

**CAMDEN PREP, INC.
AUDITOR'S MANAGEMENT REPORT
ON ADMINISTRATIVE FINDINGS
FINANCIAL COMPLIANCE AND PERFORMANCE
FOR THE YEAR ENDED JUNE 30, 2017**

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

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REPORT OF INDEPENDENT AUDITOR

The Honorable Chairman and
Members of the Board of Trustees
Camden Prep, Inc.
County of Camden
Camden, New Jersey

I 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 Camden Prep, Inc. Board of Trustee's, in the County of Camden, as of and for the year ended June 30, 2017 and have issued my report thereon dated October 10, 2017.

As part of my audit, I performed procedures required by the 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 intended for the information of Camden Prep, Inc. Board of Trustee's management and the New Jersey Department of Education. However, this report is a matter of public records and its distribution is not limited.

Licensed Public School Accountant No. 20CS00206400



Gerald D. Longo
Certified Public Accountant
October 10, 2017

ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE

GENERAL COMMENTS

Scope of Audit

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

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

Renaissance schools are exempt from NJ.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 is available on the website <http://www.state.nj.us/njded/pscl/index.html>.

Insurance

Insurance coverage unaudited was carried in the amounts as detailed in Exhibit J-20 (unaudited), Insurance Schedule, as contained in the renaissance school's CAFR.

Examination Claims

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

Payroll Account

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

Salary withholdings were promptly remitted to the proper agencies including health benefit premiums withholdings due to the general fund.

All payrolls were approved and certified by the Business Administrator and the Chairperson of the Board.

Payrolls were delivered to the secretary of the Board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

Reserve for Encumbrances, Liability (Current) for Accounts Payable

A review of outstanding purchase orders was made as of June 30 2017, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30, 2017. No exceptions were noted.

Unemployment Compensation Insurance Trust Fund

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

School Food Service

The school participated in the food service program within the Camden school district.

Board Secretary's Records

Generally the records of the school were maintained in satisfactory condition.

Acknowledgement of the School's receipt of the Board Secretary's monthly financial reports was included in the minutes.

Enrollment Counts and Submissions to the Department

My audit procedures included test of information reported on October 15, 2016 and the last day of school for on-roll, special education, bilingual and low-income students. No exceptions were noted.

The renaissance school maintained work papers on the prescribed state forms or their equivalent and written enrollment procedures detailing the enrollment process.

Tuition Charges

Not applicable.

T.P.A.F. Reimbursement

The State Department of Education Pension has not formally approved the renaissance school to participate in the TPAF. Therefore, the school has not been approved for bi-weekly reimbursements to be filed with the Department of Education for renaissance school employees who are members of the Teachers Pension and Annuity Fund. Participation has been requested but not yet approved by the Department of Education.

Elementary and Secondary Education Act (E.S.E.A.)/Improving America's Schools Act (IASA) as reauthorized by the No Child Left Behind Act of 2001

The E.S.E.A./NCLB 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 Title I of the Elementary and Secondary Education Act as amended.

The study of compliance E.S.E.A. indicated no areas of noncompliance and/or questionable costs.

Other Special Federal and /or State Projects

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

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

The financial exhibits 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.

The study of compliance with other special federal and/or state projects indicated no areas of noncompliance and/or questionable costs.

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 my test of transactions of randomly selected expenditure items. I also reviewed the coding of all expenditures included in my compliance and single audit testing procedures. In addition to randomly selecting a test sample, my 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 0.0% percent overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Follow-up on Prior Year Findings

There are no prior year findings.

ACKNOWLEDGEMENT

I received the complete cooperation of all the officials of the school and I greatly appreciate the courtesies extended to me.

Respectfully submitted,



Gerald D. Longo
Certified Public Accountant
Licensed Public School Accountant No. 20CS00206400

**CAMDEN PREP CHARTER SCHOOL
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND OVER/UNDER CLAIM
June 30, 2017**

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE</u>	<u>POTENTIAL OVER-UNDER CLAIM</u>
NATIONAL SCHOOL LUNCH (REGULAR RATE)	FREE	N/A	N/A	N/A			0
	REDUCED	N/A	N/A	N/A			0
	PAID	N/A	N/A	N/A			0
TOTALS		0	0	0	0		0

<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>POTENTIAL OVER-UNDER CLAIM</u>
SCHOOL BREAKFAST	FREE	N/A	N/A	N/A			0
	REDUCED	N/A	N/A	N/A			0
	PAID	N/A	N/A	N/A			0
TOTALS		0	0	0	0		0

<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>POTENTIAL OVER-UNDER CLAIM</u>
AFTER SCHOOL SNACKS	FREE	N/A	N/A	N/A			0
	REDUCED	N/A	N/A	N/A			0
	PAID	N/A	N/A	N/A			0
TOTALS		0	0	0	0		0

