



State of New Jersey  
Department of  
Education

Performance Audit of  
Salem City School District

April 9, 2008

ADVISORY



**KPMG LLP**  
345 Park Avenue  
New York, NY 10154

April 9, 2008

Department of Education  
State of New Jersey

This report presents the results of our performance audit (audit) of the Salem City School District (the District) conducted on behalf of the State of New Jersey Department of Education (the Department). Our audit was conducted in accordance with the standards applicable to performance audits contained in *Generally Accepted Government Auditing Standards* (GAGAS), issued by the Comptroller General of the United States.

**Audit Objective**

The objectives of the audit were to (1) analyze historical expenditures and (2) assess internal controls over select business processes in order to provide recommendations for potential improvements. Once met, these objectives would serve to provide the Department with information to consider in reviewing the District's operations for budgetary purposes. The results of this audit do not serve to set policy or present final determinations as to the allowability of expenditures or the District protocols.

**Audit Scope**

The business processes included in the scope of our audit related to the assessment of internal controls included: inventory; facilities management; purchasing/accounts payable; human resources/payroll; general operations/accounting; food services; transportation; technology; and student activities. In meeting the second objective, we considered the process and related internal controls in place at the time of our fieldwork. To achieve the first objective, we utilized automated tools to tabulate, perform data analyses, as well as summarize 100% of the salary and nonsalary expenditures of the District from the period July 1, 2004 through June 30, 2006. Using the results of these tabulations, we sampled transactions to further analyze anomalies and outliers. We also subjectively selected purchase orders from account codes identified by the Department and statistically selected purchase orders from the remaining account codes. For these expenditures, we reviewed supporting documentation provided by the District in order to identify the nature of the purchases and assess whether the expenditure was reasonable based on framing questions accepted by the Department. Where documentation was not sufficient to support an assessment or there were circumstances that required additional analysis from the Department, the analysis of the expenditure was noted as "inconclusive."

<b>Audit Methodology</b>	An audit program was established at the beginning of the engagement to respond to the original Request for Qualifications (RFQ) issued in December 2006. It was reviewed and accepted by the Department before being executed. The audit was accomplished through the completion of three phases including Project Planning, Information Gathering and Analysis, and Validation and Reporting. Fieldwork was substantially complete at the end of July 2007, at which point a draft report was provided to the District. The District had an opportunity to respond; that response is provided in Appendix A and has been considered by KPMG.
<b>Audit Observations</b>	Observations related to internal controls and results of the analysis of historical expenditures and review of purchase orders were presented to District management as well as the Department and are included in this report. Again, the results of the audit are provided for informational purposes to assist the Department in understanding the District's operations and do not set policy or present final determinations on District expenditures or protocols.
<b>Management Response</b>	See State of New Jersey Department of Education response on following pages.

**KPMG LLP**



## State of New Jersey

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### **Department of Education Response to Performance Audits**

As a result of the New Jersey Supreme Court order dated May 9, 2006, the New Jersey Department of Education (Department) issued a Request for Qualification (RFQ) to perform a historical expenditure analysis of selected accounts for the period July 1, 2004 through June 30, 2006 and an assessment of internal controls over select business processes. This was the second part of the two phase performance audit process required by the Supreme Court order. Phase one performance audits were completed for four districts and issued in January 2007.

Based on the proposals received, KPMG LLP (KPMG) and Wiss & Company (WISS) were contracted to complete 25 and 2 of the remaining 27 phase two performance audits, respectively. During the engagement, the Department kept abreast of the performance audits through weekly status meetings that discussed progress, timing and completion, findings and procedures, and implementation issues. Each district was presented with preliminary results and provided an opportunity to provide feedback, which was incorporated into the final draft of the report as deemed appropriate. The final draft of the report was provided to the district and the Department simultaneously, at which time the district was offered an opportunity to formally respond. The district response is presented in an Appendix.

The Department considered the observations noted in the report drafts in the 2007-08 budget discussions with those districts that requested additional funds in accordance with the guidelines issued. We also used the reports to update our annual State Department of Education audit program and to develop the recently completed administrative code proposal to effectuate the provisions of the School District Fiscal Accountability Act (P.L. 2007, c. 53) and the CORE reforms (P.L. 2007, c. 63). The administrative code proposal has been drafted to address many of the performance audit findings. The proposal establishes efficiency standards and business practices to assist districts in identifying and eliminating administrative inefficiencies and excessive non-instructional costs. In several instances, the performance audits cited significant spending in the areas of public relations and professional services contracts as well as travel and meal

reimbursements, which could be perceived as excessive. The code proposal includes criteria, standards and guidance for consolidated services models, joint purchasing, special education placements and other efficient practices to ensure that expenditures are value-added and educational in nature, and not excessive or non-educational in nature. The proposal includes a section on travel and meals which codifies the requirements under the School District Accountability Act and OMB travel and meal circulars. It establishes approval procedures, documentation requirements, employee reimbursement standards, restricted and non-allowable activities and cost limits for all types of travel events including workshops and training and meals and entertainment. The proposal also establishes internal control requirements including establishing policies and standard operating procedures.

It is necessary to clarify some misunderstandings that arose as a result of the performance audit engagement. The performance audit was conducted under the performance audit standards of Generally Accepted Governmental Auditing Standards (GAGAS). This performance audit was not an attest engagement as would be conducted by the annual audit of the district's financial statements. Under performance audit standards, the Department worked with the auditor to develop criteria to achieve Department established requirements as outlined in the RFQ. KPMG and WISS worked jointly to establish predefined "framing questions" for use in assessing the historical expenditure classifications as "reasonable" or "discretionary" and at times "inconclusive," if neither classification could be determined (see Appendix in this report for key indicators and definitions).

The "discretionary" or "inconclusive" classifications used by the performance audits for expenditures do not necessarily mean inappropriate or disallowed as defined by the Federal OMB Circular A-133. The types of expenditures and related categorizations have been useful in developing the policies and procedures as stated above. It was also noted as a result of the performance audits that there are various types of discretionary spending in all school districts that are based on local spending decisions. To address this issue and the disparity of spending between districts, the Department plans to continue this effort through establishment of an external workgroup to discuss specific expenditures and explore areas where greater and more consistent statewide guidance would be beneficial.

The performance audit also identified suggestions and recommendations for establishing or strengthening the district internal control environment. Internal controls are essential to preventing and detecting potential misstatements and possible fraud. The Department has integrated some key financial internal controls into the Quality Single Accountability Continuum (QSAC) and will continue to enhance the annual audit program, as necessary, to address risk and incorporate recommendations for improvements related to internal controls. We have also added additional internal control requirements in the aforementioned administrative code proposal.

It should be noted that the ultimate responsibility in establishing effective internal controls lies with district management. Pursuant to N.J.A.C. 6A:23-2.2(g), a board of education is required to establish an adequate internal control structure and procedures for

financial reporting. There are many professional organizations that provide accounting literature on establishing effective internal controls. Some examples that can be accessed electronically at no cost include, “Internal Control - Integrated Framework” by COSO at [www.coso.org/publications/executive\\_summary\\_integrated\\_framework.htm](http://www.coso.org/publications/executive_summary_integrated_framework.htm) and “Standards for Internal Control in the Federal Government” by GAO at [www.gao.gov/](http://www.gao.gov/) (type in GAO/AIMD-00-21.3.1 at the search space). Other such publications available for purchase include “Governmental Accounting, Auditing, and Financial Reporting” and “Evaluating Internal Controls” at [www.gfoa.org](http://www.gfoa.org), “Internal Auditing for School Districts” at [www.asbointl.org/](http://www.asbointl.org/), and “Internal Control Essentials for Financial Managers, Accountants and Auditors” at [www.aicpa.org](http://www.aicpa.org).

