

**BOARD OF EDUCATION**  
**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**COUNTY OF GLOUCESTER**  
**AUDITOR'S MANAGEMENT REPORT ON**  
**ADMINISTRATIVE FINDINGS-**  
**FINANCIAL, COMPLIANCE AND PERFORMANCE**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2017**

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# NIGHTLINGER, COLAVITA & VOLPA

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## REPORT OF INDEPENDENT AUDITORS

Honorable President and  
Members of the Board of Education  
Borough of Newfield School District  
County of Gloucester  
Newfield, New Jersey 08344

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 Education of the Borough of Newfield School District in the County of Gloucester for the year ended June 30, 2017, and have issued our report thereon dated November 2, 2017.

As part of our audit, we performed procedures required by the District 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 Education of the Borough of Newfield School District for the fiscal year ending June 30, 2017 and is intended for the information of the School District'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

**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 Education, and the records of the various funds under the auspices of the Board of Education.

**Administrative Practices and Procedures**

**Insurance**

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

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Henry Bermann	School Board Administrator / Board Secretary	\$ 132,000
Terri Oliveri	Treasurer of School Monies	150,000

**Tuition Charges**

There were no tuition billings to other districts during the year.

**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.

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

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

**Payroll Account**

Payroll is not maintained by the district. The treasurer function is handled through a professional service contract.

**Financial Planning, Accounting and Reporting (Cont'd)**

**Obligations of Federal Grant Awards and Requests for Reimbursement of Expenditures Against Those Federal Grants Awards**

No exceptions noted.

**Certification of Income Tax Compliance**

The certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (Superintendent and Business Administrator) to the N.J. Department of Treasury was not required to be filed for the year under audit.

**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 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, no errors were 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**

**Reserve for Encumbrances and Accounts Payable**

A review of outstanding issued 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.

**Board Secretary's Records**

The financial records, books of accounts maintained by the Secretary were in satisfactory condition.

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

Monthly financial certificates of the Board Secretary and Board of Education 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 appropriate record of budget transfers was maintained and approval from the County Superintendent appeared to be requested for transfers, where cumulatively in excess of 10% of the advertised amount as defined in N.J.A.C. 6A:23-211(f).

## **Financial Planning, Accounting and Reporting (Cont'd)**

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

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 School.**

The general fixed asset records were updated for the additions, disposals and depreciation of general fixed assets made during the year.

### **Treasurer's Records**

The Treasurer 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. (N.J.S.A.18A:17-34, 18A:17-9.1)

The Treasurer's records were in agreement with the records of the Board Secretary.

The Treasurer filed her reports in a timely manner.

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

The District's special projects were approved as listed on Schedule A and Schedule B located in the **CAFR.**

Our 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 for special projects indicated no areas of noncompliance.

### **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](http://www.state.nj.us/dca/divisions/dlgs/programs/ps_contracts.html).

Current statute is posted on the New Jersey Legislature website at:  
[http://lis.njleg.state.nj.us/cgi-bin/om\\_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headingswithhits=on&infobase=statutes.nfo&softpage=TOC\\_Frame\\_pg42](http://lis.njleg.state.nj.us/cgi-bin/om_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headingswithhits=on&infobase=statutes.nfo&softpage=TOC_Frame_pg42)

## **School Purchasing Programs (Cont'd)**

### **Contracts and Agreements Requiring Advertisement for Bids (Cont'd)**

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 \$18,800 for 2016-17.

The District Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal 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 school board 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 reveal any exceptions with regard to purchases from vendors approved for 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 less than the bid threshold but 15% or more of that 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 Education, price and other factors considered.

### **Internal Service Funds**

Cash receipts and disbursements journals were maintained in good condition and reconciled to the monthly bank statements. Deposits were traceable to the bank and made on a timely basis.

Expenditures were supported by invoices and other documentation.

## **Internal Service Funds (Cont'd)**

### ***Finding 2017-1***

There appeared to be a significant delay in preparing and issuing Shared Services Fund revenue invoices, resulting in a substantially significant balance in accounts receivable, as of June 30, 2017. In addition, the collection percentage of prior year accounts receivable was low, which places a concern, regarding the collectability of the older receivables.

### ***Recommendation***

Procedures to identify revenue for billing in the Shared Services Fund, as well as preparing, issuing and recording such accounts receivable should be reviewed and updated, in order to provide adequate internal control in the Shared Service operation. In addition, enhanced efforts should be expended to achieve a much shorter collection period regarding these accounts receivable.

## **Application for State School Aid**

Our audit procedures included a test of information reported in the October 14, 2016 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers without exception. The information that was included on the workpapers was verified.

