Aid				Sample for Verification				Private Schools for the Disabled																
	Reported on A.S.S.A. On Roll		Workpapers On Roll		Errors		Sample Selected from Workpapers		Registers On Roll		Registers On Roll		Errors per Register		Reported on A.S.S.A. as Private Schools		Sample for Verification		Sample Verified		Sample Errors				
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	
Half Day Preschool	981		981				981																		
Full Day Preschool	1,349		1,358		(9)		1,349																		
Half Day Kindergarten	1,301		1,300		1		1,301																		
Full Day Kindergarten	1,204		1,207		(3)		1,204																		
One	1,260		1,267		(7)		1,260																		
Two	1,073		1,074		(1)		1,073																		
Three	1,083		1,087		(4)		1,083																		
Four	1,020		1,021		(1)		1,020																		
Five	935		939		(4)		935																		
Six	920		926		(6)		920																		
Seven	807		822		(15)		807																		
Eight	687		695		(8)		687																		
Nine	614		621		(7)		614																		
Ten	583		588		(5)		583																		
Eleven																									
Twelve																									
Post-Graduate																									
Adult H.S. (15+CR.)																									
Adult H.S. (1-14CR.)																									
Subtotal	13,817	-	13,886	-	(69)	-	13,817	-	13,886	-	(69)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Education-Elementary	1,014		1,017		(3)		1,014		1,017		(3)														
Special Education-Middle School	648		649		(1)		648		649		(1)														
Special Education-High School	589		596		(7)		589		596		(7)														
Subtotal	2,251	-	2,262	-	(11)	-	2,251	-	2,262	-	(11)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. - Regular																									
Co. Voc. Ft. Post Sec.																									
Subtotal																									
Totals	16,068	-	16,148	-	(80)	-	16,068	-	16,148	-	(80)	-	146	100	67	33									
Percentage Error					-0.50%						-0.50%														

CITY OF CAMDEN SCHOOL DISTRICT
 Application for State School Aid Summary
 Schedule of Audited Enrollments
 Enrollment as of October 13, 2017

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A. as Low Income	Reported on 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	1,183	1,191	(8)	23	23		91	92	(1)	15	15	
Full Day Kindergarten	1,157	1,155	2	11	11		140	140		22	22	
One Two	1,070	1,069	1	17	16	1	157	155	2	19	19	
Three	1,119	1,123	(4)	14	14		128	127	1	15	15	
Four	954	955	(1)	21	21		98	98				
Five	945	945		32	30	2	86	86		2	2	
Six	869	868	1	9	9		84	83	1	2	2	
Seven	779	781	(2)	30	30		73	72	1	2	1	
Eight	764	770	(6)	13	13		64	63	1	7	1	
Nine	626	634	(8)	14	14		67	67		17	16	
Ten	533	536	(3)	60	59	1	65	65		16	15	
Eleven	416	419	(3)	49	47	2	36	37	(1)	22	19	
Twelve	373	375	(2)	12	12		18	18		12	12	
Post-Graduate Adult H.S. (15+CR.)												
Adult H.S. (1-14OR.)												
Subtotal	10,788	10,821	(33)	305	299	6	1,107	1,103	4	151	139	12
Special Education-Elementary	890	892	(2)	29	29		123	123		8	8	
Special Education-Middle School	573	574	(1)	10	9	1	50	50		2	1	
Special Education-High School	471	474	(3)	7	7		23	23		4	2	
Subtotal	1,934	1,940	(6)	46	45	1	196	196	-	14	11	3
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
Totals	12,722	12,761	(39)	351	344	7	1,303	1,299	4	165	150	15
Percentage Error			<u>-0.31%</u>			<u>1.99%</u>			<u>0.31%</u>			<u>9.09%</u>
Transportation												
	Reported on DTRTS by DOE/County	Reported on DTRTS by District	Errors	Tested	Verified	Errors				Reported	Re-Calculated	
Reg. - Public Schools, Col. 1	2,934	2,934		200	188	12				3.6	3.6	
Reg. - SpEd, Col. 4	483	483		32	27	5				3.6	3.6	
Transported - Non-Public, Col. 3	162	162		11	11					5.8	5.8	
Special Needs, Col. 6	674	674		45	43	2						
Totals	4,253	4,253	-	288	269	19						
Percentage Error			<u>-</u>			<u>6.60%</u>						