The Department recognizes the amount of time required by district staff in providing the necessary information requested to complete the performance audit in a timely manner and the Department thanks the district staff for their time and cooperation. Many districts have already developed and implemented corrective action plans pursuant to the observations noted in the reports. In order to evaluate the status of those plans as well as to help ensure that appropriate actions have been taken to address findings, districts will be asked to submit a corrective action plan and status of implementation to the Department within 45 days from issuance of the audit report.



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# Executive Summary





# Executive Summary

The scope of this performance audit involved two parts: a review of historical expenditures for the period between July 1, 2004 and June 30, 2006 and an assessment of the Salem City School District's (the District) current internal controls over key functions as of the time of fieldwork. This report presents the results of these two components. Specifically, the Executive Summary provides our approach as well as briefly discusses the overall results.

It should be noted that the Salem City School District is a relatively small school district in terms of size. Currently, the total number of students enrolled in its three (3) schools is only about 1,500. Accordingly, the staffing complement of the District is not comparable to that of a larger school district. This is particularly true with respect to the Business Office team which comprises only five (5) people: a business administrator, an accountant, a purchasing assistant, a payroll assistant, and an office secretary.

Facilities are also limited at the District management level. District management personnel have offices in a cluster of container offices.

Education Management by Computer Center (EMC), the AS400-based core business system of the District, is already 20 years old. This application is used to manage the accounting and human resources functions for the District and is used by approximately eight (8) staff members. Due to its age, it does not have the flexibility and features that more recent business systems can offer.

## Historical Expenditure Analysis

In accordance with the original Request for Qualifications (RFQ), KPMG began with the historical expenditure analysis, which considered the 2004/2005 and 2005–2006 years and involved the following:

- **Purchase Order Review** – Review of individual purchase orders and supporting documentation to assess whether expenditures were reasonable. This included two separate populations:
  - Subgroup of accounts identified in the RFQ (*see breakout of subgroups on the following page*)
  - Statistical sampling of remaining accounts (*considered all expenditure accounts not included in the subgroup analysis above; typically, instructional materials, salaries and benefits, and other routine expenditures*)

- **13 Point Analysis** – Analysis of electronic data provided by the District encompassing payroll transactions and vendor disbursements to identify outliers.
- **Certified Staff Review** – Review of certified teachers and nonteaching certified staff to assess whether staff is working as per their assigned duties and in accordance with a report completed by District officials.

Once supporting documentation was provided for the components of the historical expenditure analysis, we were able to make preliminary assessments as to the reasonableness of transactions or circumstances. The District was then granted an opportunity to provide additional support and comments, both verbal and written, as applicable.

#### Purchase Order Review

In accordance with the RFQ, we conducted a review of a sample of purchase orders (POs) charged to the following accounts:

1. Noninstructional Purchased Professional Educational, Technical, and Other Services
2. Noninstructional Miscellaneous Purchases
3. Noninstructional Supplies and Materials
4. Regular Instructional Purchased Professional Educational Services
5. School Sponsored Athletic Supplies and Materials
6. Capital Outlay

In addition, we reviewed purchase orders from remaining accounts below by selecting a statistical sample. The population considered is summarized in the table below:

Account Subgroup	Number of Transactions/POs	Total Expenditure Amount	Number of Transactions Selected for Testwork	Dollar Value of Sample Selected
Subgroup Analysis <i>(Total for Subgroups 1–6 Presented Below)</i>	1,908	\$17,489,373	506	\$1,595,224
1. Noninstructional Purchased Professional Educational, Technical, and Other Services	1,027	\$5,690,649	266	\$1,003,516
2. Noninstructional Miscellaneous Purchases	155	\$10,740,061	45	\$117,148
3. Noninstructional Supplies and Materials	630	\$374,465	163	\$147,220
4. Regular Instructional Purchased Professional Educational Services	35	\$89,890	10	\$8,139
5. School Sponsored Athletic Supplies and Materials	29	\$34,778	8	\$11,820
6. Capital Outlay	32	\$559,530	14	\$307,381
Statistical Sample of Remaining Accounts	1,920	\$14,954,732	300	\$2,904,238
<b>Total PO Review</b>	<b>3,828</b>	<b>\$32,444,105</b>	<b>806</b>	<b>\$4,499,462</b>

Note: The number of transactions and expenditure amounts provided in the chart above have been tabulated from electronic data provided by the District.

We worked with the Department to develop the following framing questions for determining whether a purchase appears reasonable or should be considered discretionary. These questions were specifically addressed during the District Orientation held on March 6, 2007 and otherwise shared with the District:

- *Educational Value* – What will students learn or improve as a result of the purchase?
- *Strategic Initiatives* – Can it be linked to program or achievement goals?
- *Beneficiary* – Do students in the District benefit directly from the goods or services?
- *Amount* – Did the purchase seem excessive in terms of the dollar amount?
- *Usefulness* – Will the goods or services be useful long term and are they being utilized on a regular basis?
- *Budget Approval* – Was it approved during the budget process?
- *Source of Funds* – Was the expenditure paid for by outside resources (e.g., PTA fundraiser)?
- *Timing of Purchase* – Are they purchasing goods at the end of the school year?
- *Perception* – Would school officials be comfortable explaining the purchase to the community?
- *Reactionary* – Was the purchase made in reaction to an event or circumstance?

The answers to the framing questions were used to classify an expenditure as “appears reasonable,” or “discretionary.” For instances where the analysis was “inconclusive,” it was noted as such. In addition to the framing questions, one or more of the following elements was typically evidenced by supporting documentation.

#### Appears Reasonable

- Proper approvals were documented.
- Purchase order package was complete.
- Documentation supported the educational nature.
- Purchase price for the goods or services was not deemed excessive.

Examples of purchases identified as appearing reasonable included construction of new and renovation of existing tennis courts, which were properly subjected to competitive bidding procedures, registration fees, and mileage for workshops attended by District Staff in which supporting documentation such as approval for attendance and location of the event was provided, and ads in newspapers advertising open positions at the school.

#### Discretionary

- Purchase was not educational or necessary to District operations.
- Purchase amount was excessive or considered a luxury.
- Supporting documentation was insufficient to support the purchase and/or the description of the purchase itself did not appear reasonable.

Examples of discretionary purchases identified included meals for Board members, meals for teachers, flowers for New Jersey Honor Society Induction and 8<sup>th</sup> Grade Graduation, sympathy fruit basket, gift checks for retirees, and reimbursement for a PDA.

**Inconclusive**

- Purchase appears at face value to be for goods or services that would have been identified as reasonable; however, the available supporting documentation does not contain enough details to provide sufficient educational or operational justification for the purchase, or certain key supporting documentation is lacking.
- Purchases whose nature cannot be determined due to lack of supporting documentation.

Examples of purchases deemed to be inconclusive based on our analysis included various school supplies, various workbooks and CDs, mechanical maintenance for the high school, computer notebooks, and rentals of portable air conditioners. For purchases identified in this category, further analysis and discussion between the Department and the District is required.

Based upon our audit, each purchase order/transaction in our sample was classified as “appears reasonable,” “discretionary,” or “inconclusive.” The table below summarizes our results.

