

BOARD OF TRUSTEE'S
CAMDEN'S PROMISE CHARTER SCHOOL, INC.
COUNTY OF CAMDEN
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS-
FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

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REPORT OF INDEPENDENT AUDITORS

Honorable President and
Members of the Board of Trustee's
Camden's Promise Charter School, Inc.
County of Camden, New Jersey

We have audited, in accordance with generally accepted audit standards and **Government Auditing Standards** issued by the Comptroller General of the United States, the basic financial statements of the Board of Trustee's of the Camden's Promise Charter School, Inc. in the County of Camden for the year ended June 30, 2019, and have issued our report thereon dated November 15, 2019.

As part of our audit, we performed procedures required by the Division of Administration and Finance, New Jersey Department of Education, 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 Trustees of the Camden's Promise Charter School, Inc. and is intended for the information of the Charter School's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915
November 15, 2019

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, the activities of the Board of Trustee's, the records of the various funds under the auspices of the Board of Trustee's.

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule, contained in the district's **CAFR**

Official's Bonds

| <u>Name</u> | <u>Position</u> | <u>Amount</u> |
|-----------------|--|---------------|
| Richelle Baughn | School Board Administrator/Board Secretary | \$ 50,000 |

There is a Blanket Employee Dishonestly Bond with Selective Insurance covering all employees with coverage of \$100,000. Adequacy of insurance coverage is the responsibility of the Board of Trustee's.

Tuition Charges

A review of the financial statements indicated that the charter school charged no tuition for any student attending the charter school. In addition, there were no proceeds for a before/after school program to be accounted for in the Enterprise Fund.

District Internal Control Policies

District boards of education and administration are responsible for developing internal controls policies and procedures and maintaining a strong internal control environment. NJAC 6A:23A-6.4 requires that the district's internal control policies include specific requirements at NJAC 6A:23A-6.5 through 6.13.

All Internal Control Policies were found in accordance with NJAC 6A:23A-6.5 through 6.13.

Administrative Practices and Procedures (Continued)

Financial Planning, Accounting and Reporting

Examination of Claims

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

Payroll Account and Position Control Roster

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

All payrolls were certified by the President of the Board, the School Business Administrator/Board Secretary and the Chief School Administrator, with the exception of the following:

Finding 2019-1

A review of payroll registers revealed three that did not contain all required certification signatures.

Recommendation

Procedures to approve payroll registers should be reviewed and revised, in order to assure all payroll registers are certified by the President of the Board of Trustees, the School Business Administrator/Secretary and the Chief School Administrator.

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

Payrolls were delivered to the treasurer of school moneys with a warrant made to her order for the full amount of each payroll.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, 2019 for proper classification of orders as reserve for encumbrances or accounts payable. This was accomplished by reviewing open purchase orders to determine whether goods were received or services were rendered as of June 30, 2019 and that no blanket purchase orders were included.

No exceptions were noted in a review of outstanding purchase orders as of June 30, 2019.

Financial Planning, Accounting and Reporting (Continued)

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with **N.J.A.C. 6A:23A-16.2(f)** and line item details as described in the Budget Summary Key as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with **N.J.A.C. 6A:23A-8.3**. As a result of the procedures performed, a transaction error rate of 0% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

A. General Classification Findings - None

B. Administrative Classification Findings - None

Business Office Records

Acknowledgment of the Board's receipt of the Board Secretary's and Board Designee's monthly financial reports was included in the minutes.

Monthly financial certificates of the Board Secretary and Board of Trustees for positive line item account status certifications (**N.J.A.C. 6:2-2.13**) were performed. Budgetary line item account transfers were approved monthly to cover any anticipated deficits.

The financial records and books of accounts maintained by the Secretary were found to be in satisfactory condition.

Purchase orders were charged to the appropriate line item accounts in accordance with the State prescribed **Uniform Minimum Chart of Accounts (2R2) for New Jersey Public Charter School**.

Treasurer's / Designee Records

A Board Designee prepared cash reconciliations for the general operating account, payroll account and payroll agency account per **N.J.S.A. 18A:17-9**.

All cash receipts were promptly deposited.

The Designee's records, as adjusted, were in agreement with the records of the Board Secretary, as of June 30, 2019.