The results of our procedures are presented in the Schedule of Audited Enrollment

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

The District's written procedures appeared to be adequate for the recording of student enrollment data.

## **Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2016-17 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

## **Facilities and Capital Assets**

Our procedures included a review to identify the existence of any SDA grant agreements for consistency with recording SDA revenue, transfer of local funds from the general fund or from the capital reserve account, and awarding of contracts for eligible facilities construction. No SDA projects were noted.



**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, our procedures included a review of all prior year recommendations. Corrective action was taken on all prior year findings, with the exception of the following:

**Finding 2016-2**

There appeared to be a significant delay in preparing and issuing Shared Services Fund revenue invoices, resulting in a substantially significant balance in accounts receivable, as of June 30, 2016. In addition, the collection percentage of prior year accounts receivable was low, which places a concern, regarding the collectability of the older receivables.

**Acknowledgment**

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

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**



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

**SCHEDULE OF AUDITED ENROLLMENTS**

**NEWFIELD SCHOOL DISTRICT  
APPLICATION OR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 14, 2016**

	2017-2018 APP. FOR STATE SCH. AID						SAMPLE FOR VERIFICATION						PRIVATE SCHOOLS FOR DISABLED			
	Reported On		Reported On		Errors		Sample		Verified per		Errors per		Reported On			
	A.S.S.A.		Workpapers				Selected From		Registers		Registers		A.S.S.A. as			
	On Roll		On Roll		Full		Workpapers		On Roll		On Roll		Private	Sample for	Sample	Sample
Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Schools	Verification	Verified	Errors	
Half Day Preschool																
Full Day Preschool																
Half Day Kindergarten																
Full Day Kindergarten																
One																
Two																
Three																
Four																
Five																
Six																
Seven																
Eight																
Nine																
Ten																
Eleven																
Twelve																
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0
Sp Ed - Elementary																
Sp Ed - Middle School																
Sp Ed - High School																
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0
Co. Voc.-Regular																
Co. Voc.-Ft.Post Sec.																
Totals	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0
Percentage Error							<u>0.00%</u>	<u>0.00%</u>					<u>0.00%</u>			

Note: Not Applicable, Sending District

**SCHEDULE OF AUDITED ENROLLMENTS**

**NEWFIELD SCHOOL DISTRICT  
APPLICATION OR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 14, 2016**

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	Reported On A.S.S.A. as Low Income	Reported On Workpapers as Low Income	Errors	Sample Selected From Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected From Workpapers	Verified to Test Score and Register	Sample Errors
	Half Day Preschool											
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten												
One												
Two												
Three												
Four												
Five												
Six												
Seven												
Eight												
Nine												
Ten												
Eleven												
Twelve												
Post Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal												
Special Ed - Elementary												
Special Ed - Middle												
Special Ed - High												
Subtotal												
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals												
Percentage Error												

**TRANSPORTATION**

	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors		
			Reported				Re-Calculated	
Reg. - Public Schools	179	179		93	93			
Reg. - Special Ed.								
Transported - Non-Public	1	1		1	1			
Aid in Lieu - Non-Public	2	2		1	1			
Special Needs - Public	39	39		22	22			
Totals	221	221		117	117			
Percentage Error								

	Reported	Re-Calculated
Avg. Mileage - Regular Including Grade PK students	6.8	
Avg. Mileage - Regular Excluding Grade PK students	6.8	
Avg. Mileage - Special Ed with Special Needs	8.7	

**SCHEDULE OF AUDITED ENROLLMENTS**

**NEWFIELD SCHOOL DISTRICT**  
**APPLICATION OR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 14, 2016**

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Report On</u> <u>A.S.S.A. as</u> <u>NOT Low</u> <u>Income</u>	<u>Report On</u> <u>Workpapers as</u> <u>NOT Low</u> <u>Income</u>	<u>Errors</u>	<u>Sample</u> <u>Selected From</u> <u>Workpapers</u>	<u>Verified to</u> <u>Application</u> <u>and Register</u>	<u>Sample</u> <u>Errors</u>
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten						
One						
Two						
Three						
Four						
Five						
Six						
Seven						
Eight						
Nine						
Ten						
Eleven						
Twelve						
Post Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	0	0	0	0	0	0
Special Ed - Elementary						
Special Ed - Middle						
Special Ed - High						
Subtotal	0	0	0	0	0	0
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	0	0	0	0	0	0
Percentage Error		<u>0.00%</u>			<u>0.00%</u>	

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**EXCESS SURPLUS CALCULATION**