Account Subgroup	Appears Reasonable		Discretionary		Inconclusive	
	Number of POs/ Transactions	Dollar Value	Number of POs/ Transactions	Dollar Value	Number of POs/ Transactions	Dollar Value
Subgroup Analysis (Total for Subgroups 1–6 Presented Below)	443	\$1,478,590	26	\$27,656	37	\$88,978
1. Noninstructional Purchased Professional Educational, Technical, and Other Services	245	\$947,389	1	\$40	20	\$56,087
2. Noninstructional Miscellaneous Purchases	32	\$93,894	9	\$20,439	4	\$2,815
3. Noninstructional Supplies and Materials	134	\$109,967	16	\$7,177	13	\$30,076
4. Regular Instructional Purchased Professional Educational Services	10	\$8,139	–	–	–	–
5. School Sponsored Athletic Supplies and Materials	8	\$11,820	–	–	–	–
6. Capital Outlay	14	\$307,381	–	–	–	–
Statistical Sample of Remaining Accounts	246	\$2,795,090	10	\$2,766	44	\$106,382
<b>Total PO Review</b>	<b>689</b>	<b>\$4,273,680</b>	<b>36</b>	<b>\$30,422</b>	<b>81</b>	<b>\$195,360</b>

### 13 Point Analysis

In accordance with the RFQ, we analyzed salary and nonsalary disbursements for the 2004–2005 and 2005–2006 school years to identify anomalies or potential irregularities.

The results of these queries were summarized and stratified to aid in the selection of a representative, subjective sample to be reviewed. A high-level breakdown of the 13 points considered and the results are summarized in the table that follows:

Type	Query	Number of Occurrences	Number of Items Selected for Follow-up	Results of Testwork
Payroll	1. Possible Questionable Employees – <i>Incomplete Employee Profile</i>	5	5	<p>One (1) employee without a birth date in the system was overlooked by the payroll assistant.</p> <p>Four (4) employees without any gross pay are substitute teachers whose services were recently no longer availed of by the District.</p> <p>Based upon the results of our analysis, we recommend that:</p> <p>The functionality of the payroll system should be enhanced to allow for the generation of an exception report during payroll processing. The exception report should list all personnel who are missing key data elements. Management should conduct periodic reviews of the exception report and conduct follow-up procedures on each exception.</p> <p>Once a substitute teacher is no longer included in the List of Substitute Teachers approved by the Board, he or she should immediately be noted as terminated in the payroll system. Additionally, all substitute teacher personnel information, including a history of employment, should be saved in the payroll system.</p> <p>Explanations provided and documentation reviewed appears reasonable; as such, further analysis is not considered necessary outside of the aforementioned recommendations.</p>
	2. Possible Questionable Payroll Payments – <i>No Benefits Deducted from Paycheck</i>	Based upon the data analysis completed by KPMG’s engagement team, noted that all employees tested had a form benefits deductions.	Based upon the results of our analysis, follow-up procedures are not considered necessary.	Not applicable
	3. Possible Questionable Payments – <i>Payments Made to Potential Ghost Employees</i>	Based upon the data analysis completed by KPMG’s engagement team, noted that employee matches to the Social Security Administration death master file do not exist.	Based upon the results of our analysis, follow-up procedures are not considered necessary.	Not applicable

Type	Query	Number of Occurrences	Number of Items Selected for Follow-up	Results of Testwork
	4. Possible Questionable Payments – <i>Payments Made to Employees after Termination Date</i>	3	3	Based upon the follow-up procedures performed, we noted all three employees' personnel files include the appropriate termination documentation. The payments to the employees were for retroactive salary adjustments.  Explanations provided and documentation reviewed appear reasonable; as such, further analysis is not considered necessary.
	5. Possible Questionable Payments – <i>Payments Made to Employees Greater than 30 Days after Termination Date</i>	18	18	Based upon our interviews and follow-up procedures, we noted that employees received payments more than 30 days after the termination date for retroactive salary adjustments, compensation for services provided as substitute teachers, and for an employee who died.  As part of analysis, we noted it took approximately 119 days to process a payment. We recommend that the District assess the reason why and establish a process to reduce the amount of time needed to finalize a final payroll check.  Explanations provided and documentation reviewed appear reasonable; as such, further analysis is not considered necessary outside of the aforementioned recommendation.
	6. Payroll Payments Analyses – <i>Anomalies in Number of Paychecks Received</i>	138	20	We noted through the follow-up procedures performed that the additional number of checks for the sample selected were for employees who received overtime compensation and payroll checks for services provided to employees outside their primary job function.  Explanations provided and documentation reviewed appear reasonable; as such, further analysis is not considered necessary.
	7. Possible Questionable Employees/Payments – <i>Large Gross Pay Increase</i>	32	20	We noted through the follow-up procedures performed that the large salary increases noted were for employees who were partially employed in school year 2004–2005, and fully employed in school year 2005–2006; employees who received additional compensation for services provided (e.g., stipends) in school year 2005–2006; and employees who had a change in employment (e.g., promotion) in school year 2006.  Explanations provided and documentation reviewed appear reasonable; as such, further analysis is not considered necessary.
	8. Possible Questionable Employees/Payments – <i>Large Salary Increase</i>	4	4	Explanations provided and documentation reviewed appear reasonable; as such, further analysis is not considered necessary.

Type	Query	Number of Occurrences	Number of Items Selected for Follow-up	Results of Testwork
	<p>9. Possible Questionable Employees/Payments – <i>Large Portion of Gross Pay in Stipends</i></p>	<p>173</p>	<p>50</p>	<p>Based upon the interviews and procedures performed, we noted that it is the District’s practice to lump all the “additional pay” (e.g., overtime, stipends, etc.) into one category resulting in large variances when performing such an analysis.</p> <p>However, in one of the 50 samples selected, we noted that certain key entries to the Individual Absence Report and Salary Adjustment Claim Form (the primary document used to support an employee’s additional pay) were just made in pencil.</p> <p>We recommend that the current District practice of using ink to make any necessary changes to the Individual Absence Report and Salary Adjustment Claim Form be consistently followed.</p> <p>Explanations provided and documentation reviewed appear reasonable; as such, further analysis is not considered necessary outside of the aforementioned recommendation.</p>
	<p>10. Possible Questionable Employees/Payments – <i>Large Portion of Gross Pay in Overtime</i></p>	<p>NOTE: The analysis cannot be completed due to system limitations. As previously explained in Point No. 9, the overtime pay amounts in the payroll electronic files are grouped together with other additional pay and, therefore, cannot be separately benchmarked against base salary.</p>	<p>Not applicable</p>	<p>We recommend the District consider making the required system and process changes to enable the tracking of all payroll data separately. For example, the Additional Pay classification in the payroll records should be broken down further into its key components (e.g., stipend, overtime, health benefits waiver, etc.).</p>

Type	Query	Number of Occurrences	Number of Items Selected for Follow-up	Results of Testwork
Vendor Disbursements	11. Possible Questionable Payments – <i>Invoices Paid in Excess of Purchase Order</i>	380	50	<p>The excess in the amount of invoices paid over the original PO amount were caused by the following factors:</p> <ol style="list-style-type: none"> <li>1. The unusual practice of the District of setting up the PO amount in increments throughout the school year.</li> <li>2. The practice of the District of editing key details of approved POs (without being made to repeat the PO approval process) to reflect changes in PO terms (e.g., shipping and handling, quantity, etc.).  For example, 17 out of 44 POs reviewed (the other six represent nonpurchase disbursement transactions which were assigned PO numbers for system processing purposes only), contains manually edited details.</li> <li>3. POs are manually generated (as a result, some POs are not dated; some POs are dated incorrectly; several POs may have the same number).  For example, 18 out of 44 POs examined are supported by two or more PO documents bearing the same PO number.</li> <li>4. Tolerance of the District of the practice of issuing “open” POs (i.e., POs issued lacking one or more key data element such as date, quantity, unit price, or total amount).</li> </ol> <p>In view of the foregoing, we recommend that:</p> <ol style="list-style-type: none"> <li>1. The practice of setting up of the PO amounts in increments be discontinued (except for the previously discussed payroll-related POs).</li> <li>2. For each change to an approved PO amount, a second approval by an authorized District representative should be obtained.</li> <li>3. The District should consider the acquisition of the appropriate technology or assess if the current technology can be enhanced to support electronic generation and approval of POs.</li> <li>4. The practice of issuing “open” POs should be discontinued.</li> </ol> <p>We recommend the District assess if it is necessary to expand the current analysis to determine if there are any purchase orders that were not appropriately approved.</p>