The Board Designee filed the monthly reports in a timely manner.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for charter school employees who are members of the Teachers Pension and Annuity Fund.

Financial Planning, Accounting and Reporting (Continued)

TPAF Reimbursement to the State for Federal Salary Expenditures

The reimbursement to the State for the amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the charter school to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the charter school for those employees whose salaries are identified as being paid from federal funds was made subsequent to the end of the 60 day grant liquidation period, but prior to the 90 days required by N.J.S.A. 18A:66-90. Accordingly, the expenditure was made in accordance with State law (90 days) and properly reported as obligated and not expended and as an unliquidated balance in the current year's Final Report(s) for all federal awards.

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-A, III, and IV of the Elementary and Secondary Education Act as amended and reauthorized.

Our audit of the E.S.E.A. funds, on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The study of compliance for E.S.E.A. indicated that all E.S.E.A. programs were in compliance.

Other Special Federal and/or State Projects

The charter school's Special Projects were approved as listed on Schedule A and Schedule B located in the **CAFR**.

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

The financial exhibits are contained within the Special Revenue Section of the **CAFR**. This section of the **CAFR** documents the financial position pertaining to the aforementioned special projects.

Finding 2019-2

2018-19 Preschool Education Aid was appropriated and accounted for within the General Fund, rather than the Special Revenue Fund.

Recommendation

Procedures to appropriate and account for Preschool Education Aid should be reviewed and revised, in order to assure these funds are accounted for within the Special Revenue Fund in the future.

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 school contracts in general are available on the website: http://www.state.nj.us/dca/divisions/dlgs/programs/ps_contracts.html.

The 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 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$19,000 for 2018-19.

The Charter School 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.

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

Based on the results of our examination, 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 provisions 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.

The system of records did not provide for an accumulation of purchases for which the charter school used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977; therefore, the extent of such purchases could not reasonably be ascertained. Our examination did not identify any exceptions for purchases made through state contract.

The review of contracts and agreements did not disclose any areas of statutory noncompliance.

Although a particular contract is exempt from the formal requirements of public advertising and competitive bidding, N.J.S.A. 18A:18A-37 requires that quotations be obtained, whenever practical, for any contract under the statutory bid threshold but 15 percent or more of the amount, except for contracts for professional services. All contracts and agreements, which are subject to quotations, shall be awarded on the basis of the lowest responsible quotation received, which is most advantageous to the Board of Trustees, price and other factors considered. Our examination indicated that the Board of Trustees complied with these provisions.

School Food Service

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. June 30, 2019. No exceptions were noted.

Cash receipts and bank records were reviewed for timely deposit. No exceptions were noted.

The district/charter school/renaissance school project 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 Cost Reimbursable or Fixed Price contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$70,000. The operating results provision has been met. All vendor discounts, rebates, and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually. No exceptions were noted.

Expenditures should be separately recorded as food, labor and other costs. Vendor invoices were reviewed, and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used. No exceptions were noted.

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. No exceptions were noted.

Net cash resources did not exceed three months average expenditures. No exceptions were noted.

Time sheets were reviewed, and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education/board of trustees. 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. No exceptions were noted.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications /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 reviewed for uniform administration throughout the school system. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions were noted.

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 Assets (CAFR Schedule B-5) does separate program and non-program revenue AND program and non-program cost of goods sold. No exceptions were noted.

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

Student Body Activities

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

All deposits were identified and promptly deposited.

Monthly bank reconciliations of the Student Activity Fund account were adequately prepared.

Enrollment counts and submission to the Department

Our audit procedures included a test of information reported on the Enrollment Counts for October 15 and the last day of school for on-roll, special education, bilingual and low income students. The details of our test results are included in this report in the *Schedule of Audited Enrollments*. We also performed a review of the School's procedures related to its completion.

Internal controls as they relate to the collection and submission of enrollment counts were documented and reviewed during the audit process.

Facilities and Capital Assets

Our procedures included a review of the EDA grant agreements, if any, for consistency with recording EDA revenue, transfer of local funds from the general fund or from the capital reserve account, and awarding of contracts for eligible facilities construction.

There were no EDA grant agreements for the fiscal year ending June 30, 2019.