CITY OF CAMDEN SCHOOL DISTRICT
 Application for State School Aid Summary
 Schedule of Audited Enrollments
 Enrollment as of October 13, 2017

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.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		15				
One	18	18				
Two	20	19	1			
Three	22	22				
Four	16	16				
Five	18	18				
Six	10	9	1			
Seven	9	9				
Eight	17	17				
Nine	30	32	(2)	18	17	1
Ten	37	37		30	30	
Eleven	27	28	(1)	26	25	1
Twelve	24	24		22	21	1
Post-Graduate Adult H.S. (15+CR.)						
Adult H.S. (1-14CR.)						
Subtotal	263	264	(1)	96	93	3
Special Education-Elementary	18	18				
Special Education-Middle School	5	5				
Special Education-High School	3	3		3	1	2
Subtotal	26	26	-	3	1	2
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Subtotal	-	-	-	-	-	-
Totals	289	290	(1)	99	94	5
Percentage Error			-0.35%			5.05%

EXCESS SURPLUS CALCULATION

SCHOOL BASED BUDGET DISTRICT

SECTION 1

2% Calculation of Excess Surplus

2017-18 Total General Fund Expenditures Reported on CAFR Exhibit C-1	<u>\$ 333,111,190.15</u> (A)
Increased by Applicable Operating Transfers:	
Transfer from Capital Outlay to Capital Projects Fund	<u>-</u> (A1a)
Transfer from Capital Reserve to Capital Projects Fund	<u>-</u> (A1a)
Transfer from General Fund to Special Revenue Fund for Preschool - Regular	<u>-</u> (A1a)
Transfer from General Fund to Special Revenue Fund for Preschool - Inclusion	<u>1,597,184.00</u> (A1a)
Less: Expenditures Allocated to Restricted Federal Resources as reported on Exhibit D-2	<u>4,769,255.61</u> (A1b)
2017-18 Adjusted General Fund & Other State Expenditures [(A)+(A1a)-(A1b)]	<u>\$ 329,939,118.54</u> (A2)
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>24,213,177.59</u> (A3)
Assets Acquired Under Capital Leases:	
General Fund 10 Assets Acquired Under Capital Leases Reported on Exhibit C-1a	<u>-</u> (A4)
Add: General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases:	
Assets Acquired Under Capital Leases in Fund 15 Reported on Exhibit C-1a	<u>-</u> (A5)
Combined General Fund Contribution & State Resources % of Fund 15 Resources Reported on Exhibit D-2	<u>0%</u> (A6)
General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases [(A5)*(A6)]	<u>-</u> (A7)
Total Assets Acquired Under Capital Leases [(A4)+(A7)]	<u>-</u> (A8)
2017-18 General Fund Expenditures [(A2)-(A3)-(A8)]	<u>\$ 305,725,940.95</u> (A9)
2% of Adjusted 2017-18 General Fund Expenditures [(A9) times .02]	<u>\$ 6,114,518.82</u> (A10)
Enter Greater of (A10) or \$250,000	<u>6,114,518.82</u> (A11)
Increased by: Allowable Adjustment *	<u>902,227.83</u> (K)
Maximum Unassigned Fund Balance [(A11)+(K)]	<u>\$ 7,016,746.65</u> (M)

EXCESS SURPLUS CALCULATION (CONT'D)

SCHOOL BASED BUDGET DISTRICT

SECTION 2

Total General Fund - Fund Balances at June 30, 2018	<u>\$ 22,428,445.27</u> (C)
Decreased by:	
Year-end Encumbrances	_____ - (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	_____ - (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	<u>9,530,644.66</u> (C3)
Other Restricted Fund Balances ****	<u>1,000,001.00</u> (C4)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	<u>317,563.34</u> (C5)
Additional Assigned Fund Balance - Designated for Subsequent Year's Expenditures July 1, 2018-August 1, 2018	<u>_____</u> (C6) *****
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	<u>\$ 11,580,236.27</u> (U)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U)-(M)] IF NEGATIVE ENTER -0-	<u>\$ 4,563,489.62</u> (E)
--	----------------------------