Type	Query	Number of Occurrences	Number of Items Selected for Follow-up	Results of Testwork
	12. Possible Questionable Payments – <i>Invoice Date Prior to Purchase Order Date</i>	NOTE: The analysis cannot be completed due to system limitations. Vendor invoice dates are not included in the District's purchasing electronic files.	Not applicable	To facilitate management review of the timing of vendor payments (including the aging of payables, etc.), we recommend that the purchasing system be enhanced or modified such that it will be able to store and report vendor invoice dates.
	13. Possible Questionable Vendors – <i>Post Office Mail Drop Box Addresses</i>	10	10	<p>Only one (1) of the 10 Vendors is still active. This vendor (NJSACC), however, appears to be a credible nonprofit organization based in New Jersey.</p> <p>The remaining nine (9) vendors did not have any account activity from SY 2004–05 to the present which, from a practical point of view, should already have been deactivated from the vendor master file.</p> <p>We recommend that vendors without any account activity within a reasonable time frame (say, two years) should be deactivated from the vendor master file.</p> <p>Explanations provided and documentation reviewed appears reasonable; as such, further analysis is not considered necessary outside of the aforementioned recommendation.</p>

### Assessment of Internal Controls

To begin to understand the District's operations, KPMG provided the District with an electronic Internal Control Questionnaire (ICQ) for completion and began interviews with business process owners to gain an understanding of the following areas:

- Inventory
- Facilities Management
- Purchasing/Accounts Payable
- Human Resources/Payroll
- General Operations/Accounting
- Food Services
- Transportation
- Technology
- Student Activities

Once an understanding of the processes and controls in place was established, we were able to identify gaps or control weaknesses and develop recommendations for potential improvement. In addition, key controls were tested on a limited basis to understand whether controls were operating as described.

The following table provides a listing of all internal control observations contained in the body of this report. Our assessment indicates the potential risk if the control weaknesses noted are not adequately addressed. We considered the likelihood of the weaknesses to result in errors in recording of financial transactions, whether there were other mitigating controls, and whether those controls were also identified as having a weakness. The assessed potential effect of high, medium, or low was based upon:

- Our understanding of the related business process and key internal controls identified in performing the audit
- Discussions with District management
- The potential impact of the weakness on financial records
- Existence or lack of mitigating controls
- Pervasiveness of control weaknesses across business functions
- Results of the Historical Expenditure Analyses and Purchase Order Reviews.

We would suggest that the District consider first those recommendations that can be implemented in the short term (e.g., within six months) that would have the highest impact. District management should also consider, concurrently, those recommendations that require long-term planning, and begin the process of developing a strategy for implementation. Overall, the District should prepare a corrective action plan that addresses each observation and recommendation.

Section	Area	Timing		Potential Risk		
		Long Term	Short Term	High	Med	Low
<b>Inventory</b> 6 observations 1 long term 5 short term 1 high risk 5 medium risk	Deficiency in the Tracking and Monitoring of Laptops		√		√	
	Deficiency in the Capitalization Threshold for Computer Equipment	√			√	
	Formal Physical Records for Movable/Semimovable Fixed Assets		√		√	
	Nonperformance of Book-to-Physical Reconciliation Procedures on Textbooks		√		√	
	Deficiency in the Receiving of Books Purchased		√		√	
	Policy on the Storage of Sensitive Information on Movable Media		√	√		
<b>Facilities Management</b> 3 observations 3 short term 3 medium risk	Formalized Preventive Maintenance Schedule		√		√	
	Deficiency in Overtime Documentation		√		√	
	Deficiency in the Receiving of Purchases of Maintenance and Repairs Services		√		√	
<b>Purchasing/Accounts Payable</b> 9 observations 2 long term 7 short term 2 high risk 6 medium risk 1 low risk	Deficiency in the Documentation of the Operational Justification of Purchases		√		√	
	Deficiency in the Sequence of Purchase Order Review		√		√	
	Use of Rubber-Stamped Signature for Signing Purchase Orders		√		√	
	Incremental Setup of Purchase Order Amounts		√		√	
	Postapproval Manual Changes to Purchase Order Details		√	√		
	Manual Purchase Order Preparation	√			√	
	Issuance of "Open" Purchase Orders		√	√		
	Inability of the Purchasing System to Store and Report Vendor Invoice Dates	√				√
Nonpurging of Inactive Vendors		√		√		

Section	Area	Timing		Potential Risk		
		Long Term	Short Term	High	Med	Low
<b>Payroll/Human Resources</b> 11 observations 5 long term 6 short term 10 medium risk 1 low risk	Manually Maintained Individual Employee Personnel Files	√			√	
	Deficiency in Payroll System Integration	√			√	
	Nonretention of Payroll Electronic Files	√			√	
	Nonsigning of the of the Payroll Reports by the Payroll Assistant		√		√	
	Nonsigning of the of the Payroll Reports by the Business Administrator		√		√	
	Nondetection of Missing Employee Data		√		√	
	Nondeletion of Inactive substitute teacher s from the Payroll System		√		√	
	Long Time Lag in Processing the Final Pay of a Deceased Employee		√		√	
	Automatic Purging of substitute teacher s from the Payroll System	√			√	
	Use of Pencil in Preparing the Additional Pay Supporting Document		√		√	
Deficiency in the Payroll Records Breakdown of Additional Pay	√				√	
<b>General Operations/ Accounting</b> 3 observations 3 short term 2 high risk 1 medium risk	Nonsigning of Manual Journal Entries		√	√		
	Nonsigning of the Board Secretary's Report		√		√	
	Use of Rubber-Stamped Signatures for Signing Checks		√	√		

Section	Area	Timing		Potential Risk		
		Long Term	Short term	High	Med	Low
<b>Food Services</b> 4 observations 4 short term 1 high risk 3 medium risk	Nonsigning of the Daily Sales and Meals Counts-Briefs by the Food Service Provider Representative		√		√	
	Nonsigning of the Daily Sales and Meals Counts-Briefs by the Accountant		√		√	
	Nondeposit of Food Sales Receipts on the Next Banking Day		√	√		
	Improper Purchase Order Signing by the Preparer		√		√	
<b>Transportation</b> 1 observation 1 short term 1 medium risk	Deficiency in the Retention of Bid Documents		√		√	
<b>Technology</b> 13 observations 1 long term 12 short term 10 high risk 3 medium risk	Advanced Age of the District's Core Business System		√	√		
	Formally Documented Information Technology Security Policy		√	√		
	Deficiencies in the Implementation of the Acceptable Usage Policy		√	√		
	Deficiencies in Password Requirements for Network and Applications		√	√		
	Inadequate Safety of Data Center		√		√	
	Deficiencies in the Procedures for Creating, Modifying, or Deleting User Accounts		√	√		
	No Evidence of Periodic Access Review		√	√		
	Formally Documented Change Management Process	√			√	
	Formally Documented Backup Procedures		√	√		

Section	Area	Timing		Potential Risk		
		Long Term	Short Term	High	Med	Low
<b>Technology</b> (continued)	Nonperformance of Backup Media/Data Restores on a Periodic Basis		√	√		
	Backup Location Shortcomings		√		√	
	Nontracking and Nondocumentation of IT Incidents		√	√		
	Nondocumentation of Batch Job Procedures		√	√		
<b>Student Activities</b> 3 observations 3 short term 2 high risk 1 medium risk	Noninitialed Receipt		√	√		
	Improper Purchase Order Signing by the Preparer		√		√	
	Nondeposit of Tuition Fee Receipts on the Next Banking Day		√	√		





# Project Overview

KPMG was engaged by the State of New Jersey Department of Education (the Department) to conduct a performance audit of Salem City School District (the District) in order to comply with a Supreme Court Mandate issued on May 10, 2006. The scope of the audit included an assessment of internal controls over business processes and an analysis of historical expenditures for the period between July 1, 2004 and June 30, 2006.