Testing for Lead of all Drinking Water in Educational Facilities

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

The test results were posted on the district's website as well as being available at the school facility.

Follow-up on Prior Years' Findings

In accordance with Government Auditing Standards, which are applicable to NJ Charter Schools, our procedures included a review of all prior year audit recommendations, which indicate that corrective action has been taken on all prior year audit findings.

Acknowledgment

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.

A handwritten signature in black ink, appearing to read "Raymond Colavita". The signature is written in a cursive, flowing style.

Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915

**SCHEDULE OF AUDITED ENROLLMENTS
CAMDEN'S PROMISE CHARTER SCHOOL, INC.
APPLICATION FOR CHARTER SCHOOL AID
ENROLLMENT COUNT AS OF OCTOBER 15, 2018**

| Grades | TOTAL | | | 50% Verification Required 10/15/18 | Verified Signed Registration Forms | Verified # days Enrolled | Special Ed and/or Bilingual | Verified Documen- tation | Verified # days Service Provided | Low Income | Verified Documen- tation | Errors | | |
|--------------|---|------------------------------|----------|---|---|--------------------------------|-----------------------------------|--------------------------------|---|---------------|--------------------------------|----------|--------|--------------|
| | Submission to DOE Reported on Roll | Reported on Workpapers | Errors | | | | | | | | | Errors | Errors | |
| Pre-K | 59 | 59 | 0 | 30 | 30 | 0 | 1 | 1 | 0 | 27 | 27 | 0 | | |
| Kindergarten | 182 | 182 | 0 | 91 | 91 | 0 | 3 | 3 | 0 | 79 | 79 | 0 | | |
| One | 191 | 191 | 0 | 96 | 96 | 0 | 7 | 7 | 0 | 90 | 90 | 0 | | |
| Two | 167 | 167 | 0 | 84 | 84 | 0 | 10 | 10 | 0 | 73 | 73 | 0 | | |
| Three | 158 | 158 | 0 | 79 | 79 | 0 | 8 | 8 | 0 | 72 | 72 | 0 | | |
| Four | 154 | 154 | 0 | 77 | 77 | 0 | 11 | 11 | 0 | 71 | 71 | 0 | | |
| Five | 179 | 179 | 0 | 90 | 90 | 0 | 11 | 11 | 0 | 74 | 74 | 0 | | |
| Six | 181 | 181 | 0 | 91 | 91 | 0 | 11 | 11 | 0 | 76 | 76 | 0 | | |
| Seven | 173 | 173 | 0 | 87 | 87 | 0 | 13 | 13 | 0 | 77 | 77 | 0 | | |
| Eight | 165 | 165 | 0 | 83 | 83 | 0 | 21 | 21 | 0 | 72 | 72 | 0 | | |
| Nine | 170 | 170 | 0 | 85 | 85 | 0 | 21 | 21 | 0 | 77 | 77 | 0 | | |
| Ten | 155 | 155 | 0 | 78 | 78 | 0 | 12 | 12 | 0 | 66 | 66 | 0 | | |
| Eleven | 179 | 179 | 0 | 90 | 90 | 0 | 15 | 15 | 0 | 73 | 73 | 0 | | |
| Twelve | 141 | 141 | 0 | 71 | 71 | 0 | 8 | 8 | 0 | 67 | 67 | 0 | | |
| Total | 2,195 | 2,195 | 0 | 1098 | 1098 | 0 | 151 | 151 | 0 | 967 | 967 | 0 | | |
| Percentage | | | | | | <u>0.00%</u> | <u>0.00%</u> | | <u>0.00%</u> | <u>0.00%</u> | | | | <u>0.00%</u> |