**SECTION 1**

**A. 2% Calculation of Excess Surplus**

2016-17 Total General Fund Expenditures per the CAFR	\$ 3,888,530 (B)	
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	_____ (B1a)	
Transfer from Capital Reserve to Capital Projects Fund	_____ (B1b)	
Transfer from General Fund to SRF for PreK-Regular	_____ (B1c)	
Transfer from General Fund to SRF for PreK-Inclusion	_____ (B1d)	
Decreased by:		
On-Behalf TPAF Pension & Social Security	_____ (B2a)	
Assets Acquired Under Capital Leases	_____ (B2b)	
 Adjusted 2016-17 General Fund Expenditures [(B)+(B1s)-(B2s)]	 <u>3,888,530</u> (B3)	
 2% of Adjusted 2016-17 General Fund Expenditures [(B3) times .02]	 <u>77,771</u> (B4)	
Enter Greater of (B4) or \$250,000	<u>250,000</u> (B5)	
Increased by: Allowable Adjustment*	<u>54,247</u> (K)	
 Maximum Unassigned/Undesignated-Unreserved Fund Balance[(B5)+(K)]		 <u>\$ 304,247</u> (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-17 (Per CAFR Budgetary Comparison Schedule C-1)	\$ 179,438 (C)	
Decreased by:		
Year-end Encumbrances	_____ (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	_____ (C2)	Capital
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	_____ (C3)	Surplus
Other Restricted Fund Balances****	_____ (C4)	
Assigned Fund balance Unreserved - Designated for Subsequent Year's Expenditures	_____ (C5)	Other
Additional Assigned Fund Balance - Unreserved - Designated for Subsequent Year's July 1, 2017 - August - 1, 2017	<u>26,030</u> (C5)	
	_____ (C6) *****	
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]		 <u>\$ 153,408</u> (U1)

**BOROUGH OF NEWFIELD SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION**

**SECTION 3**

Restricted Fund Balance- Excess Surplus\*\*\* [(U1)-(M)] IF NEGATIVE ENTER -0-

\$ \_\_\_\_\_ (E)

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

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures\*\*

Reserved Excess Surplus \*\*\*[(E)]

- (C3)  
- (E)

Total Excess Surplus [(C3) + (E)]

\$ \_\_\_\_\_ (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, 2015 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  
 Sale & Lease-Back  
 Extraordinary Aid  
 Additional Nonpublic School Transportation Aid  
 Current Year School Bus Advertising Revenue Recognized  
 Family Crisis Transportation Aid  
 Total Adjustments [(H) + (I) + (J1) + (J2) + (J3) + (J4)]

\$ \_\_\_\_\_ (H)  
 \_\_\_\_\_ (I)  
 53,725 (J1)  
 522 (J2)  
 \_\_\_\_\_ (J3)  
 \_\_\_\_\_ (J4)  
 \$ 54,247 (K)

- \*\* This amount represents the June 30, 2015 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.
- \*\*\* Amounts must agree to the June 30, 2015 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 Finance and Regulatory Compliance prior to September 30.
- \*\*\*\*\* Increase in Assigned Fund Balance - Unreserved - Designated for Subsequent Year's expenditures July 1, 2017 to August 1, 2017 resulting from decrease in state aid after adoption of 2017-18 district budget. Refer to Commissioner's Broadcast and to page 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

[Other Restricted Fund Balance not noted above] \*\*\*\*  
Total Other Restricted Fund Balance

\$ \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \$ \_\_\_\_\_ (C4)

AUDIT RECOMMENDATIONS SUMMARY

For the Fiscal Year Ended June 30, 2017

BOROUGH OF NEWFIELD

Recommendations:

1. Administrative Practices and Procedures - None
2. Financial Planning, Accounting and Reporting - None
3. School Purchasing Programs

Internal Service Fund

***Finding 2017-1***

***Recommendation***

Procedures to identify revenue for billing in the Shared Services Fund, as well as preparing, issuing and recording such accounts receivable should be reviewed and updated, in order to provide adequate internal control in the Shared Service operation. In addition, enhanced efforts should be expended to achieve a much shorter collection period regarding these accounts receivable.

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. Miscellaneous - None
10. Status of Prior Year Audit Findings/Recommendations

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Corrective action was taken on all prior year findings, with the exception of the following:

***Finding 2016-2***

There appeared to be a significant delay in preparing and issuing Shared Services Fund revenue invoices, resulting in a substantially significant balance in accounts receivable, as of June 30, 2016. In addition, the collection percentage of prior year accounts receivable was low, which places a concern, regarding the collectability of the older receivables.