This engagement was conducted in an objective and independent manner. The approach and methodology utilized during the course of the audit are explained below.

## **Project Planning**

Our project planning objectives included meeting with representatives of the Department to kick off the project and introduce the core team; validating our understanding and the overall scope of the audit; confirming functional areas to be included in the audit; and developing a tailored audit program and internal control questionnaire. To achieve these objectives, we executed the following:

**Department Kickoff Meeting** – During the kickoff meeting, we:

- Introduced members of the KPMG team and the Department, and discussed other key stakeholders
- Discussed individual roles and responsibilities for each of the project team members
- Discussed the scope and purpose of the audit in detail and any specifics related to the District
- Confirmed the anticipated time line stipulated in the Request for Qualifications (RFQ) issued by the Department.

**Audit Program** – The project team commenced initial planning efforts by developing an audit program that reflected the areas to be evaluated. This audit program outlined specific procedures to be followed in order to meet the engagement objectives. This document was reviewed and accepted by the Department.

**Internal Control Questionnaire** – The project team developed a project-specific internal control questionnaire (ICQ) covering each of the business processes included in our audit. Although a hard copy of the ICQ was provided, it was requested that the District complete an electronic version to provide insight with

regard to the policies and procedures and related internal controls of the District. The ICQ was reviewed and accepted by the Department.

**District Orientation Meeting** – On March 6, 2007, KPMG and the Department held a District Orientation Meeting for the business administrators, superintendents and IT Directors of the Abbott School Districts. During the orientation meeting, we:

- Introduced members of the KPMG team, the Department, and other key stakeholders
- Discussed the role of District management throughout the audit
- Discussed the scope and purpose of the audit in detail
- Reiterated the initial documentation request provided to District management by the Department
- Confirmed the anticipated
- Answered questions posed by District officials regarding the overall scope of the audit and the expectations of District personnel.

#### **Information Gathering and Analysis**

The objectives of this phase included meeting with District representatives to initiate the project and conducting fieldwork. To achieve the objectives of this phase, we executed the following:

**District Entrance Conference** – We conducted an entrance conference with the superintendent and business administrator. This meeting set the tone for the audit and established a project schedule within the framework of managements' normal work routines. During this meeting, we introduced members of the KPMG project team; reviewed the previously submitted request of documents for review and analysis; addressed District questions or concerns related to the audit; and confirmed timing of audit fieldwork and availability of pertinent District staff.

**District Fieldwork** – Our fieldwork was focused in two areas: internal controls and historical expenditures. In conducting fieldwork, KPMG used an array of techniques to gather and analyze data, including:

- Documentation Review
- Internal Control Questionnaire
- Structured Interviews
- Identification and Testing of Key Controls
- 13 Point Analysis
- Review of Purchase Orders
- Certified Staff Review
- Communication with the Department and District management.

This array of techniques is described in the pages that follow.

**Documentation Review** – We requested and reviewed various documents to acquaint ourselves with the business processes included in the scope of the audit. The following is a list of the key documents reviewed:

- Policies and Procedures Manuals
- Organizational Charts
- Fixed Asset Listings
- Employee Manual and Handbook
- School Board Minutes
- Audited Financial Statements
- Consolidated Budget
- Collective Bargaining Agreements
- Professional Services Contracts

**Internal Control Questionnaire (ICQ)** – An internal control questionnaire was developed and presented to the Department for review and acceptance. This ICQ was distributed to the District electronically on March 23, 2007. It was requested the District complete the electronic version in a timely manner. The ICQ contained questions related to policies, procedures, internal controls, and general operations of the District related to the functional areas included in our scope. The ICQ supplemented our structured interviews explained below.

**Structured Interviews** – Approximately 20 interviews were conducted with District employees responsible for supervising the business processes included in the scope of our audit. The interviews followed a structured agenda, but also allowed for open-ended discussion. KPMG conducted interviews with the following key process owners:

District Personnel Interviewed	
Superintendent	Technology Director
Business Administrator	Athletic Director
Treasurer	Accountant
Curriculum Director	Purchasing Assistant
Principal – High School	Payroll Assistant
Principal – Middle School	Superintendent Secretary
Principal – Elementary School	Operations Director Secretary
Operations Director	Student Attendance Assistant

**Identification and Testing of Key Controls** – We selected key controls described by the process owners and performed applicable tests to verify that the processes and controls existed as described. Potential weaknesses identified during the testing were documented as observations.

**13 Point Analysis** – Electronic data encompassing 100 percent of payroll transactions and vendor disbursements for the period July 1, 2004 through June 30, 2006 was requested from the District. Through a series of queries, we identified outliers for focused follow-up and testing and attempted to further determine and document the reason for the outlier.

**Review of Purchase Orders** – We subjectively selected, based on a combination of factors (e.g., dollar amounts, time period, vendor name, etc.), a sample of purchase orders from a subgroup of account codes identified in the RFQ and statistically sampled additional purchase orders from remaining account codes. Supporting documentation for the purchases was requested and reviewed. We documented the nature of the purchase, and considered framing questions developed in conjunction with the Department to categorize the expenditure in one of these categories. These three categories, which are further described in the body of the report, were as follows:

- Appears Reasonable
- Discretionary
- Inconclusive

**Certified Staff Review** – We selected a sample of teaching and nonteaching certified staff throughout the District from Form C, as completed by the District. The sample selected represents a cross section of school locations and job functions. We visited school locations and met with selected staff sampled to confirm that the building administrator correctly identified the job functions of the certified staff employed by the District and to assess if certified staff were performing the job function for which he or she was coded.

**Communication with the Department and District Management** – We facilitated weekly status meetings with the Department to communicate overall engagement progress and raise any issues with regard to preliminary results of the historical expenditure analysis. Regular meetings were also held with District management to discuss similar items. This process allowed for continuous exchange of information and assisted with assessments.

### Validation and Reporting

The objectives of this phase included documenting the information gathered, drafting observations and recommendations, finalizing the audit report, and providing other support. To achieve the objectives of this phase, we executed the following tasks:

- **Validation** – We shared our summary of the processes and key controls with each process owner and management for validation to help ensure our understanding of the processes and key controls were valid.
- **Sharing Observations** – We shared observations of potential control weaknesses, as well as results of our analysis of expenditures deemed discretionary or inconclusive. The District was then provided an opportunity to provide additional supporting documentation. We also met with the Department to discuss preliminary observations and project status throughout the duration of the fieldwork.
- **Draft Report** – We prepared a preliminary report to communicate the results of the fieldwork performed and shared this with the District and the Department.
- **Final Report** – Based upon the agreed process, results, and outcome of discussions with the District and the Department, the project team finalized and issued this report to the Department.

### Organization of the Report

The remainder of this report is organized as follows:

- **Historical Expenditure Analysis** – discusses our approach to the analysis and presents the results as follows:
  - Purchase Order Review
  - 13 Point Analysis
  - Certified Staff Review
- **Assessment of Internal Controls** – provides detailed approach and observations related to each functional area included in the scope of the audit; each focus area includes the following subsections:
  - Overview and Background
  - Summary of Observations and Recommendations
- **Appendices** – presents District response to the report and detailed results of testwork.

It is important that the report be considered in its entirety. Just as the various areas reviewed share functionality and processes impact more than one area/office, the observations and recommendations provided in this report could impact more than the office/area from which they originated.