Recapitulation of Excess Surplus as of June 30, 2018

Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	<u>\$ 9,530,644.66</u> (C3)
Restricted - Excess Surplus *** [(E)]	<u>4,563,489.62</u> (E)
Total Excess Surplus [(C3)+(E)]	<u>\$ 14,094,134.28</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 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, 2018 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>\$ 69,578.83</u> (H)
Sale & Lease-Back	_____ (I)
Extraordinary Aid	<u>755,666.00</u> (J1)
Additional Nonpublic School Transportation Aid	<u>76,983.00</u> (J2)
Current Year School Bus Advertising Revenue Recognized	_____ (J3)
Family Crisis Transportation Aid	<u>_____</u> (J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	<u>\$ 902,227.83</u> (K)

EXCESS SURPLUS CALCULATION (CONT'D)

SCHOOL BASED BUDGET DISTRICT

Footnotes: (Cont'd)

** This amount represents the June 30, 2017 Excess Surplus (C3 above) and must be included in the Audit Summary Line 90031. This amount was to be appropriated in the 2018-2019 general fund budget.

*** Amounts must agree to the June 30, 2018 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, 2018 to August 1, 2018 resulting from decrease in state aid after adoption of 2018-19 district budget. (Budget guidance broadcast <https://www.nj.gov/education/finance/fp/dwb/guidelines/Guidance19.pdf>).

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	\$ 1,000,001.00 (C4)

CITY OF CAMDEN SCHOOL DISTRICT
Audit Recommendations Summary
For the Fiscal Year Ended June 30, 2018

Recommendations:

1. Administrative Practices and Procedures

That surety bond coverage for the District's Board Secretary be in compliance with the minimum amounts required in the schedule set forth in N.J.A.C. 6A:23A-16.4.

2. Financial Planning, Accounting and Reporting

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

That documentation of the District filing its quarterly and annual payroll tax reports timely, accurately and that reconcile with District records be retained and available for audit.

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

That all payroll documentation be available for audit.

That the District comply with its internal control policies regarding new employees.

That the District retain and provide for audit the calculations used to determine the amounts paid to employees upon retirement for unused sick and vacation time accrued at the date of retirement.

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

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

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 control regarding the payment of its utility (electric) bills.

That the District provide a monthly Board Secretary report and monthly transfer reports to the Board as required by N.J.S.A. 18A:17-9 and 18A:22-8.1.

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.

CITY OF CAMDEN SCHOOL DISTRICT
 Audit Recommendations Summary (Cont'd)
 For the Fiscal Year Ended June 30, 2018

Recommendations (Cont'd):

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

That the District maintain an effective system of internal control over Federal programs as required by Federal CFR 2 200.303 and comply with District policy requirements that all employees funded by Federal or State Grants be listed and approved in the minutes.

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

That the District retain proper documentation that instructional paraprofessionals, who are paid in whole or part with Title I, Part A funds, met the "highly qualified" requirements as a condition of employment.

That the District comply with N.J.S.A. 18A:66-66 requirements by correctly reporting wages for TPAF members to the State Department of Education for reimbursement.

That the District retain and provide for audit documentation that supports the numbers reported on its Reimbursement to the State of New Jersey form listing all federally funded contractual salaries as required by 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 receipts be deposited promptly and recorded appropriately in the revenue ledger.

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

N/A

6. Application for State School Aid

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

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 and identify capital assets purchased with federal funds. Additionally, all capital assets should be tagged as required.

CITY OF CAMDEN SCHOOL DISTRICT
 Audit Recommendations Summary (Cont'd)
 For the Fiscal Year Ended June 30, 2018

Recommendations (Cont'd):

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>
2017-002	2018-001
2017-003	2018-002
2017-005	2018-003
2017-007	2018-005
2017-008	2016-006
2017-010	2018-008
2017-011	2018-009
2017-013	2018-004
2017-014	2018-010
2017-015	2018-007
2017-017	2018-011
2017-018	2018-017
2017-019	2018-018
2017-022	2018-020
2017-023	2018-021
2017-024	2018-022
2017-026	2018-024
2017-027	2018-025