**SCHEDULE OF AUDITED ENROLLMENTS
CAMDEN'S PROMISE CHARTER SCHOOL, INC.
APPLICATION FOR CHARTER SCHOOL AID
ENROLLMENT COUNT AS OF THE LAST DAY - JUNE 12, 2019**

| Grades | TOTAL | | | 50% Verification Required 6/30/16 | Verified Signed Registration Forms | Verified # days Enrolled | Special Ed and/or Bilingual | Verified Document- ation | Verified # days Service Provided | Low Income | Verified Document- ation | |
|--------------|---|------------------------------|----------|--|---|--------------------------------|-----------------------------------|--------------------------------|---|---------------|--------------------------------|--------------|
| | Submission to DOE Reported on Roll | Reported on Workpapers | Errors | | | | | | | | | Errors |
| Pre-K | 56 | 56 | 0 | 27 | 27 | 0 | 0 | 0 | 0 | 26 | 26 | 0 |
| Kindergarten | 179 | 179 | 0 | 90 | 90 | 0 | 1 | 1 | 1 | 79 | 79 | 0 |
| One | 187 | 187 | 0 | 92 | 92 | 0 | 6 | 6 | 6 | 72 | 72 | 0 |
| Two | 162 | 162 | 0 | 80 | 80 | 0 | 12 | 12 | 12 | 67 | 67 | 0 |
| Three | 156 | 156 | 0 | 77 | 77 | 0 | 13 | 13 | 13 | 58 | 58 | 0 |
| Four | 149 | 149 | 0 | 76 | 76 | 0 | 6 | 6 | 6 | 61 | 61 | 0 |
| Five | 173 | 173 | 0 | 87 | 87 | 0 | 15 | 15 | 15 | 72 | 72 | 0 |
| Six | 174 | 174 | 0 | 87 | 87 | 0 | 15 | 15 | 15 | 65 | 65 | 0 |
| Seven | 166 | 166 | 0 | 82 | 82 | 0 | 15 | 15 | 15 | 65 | 65 | 0 |
| Eight | 153 | 153 | 0 | 77 | 77 | 0 | 12 | 12 | 12 | 61 | 61 | 0 |
| Nine | 154 | 154 | 0 | 74 | 74 | 0 | 20 | 20 | 20 | 58 | 58 | 0 |
| Ten | 153 | 153 | 0 | 77 | 77 | 0 | 12 | 12 | 12 | 52 | 52 | 0 |
| Eleven | 172 | 172 | 0 | 85 | 85 | 0 | 11 | 11 | 11 | 58 | 58 | 0 |
| Twelve | 140 | 140 | 0 | 71 | 71 | 0 | 16 | 16 | 16 | 43 | 43 | 0 |
| Total | 2,118 | 2,118 | 0 | 1053 | 1053 | 0 | 154 | 154 | 154 | 811 | 811 | 0 |
| Percentage | | | | | | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | | | <u>0.00%</u> |

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
EXCESS SURPLUS CALCULATION

SECTION 1

A. 2% Calculation of Excess Surplus

| | | |
|--|-----------------------------------|---------------------------|
| 2018-19 Total General Fund Expenditures per the CAFR | \$ <u>33,904,380</u> (B) | |
| Increased by: | | |
| Transfer from Capital Outlay to Capital Projects Fund | <u> </u> (B1a) | |
| Transfer from Capital Reserve to Capital Projects Fund | <u> </u> (B1b) | |
| Transfer from General Fund to SRF for PreK-Regular | <u> </u> (B1c) | |
| Transfer from General Fund to SRF for PreK-Inclusion | <u> </u> (B1d) | |
| Decreased by: | | |
| On-Behalf TPAF Pension & Social Security | <u>4,627,677</u> (B2a) | |
| Assets Acquired Under Capital Leases | <u> </u> (B2b) | |
| Adjusted 2018-19 General Fund Expenditures [(B)+(B1s)-(B2s)] | <u>29,276,703</u> (B3) | |
| 2% of Adjusted 2018-19 General Fund Expenditures [(B3) times .02] | <u>585,534</u> (B4) | |
| Enter Greater of (B4) or \$250,000 | <u>585,534</u> (B5) | |
| Increased by: Allowable Adjustment* | <u> </u> (K) | |
| Maximum Unassigned/Undesignated-Unreserved Fund Balance[(B5)+(K)] | | \$ <u>585,534</u> (M) |