# Historical Expenditure Analysis





# Historical Expenditure Analysis

## Overview

The Historical Expenditure Analysis portion of this performance audit includes two distinct components: a Purchase Order Review and a 13 Point Analysis. This section of the report will detail our approach to executing tasks related to these components and present the results. Detailed testwork to support the results can be found in the Appendices. In addition, this section will include additional observations noted during the course of the historical expenditure analysis, as well as the results of our certified staff review.

## Overview of KPMG's Technology Approach for the Historical Expenditure Analysis

In order to facilitate the Purchase Order Review and 13 Point Analysis, KPMG provided the Department with a detailed data request document. The data request document outlined the specific Accounts Payable, Human Resources and Payroll data elements KPMG would need to facilitate the review.

The Department issued the data request document to the District on February 26, 2007. The Department requested the District to provide KPMG with the requested data by March 9, 2007.

## Description of Data Review Process

Upon receipt of the data from the District, KPMG loaded the data into a quality assurance environment. The District's data was imported into a unique Microsoft Sequel table and the data was checked for completeness. The initial completeness check reviewed whether or not it contained data for both school years and each of the data elements listed in the data request document.

KPMG also performed initial tests to compare the data received from the District for accuracy. A total of 28 quality assurance checks were performed against the District's files. An example of initial tests included:

- 1 Summing all checks by purchase order number and comparing the amount from the check register to the accounts payable file.
- 2 Checking each purchase order from accounts payable to determine if the District presented the totals of all payments for the purchase order or payments by line item.

- 3 Verifying that all vendors that received payments in the check register are vendors listed in the vendor master file.
- 4 Verifying that all vendors had a unique vendor ID.
- 5 Verifying that the sum of payroll checks amounts match the payroll summary files.
- 6 Verifying that all employee IDs receiving checks exist in the HR master file.
- 7 Verifying that all duplicate records are cancelled out by a voided check reference for an equal and corresponding amount.

In addition to the data files themselves, KPMG asked the District to provide the code or programming language they used to extract the data, which was reviewed for exclusionary statements.

At the conclusion of the initial review, KPMG issued a memo to the District outlining any discrepancies in the data and requested where necessary additional or new data sets.

#### Description of Normalization and Quality Assurance

A Microsoft Sequel database of common fields was created at the inception of the project. As KPMG received data from the District, we mapped each field from the original District files to our common database. A mapping document was created for the District that links each field from the original data set to the common table.

Based on the mapping document, scripts were created to perform the appropriate data import of the District's data into our common model. After the data is imported, we perform summary level checks as an initial test to verify that the records were inserted properly. These tests compared the original data to the newly inserted common data and included the following comparisons:

#### AP Data

- Summing total check amounts
- Summing payment amounts from purchase order file (if available)
- Distinct PO counts within fiscal years
- Distinct vendor counts

#### HR Data

- Distinct employee counts
- Summed payroll amounts
- Paycheck counts
- Employee counts between master and payroll data

Finally, we tested the District data for any further anomalies that would potentially impact the 13 Point Analysis. For example, we reviewed how the District represents the original amount of a PO in a subsequent fiscal year and flagged purchase orders that are handled differently than the norm.

Once we have verified that the data has been entered into our common database properly, we executed an initial run of the reports for each of the tests in the 13 Point Analysis. A random sampling of data from each report and specific transactions that represented a large variance were compared to the District's original data for accuracy.

#### **Specific Assumptions and Findings Relative to the Salem City School District Accounts Payable/Purchase Order Files**

- The District has stated that it does not maintain a PO detail file and considers the check journal to be the detail file. This prevented us from performing reconciliations between the PO file, which was at the summary level and the check journal.
- The District indicated that the invoice date was not captured in their system. The lack of invoice dates prevented us from performing the analysis related to invoice dates which are earlier than PO dates.
- KPMG assumed that when a PO rolls over from one year to the next, the new fiscal year's PO starting amount should follow the following basic rule:
  - PO original amount in fiscal year 2005–06 is the remaining balance (Final/Adjusted PO amount less payments in fiscal year 2004–05 = Original PO Amount in fiscal year 2005–06).
- KPMG identified POs that did not comply with expected rules related to rolling over outstanding amounts to a new fiscal year. These transactions were identified and produced as a separate report

#### **HR and Payroll**

- The District did not provide Human Resources data from July 1 to December 31, 2004; the District was unable to locate the backup tape(s) associated with the data for that period. KPMG attempted to perform calculations on the existing data to complete the requested analysis. Specifically, KPMG calculated what the gross pay should have been based upon the available data from January 1, 2005 through June 30, 2005. These amounts will obviously not be completely accurate but do offer a basis for comparison.

### Purchase Order Review

The objective of this component was to understand how District money was spent and assess expenditures as reasonable or discretionary based on a series of framing questions developed in conjunction with and accepted by the Department. The PO review was separated into two populations:

- **Subgroup of Accounts (referred to as the Subgroup Analysis)** – this analysis focused on a series of six account codes identified in the RFQ, including:
  1. Noninstructional Purchased Professional Educational, Technical, and Other Services – includes program code 000 with object codes between 300 and 599 excluding functions 100, 211, 213, 216, 217, 223, 270.
  2. Noninstructional Miscellaneous Purchases – includes program code 000 with object codes between 800 and 999.
  3. Noninstructional Supplies and Materials – includes program code 000 with function codes 218, 219, 221, 222, 223, 230, 240, 251, 252, 290 and object codes between 600 and 699.
  4. Regular Instructional Purchased Professional Educational Services – includes program code 1XX with an object code 320.
  5. School-Sponsored Athletic Supplies and Materials – includes program code 402 with object 600.
  6. Capital Outlay – includes fund 12.
  
- **Statistical Sample from Remaining Account Codes (referred to as the Statistical Analysis)** – this analysis considered a statistical sample of expenditures charged to account codes not included in the Subgroup Analysis above. All expenditure accounts were considered excluding the six included in the subgroup analysis noted above. Typically, this population included instructional materials, salaries and benefits, and other routine expenditures.

The following table summarizes the universe of transactions and expenditure amount for each component of the analysis of historical expenditures as well as the number of transactions tested and the expenditure amount tested.

Account Subgroup	Number of Transactions/POs	Total Expenditure Amount	Number of Transactions Selected for Testwork	Dollar Value of Sample Selected
Subgroup Analysis <i>(Total for Subgroups 1–6 Presented Below)</i>	1,908	\$17,489,373	506	\$1,595,224
1. Noninstructional Purchased Professional Educational, Technical, and Other Services	1,027	\$5,690,649	266	\$1,003,516
2. Noninstructional Miscellaneous Purchases	155	\$10,740,061	45	\$117,148
3. Noninstructional Supplies and Materials	630	\$374,465	163	\$147,220
4. Regular Instructional Purchased Professional Educational Services	35	\$89,890	10	\$8,139
5. School-Sponsored Athletic Supplies and Materials	29	\$34,778	8	\$11,820
6. Capital Outlay	32	\$559,530	14	\$307,381
Statistical Sample of Remaining Accounts	1,920	\$14,954,732	300	\$2,904,238
<b>Total PO Review</b>	<b>3,828</b>	<b>\$32,444,105</b>	<b>806</b>	<b>\$4,499,462</b>

The District was required to supply electronic data containing its vendor disbursements. For the subgroup analysis, field teams subjectively selected, based on a combination of factors (e.g., dollar amount, vendor name, time period, etc.), POs by number using the electronic or hard copy report provided by the District. For the statistical analysis, a monetary unit sampling methodology was applied in order to obtain a 95% probability of assurance. The parameters established for the methodology included an expected error rate of 33% and a tolerable error rate of 37.5%. The universe of transactions for these accounts and the statistical sample derived from that universe are presented in the table above. Beyond the selection process, the same tests were applied to both the Subgroup and Statistical Analysis. Once the POs were selected, the field teams requested supporting documentation, including purchase requisitions, purchase orders, invoices, and other relevant documentation for review.