CAMDEN PREP CHARTER SCHOOL
 APPLICATION FOR CHARTER SCHOOL AID
ENROLLMENT COUNT AS OF OCTOBER 15, 2016

SCHEDULE OF AUDITED ENROLLMENTS

SAMPLE														
GRADES	SUBMISSION TO DISTRICT REPORTED ON ROLL	REPORTED ON WORK PAPERS	VERIFIED SIGNED REG FORMS	ERR	VERIFIED # OF DAYS ENROLLED	ERR	(INCLUDED IN COLUMN 1) SPECIAL ED & OR BILINGUAL	VERIFIED DOCUMEN- TATION	ERR	VERIFIED # OF DAYS SERVICE PROVIDED	ERR	LOW INCOME	VERIFIED DOCUMEN- TATION	ERR
KINDERGARTEN	73	37	37	0	37	0	7	7	0	7	0	n/a	n/a	0
ONE	91	46	46	0	46	0	17	17	0	17	0	n/a	n/a	0
TWO	81	41	41	0	41	0	16	16	0	16	0	n/a	n/a	0
THREE	54	27	27	0	27	0	16	16	0	16	0	n/a	n/a	0
FOUR	41	21	21	0	21	0	6	6	0	6	0	n/a	n/a	0
FIVE	54	27	27	0	27	0	0	0	0	0	0	0	0	0
SIX	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SEVEN	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EIGHT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	394	199	199	-	199	-	62	62	-	62	-			-
PERCENTAGE				0.00%		0.00%			0.00%		0.00%			0.00%

CAMDEN PREP CHARTER SCHOOL
 APPLICATION FOR CHARTER SCHOOL AID
ENROLLMENT COUNT AS OF LAST DAY OF SCHOOL

SCHEDULE OF AUDITED ENROLLMENTS

SAMPLE

GRADES	SUBMISSION TO DOE REPORTED ON ROLL	REPORTED ON WORK PAPERS	VERIFIED SIGNED REG FORMS	ERR	VERIFIED # OF DAYS ENROLLED	ERR	(INCLUDED IN	VERIFIED DOCUMENT-	ERR	VERIFIED # OF DAYS SERVICE PROVIDED	ERR	LOW INCOME	VERIFIED DOCUMENT-	ERR
							COLUMN 1) SPECIAL ED & OR BILINGUAL							
KINDERGARTEN	73	36	36	0	36	0	7	7	0	7	0	n/a	n/a	0
ONE	91	45	45	0	45	0	17	17	0	17	0	n/a	n/a	0
TWO	81	40	40	0	40	0	16	16	0	16	0	n/a	n/a	0
THREE	54	27	27	0	27	0	16	16	0	16	0	n/a	n/a	0
FOUR	41	20	20	0	20	0	6	6	0	6	0	n/a	n/a	0
FIVE	54	27	27	0	27	0	0	0	0	0	0	0	0	0
SIX	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SEVEN	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EIGHT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	394	195	195	-	195	-	62	62	-	62	-			-

PERCENTAGE 0.00% 0.00% 0.00% 0.00%

CAMDEN PREP, INC
NET CASH RESOURCE SCHEDULE
Net cash resources did/did not exceed three months of expenditures
Proprietary Funds - Food Service
FYE June 30, 2017

Not Applicable

Net Cash Resources:

			Food Service B - 4/5	
CAFR	*	Current Assets	N/A	
B-4		Cash & Cash Equiv.	-	
B-4		Due from Other Gov'ts		
B-4		Accounts Receivable	-	
B-4		Investments		
CAFR		Current Liabilities		
B-4		Less Accounts Payable	-	
B-4		Less Accruals		
B-4		Less Due to Other Funds		
B-4		Less Deferred Revenue		
		Net Cash Resources	-	(A)

Net Adj. Total Operating Expense:

B-5		Tot. Operating Exp.	-	
B-5		Less Depreciation	-	
		Adj. Tot. Oper. Exp.	-	(B)

Average Monthly Operating Expense:

	B / 10	-	(C)
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Three times monthly Average:

	3 X C	-	(D)
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TOTAL IN BOX A	\$	-	
LESS TOTAL IN BOX D	\$	-	
NET	\$	-	
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.			

* Inventories are not to be included in total current assets.

SOURCE - USDA resource management comprehensive review form

CAMDEN PREP, INC.
AUDIT SYNOPSIS RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

It is recommended that:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Program

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Status of Prior Year's Findings Recommendations

In accordance with government auditing standards, my procedures included a review of all prior year recommendations. Corrective action has been taken on all prior year findings.