SECTION 2

| | | |
|--|----------------------------------|----------------------------|
| Total General Fund - Fund Balances @ 6-30-19 (Per CAFR Budgetary Comparison Schedule C-1) | \$ <u>1,190,532</u> (C) | |
| Decreased by: | | |
| Year-end Encumbrances | <u>68,032</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>575,000</u> (C4) | |
| Assigned Fund balance Unreserved - Designated for Subsequent Year's Expenditures | <u> </u> (C5) | |
| Additional Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures July 1, 2019-August 1, 2019 | <u> </u> (C6) | |
| Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)] | | \$ <u>547,500</u> (U1) |

SECTION 3

| | | |
|--|--|------------------------------------|
| Section 1 Restricted Fund Balance- Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0- | | \$ <u> </u> (E) |
|--|--|------------------------------------|

Recapitulation of Excess Surplus as of June 30, 2019

| | | |
|--|---|--|
| Reserved Excess Surplus - Designated for Subsequent Year's Expenditures** | - | (C3) |
| Reserved Excess Surplus ***[(E)] | - | (E) |
| Total Excess Surplus [(C3) + (E)] | | \$ <u> </u> (D) |

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
EXCESS SURPLUS CALCULATION

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 & 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

| | | |
|---|----------|------|
| Impact Aid | \$ _____ | (H) |
| Sale & Lease-Back | _____ | (I) |
| Extraordinary Aid | _____ | (J1) |
| Additional Nonpublic School Transportation Aid | _____ | (J2) |
| Current Year School Bus Advertising Revenue Recognized | _____ | (J3) |
| Family Crisis Transportation Aid | _____ | (J4) |
| Total Adjustments [(H) + (I) + (J1) + (J2) + (J3) + (J4)] | \$ _____ | (K) |

- ** This amount represents the June 30, 2019 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line **90031**.
- *** Amounts must agree to the June 30, 2019 CAFR and must agree to Audit Summary Worksheet Line 90030.
- **** Amount for Other Reserved 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 an other 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 - Unreserved - Designated for Subsequent Year's expenditures July 1, 2019 to August 1, 2019 resulting from decrease in state aid after adoption of 2018-19 district budget. Refer to Commissioner's Broadcast of July 13, 2019 at the NJDOE Broadcast webpage <https://homeroom5.doe.state.nj.us/broadcasts/> and to page 1-4.2 of this Audit Program.

Detail of Other Restricted Fund Balance

| | |
|---|------------------------|
| Statutory restrictions: | |
| Approved unspent separate proposal | \$ _____ |
| Sale/lease-back reserve | _____ |
| Capital reserve | _____ |
| Maintenance reserve | _____ |
| Emergency Reserve | _____ |
| Tuition reserve | _____ |
| School Bus Advertising 50% Fuel Offset Reserve - Current Year | _____ |
| School Bus Advertising 50% Fuel Offset Reserve - Prior Year | _____ |
| Impact Aid General Fund Reserve (Sections 8007 and 8008) | _____ |
| Impact Aid General Fund Reserve (Sections 8002 and 8003) | _____ |
| Other state/government mandated reserve | _____ |
| | <u>75,000</u> |
| [Other Restricted Fund Balance not noted above] **** | _____ |
| Total Other Restricted Fund Balance | \$ <u>575,000</u> (C4) |



AUDIT RECOMMENDATIONS SUMMARY

For the Fiscal Year Ended June 30, 2019

Camden's Promise Charter School, Inc.

RECOMMENDATIONS:

1. Administrative Practices and Procedures - None
2. Financial Planning, Accounting and Reporting

Finding 2019-1- A review of payroll registers revealed three that did not contain all required certification signatures.

Recommendation - Procedures to approve payroll registers should be reviewed and revised, in order to assure all payroll registers are certified by the President of the Board of Trustees, the School Business Administrator/Secretary and the Chief School Administrator.

Finding 2019-2- 2018-19 Preschool Education Aid was appropriated and accounted for within the General Fund, rather than the Special Revenue Fund.

Recommendation - Procedures to appropriate and account for Preschool Education Aid should be reviewed and revised, in order to assure these funds are accounted for within the Special Revenue Fund in the future.

3. School Purchasing Programs - None
4. School Food Service - None
5. Student Body Activities - None
6. Application for State School Aid - None
7. Charter School Enrollment System(CHE) (Applicable to audits of charter schools)
- None
8. Pupil Transportation - None
9. Facilities and Capital Assets - None
10. Miscellaneous - None
11. 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.