Prior to our fieldwork, we worked with the Department to develop framing questions for determining whether a purchase would be deemed as appearing reasonable, discretionary, or inconclusive. These questions were developed to serve as a guideline and were accepted by the Department:

- *Educational Value* – What will students learn or improve as a result of the purchase?
- *Strategic Initiatives* – Can it be linked to program or achievement goals?

- *Beneficiary* – Do students in the District benefit directly from the goods or services?
- *Amount* – Did the purchase seem excessive in terms of the dollar amount?
- *Usefulness* – Will the goods or services be useful long term and are they being utilized on a regular basis?
- *Budget Approval* – Was it approved during the budget process?
- *Source of Funds* – Was the expenditure paid for by outside resources (e.g., PTA fundraiser)?
- *Timing of Purchase* – Are they purchasing goods at the end of the school year?
- *Perception* – Would school officials be comfortable explaining the purchase to the community?
- *Reactionary* – Was the purchase made in reaction to an event or circumstance?

Based on our review of the supporting documentation provided by the District, we classified the sample of purchase orders/transactions as appears reasonable, discretionary, or inconclusive. The table below summarizes our results.

Account Type	Appears Reasonable		Discretionary		Inconclusive	
	Number of POs/ Transactions	Dollar Value	Number of POs/ Transactions	Dollar Value	Number of POs/ Transactions	Dollar Value
Subgroup Analysis (Total for Subgroups 1–6 Presented Below)	443	\$1,478,590	26	\$27,656	37	\$88,978
1. Noninstructional Purchased Professional Educational, Technical, and Other Services	245	\$947,389	1	\$40	20	\$56,087
2. Noninstructional Miscellaneous Purchases	32	\$93,894	9	\$20,439	4	\$2,815
3. Noninstructional Supplies and Materials	134	\$109,967	16	\$7,177	13	\$30,076
4. Regular Instructional Purchased Professional Educational Services	10	\$8,139	–	–	–	–
5. School-Sponsored Athletic Supplies and Materials	8	\$11,820	–	–	–	–
6. Capital Outlay	14	\$307,381	–	–	–	–
Statistical Sample of Remaining Accounts	246	\$2,795,090	10	\$2,766	44	\$106,382
<b>Total PO Review</b>	<b>689</b>	<b>\$4,273,680</b>	<b>36</b>	<b>\$30,422</b>	<b>81</b>	<b>\$195,360</b>

Based on our review, we noted certain themes within the data regarding the types of purchases that we deemed to be appearing reasonable, discretionary, and those where we could not conclude (inconclusive).

For discretionary and inconclusive purchases, we identified common themes for the purchases. As indicated above, some of these themes may appear reasonable based on the face value alone, but consistent with our audit procedures, insufficient supporting documentation or excessive purchasing habits may have caused the assessment for these purchases to be changed to either inconclusive or discretionary. Eight unique themes were identified for the purchases reviewed as follows. Please refer to Appendices B and C for the sample of transactions, as well as the results of our test work.

- *General supplies* – includes a variety of items ranging from ordinary office supplies like pens, pencils, and paper, to larger organizational supplies like filing cabinets, desks, and chairs. These purchases generally do not have enough supporting documentation to justify the need for the specified quantity or the

need for the item itself, as well as there may be no competing quotes on file. In summary, we identified two transactions with a dollar value of \$941 that were discretionary and 30 transactions with a dollar value of \$83,619 that were inconclusive. For example:

- \$17,716 in various school supplies (e.g., pens, highlighters, glue sticks, crayons, hanging folders, etc.)
  - \$15,459 in various school supplies (e.g., pocket poly folders, human torso model, paint pens, cubby set, etc.)
  - \$9,000 in USPS postage ordered by phone
  - \$7,982 in various school supplies (e.g., student desks, folder and tray, activity table, etc.)
  - \$7,954 in various school laboratory supplies (e.g., silver nitrate, "Scientific Graphs and How to Make Them" VHS; "Phases of Matter" video; "Mixtures & Solutions" video; "Thermo Chemistry" VHS, etc.)
  - \$5,360 for 200 D-ring binders
  - \$3,862 in various administrative supplies (e.g., legal pads, labels, cork boards, chairs, etc.)
  - \$3,079 in various athletic supplies for the high school (e.g., 18 footballs, 100 practice pants, 100 mouth pieces, 10 cases of tennis balls, etc.).
- *Student Activities/Expenditures on Students* – includes any expenses related to athletics, activity clubs, trips, the prom, student fundraisers, flowers, awards, and any other items paid for by the District that benefit students but either have inadequate supporting documentation or are related to expenditures that do not appear to have any direct educational value. In summary, we identified one transaction with a dollar value of \$562 that was discretionary and six transactions with a dollar value of \$6,711 that were inconclusive. For example:
    - \$1,593 in Athletic Department expenses for officials, security, facilities rental, clinics, dues, meals, etc.
    - \$1,500 in Summer Assignor's Fees for the Athletic Department
    - \$1,403 for a Honor Roll Dinner Cruise
    - \$562 in flowers for the NJHS Induction and 8<sup>th</sup> Grade Graduation
- *Technology* – includes desktops/laptops, networking equipment, software, PDA's, copy machines, and digital cameras. These purchases generally do not have enough supporting documentation to identify the beneficiaries of the items purchased or justify the need for the item itself. In summary, we identified no transactions that were discretionary and three transactions with a dollar value of \$24,931 that were inconclusive. These were:
    - \$14,049 for seven Acer Ameri notebook computers, inclusive of Protection Total Coverage
    - \$9,397 for four laptop computers issued to administrative officers

- \$1,485 for a three-year 7x24 maintenance agreement for a \$2,890 IBM4247 printer.
- *Facilities and Maintenance* – includes expenses related to construction both inside and outside of the buildings, upkeep, and operation of the buildings. Examples of Facilities and Maintenance items include installation of lockers, upkeep on heaters and air conditioners, landscaping, and utility bills (including phone). These expenditures either do not have enough supporting documentation to justify the need for the goods or services purchased, or just simply lack certain key supporting documentation. In summary, we identified no transactions that were discretionary and 12 transactions with a dollar value of \$46,120 that were inconclusive. For example:
  - \$15,058 for the mechanical maintenance of the high school
  - \$11,640 in portable air conditioner rentals for the high school
  - \$1,660 in repairs to the fire monitoring system
- *Textbooks and Other Instruction-Related Expenditures* – includes items such as textbooks, magazine subscriptions, library books, videos, and DVD's that either lack supporting documentation or appeared excessive in nature. In summary, we identified no transactions that were discretionary and nine transactions with a dollar value of \$13,819 that were inconclusive. For example:
  - \$9,753 in various workbooks and CDs (e.g., spelling, grammar, reading, etc.)
  - \$1,903 for various testing materials (e.g., test booklets, answer key, etc.)
  - \$908 in various instructional materials (e.g., Boys and Girls Book about Divorce, Story-Telling Card Game, The Self-Control Patrol Workbook, etc.)
- *Meals and Entertainment* – includes any meals not related to activities that would fall under Expenditures for Students or Workshops and Training, trips for leisure activities such as bowling or skiing, and tickets to sporting events. In summary, we identified 24 transactions with a dollar value of \$26,001 that were discretionary and six transactions with a dollar value of \$1,740 that were inconclusive. For example:
  - \$7,942 for breakfast, lunch, and snacks served during a District-wide workshop
  - \$7,386 for breakfast, lunch, dinner, or snacks served during Teacher Orientation, Teacher In-Service and Board meetings
  - \$2,394 for breakfast and lunch served during District-wide workshops
  - \$2,186 for lunch and snacks served during Teacher Appreciation Week and Parent Academy Workshop
  - \$1,486 for lunch and snacks served during Teacher Appreciation Week
- *Workshops and Training* – includes items such as registration fees for workshops and training, and any mileage or meal reimbursements incurred as a result of the event that either lack supporting documentation or appeared

excessive in nature. In summary, we identified no transactions that were discretionary and nine transactions with a dollar value of \$9,131 that were inconclusive. For example:

- \$2,860 for the hotel accommodations of Board members and key officers during their attendance in an NJSBA/NJASA/NJAS Convention
  - \$2,200 for the attendance of Board Members and key officers in an MNSBA/NJASA/NJASB Workshop/Convention
  - \$1,520 for a June 16, 2005 ASCD Conference
  - \$1,035 for the July 2005 Science Kit Training for teachers
- *Expenditures on Staff* – includes tuition reimbursement, mileage not related to Workshops and Training, clothing purchased for staff, drinking water services, memberships to organizations, and subscriptions to magazines or journals for specific staff members or administrators. In summary, we identified nine transactions with a dollar value of \$2,918 that were discretionary and four transactions with a dollar value of \$5,912 that were inconclusive. For example:
    - \$2,600 for 50% of the legal cost incurred by a former employee
    - \$1,872 in tuition reimbursement of a teacher
    - \$1,240 in various staff-related petty cash expenses (e.g., travel, lunch, etc.)
    - \$923 in American Express gift checks for School Year 2005–2006 retirees
    - \$519 reimbursement for a PDA

In addition to the foregoing, there are two (2) expenditure items amounting to \$3,227 and \$150, the nature of which cannot be determined because their key supporting documents cannot be located.

In addition to the above, we noted the following exceptions when conducting the Purchase Order Review.

Area	No. of Instances
<p><b>Missing Proper Approvals</b> – A Vendor Invoice or Purchase Order was not provided for review; the amount paid against the Purchase Order (PO) exceeded the original PO amount; or the PO date was after the invoice or payment date.</p> <p>NOTE: It is standard practice in the District to manually edit approved POs without any countersign by the original signatories. Under the District’s decentralized purchasing process, the PO also serves as the Purchase Requisition. In view of the foregoing, detailed statistics for manually edited POs and POs without a Purchase Requisition were no longer tabulated. Procedures we performed in the 13 Point Analysis portion of our work disclosed, however, that about 38% of POs will contain manually edited details.</p>	44
<p><b>Improperly Coded</b> – The transaction was coded to an incorrect Account Code or was not coded at all as per supporting documents.</p>	5

Refer to Appendices B and C for the detailed purchase orders/transactions tested and the results of each.

**13 Point Analysis**

In accordance with the RFQ, we reviewed both salary disbursements and nonsalary disbursements for 2004–2005 and 2005–2006 to identify specific anomalies or irregularities. We used our propriety tool to perform routines to identify potential anomalies or irregularities in accordance with the following description:

**Payroll**

1. **Possible Questionable Employees – Incomplete Employee Profile** – Identified employees with incomplete or missing employee profiles. The following elements were considered: hire date, birth date, status, address information, and other key data elements.
2. **Possible Questionable Payroll Payments – No Benefits Deducted from Paycheck** – Identified any check where benefits were not deducted by comparing gross check amount and net check amount.
3. **Possible Questionable Payments – Payments made to Potential Ghost Employees** – Identified any payments made to an employee after the listed date of death in the Social Security Administration (SSA) death master file. A “Ghost” employee is identified as any employee with a Social Security Number listed in the death master file provided by SSA.
4. **Possible Questionable Payments – Payments Made to Employees after Termination Date** – Identified payments made to employees that have been hired and terminated within a short time period (e.g., one month) and paid after their termination date as recorded in the District’s system.
5. **Possible Questionable Payments – Payments Made to Employees Greater than 30 Days after Termination Date** – Identified payments made to employees 30 days or more after their termination date as recorded in the District’s system.

6. **Payroll Payments Analyses – Anomalies in Number of Paychecks Received** – Compared total number of paychecks for employees per month throughout the 2004–2005 and 2005–2006 school years.
7. **Possible Questionable Employees/Payments – Large Gross Pay Increase** – Identified employees that received a large gross pay increase (e.g., more than \$7,500) between the 2004–2005 and 2005–2006 school years.
8. **Possible Questionable Employees/Payments – Large Salary Increase** – Identified employees that received a large salary increase (e.g., more than \$7,500) between the 2004–2005 and 2005–2006 school years.
9. **Possible Questionable Employees/Payments – Large Portion of Gross Pay in Stipends** – Identified employees that received greater than 10% of base salary in stipends.
10. **Possible Questionable Employees/Payments – Large Portion of Gross Pay in Overtime** – Identified employees that received greater than 25% of base salary in overtime.

#### Vendor Disbursements

11. **Possible Questionable Payments – Invoices Paid in Excess of Purchase Order** – Identified payments against any POs where the total of payments made was greater than the original PO amount.
12. **Possible Questionable Payments – Invoice Date Prior to Purchase Order Date** – Identified payments against any PO where the date on the invoice received from the vendor was prior to the date of the PO.
13. **Possible Questionable Vendors – Post Office Mail Drop Box Addresses** – Compared vendor addresses against known PO mail drop box addresses, which are equivalent to PO Box addresses, but appear to be a legitimate address.

The results of these queries were summarized and stratified to aid in the selection of a representative, subjective sample to be reviewed. The following table provides a high-level breakdown of the results, stratification, and follow-up procedures performed:

No.	Analysis Performed	Results of Analysis	Follow-up Procedures	Results from Follow-up and Recommendation
1	Analyzed payroll records to identify incomplete or missing hire date, birth date, status, address information, and other key data elements	<p>We noted five employees whose system maintained payroll/HR file was incomplete or missing data elements. Of the five employees:</p> <ul style="list-style-type: none"> <li>• 1 did not have a birth date recorded within the system</li> <li>• 4 did not have any gross pay recorded within the system</li> </ul>	<ul style="list-style-type: none"> <li>• Conducted interviews with HR and Payroll personnel to ascertain why the anomalies would exist.</li> <li>• Selected all items from the listing of employees to further understand the anomalies presented.</li> <li>• Requested the HR files for the sample of employees selected.</li> <li>• Reviewed the HR file to identify the data elements that were missing within the system.</li> <li>• Noted any data elements that could not be identified based on review of the HR file as an exception.</li> </ul>	<p>The one employee without a birth date in the system was overlooked by the Payroll Assistant. She immediately made the necessary correction after the matter was brought to her attention by KPMG.</p> <p>The four employees without any gross pay are substitute teachers whose services were recently no longer availed of by the District. They had no payroll activity since at least June 30, 2006. As of June 7, 2007, these individuals are also no longer included in the List of Approved Substitute Teachers of the District and, therefore, should have been timely deleted from the payroll system.</p> <p>Based upon the results of our analysis, we recommend that:</p> <ul style="list-style-type: none"> <li>• The functionality of the payroll system should be enhanced to allow for generation of an exception report during payroll processing. The exception report should list all personnel who are missing key data elements. (e.g., birth date, hire date, etc.). Management should conduct periodic reviews of the exception report and conduct the appropriate follow-up procedures on each exception.</li> <li>• Once a substitute teacher is no longer included in the List of Substitute Teachers approved by the Board, he or she should immediately be noted as terminated in the payroll system. Additionally, all substitute teacher personnel information, including a history of employment, should be saved in the payroll system.</li> </ul> <p>Explanations provided and documentation reviewed appear reasonable; as such, further analysis is not considered necessary outside of the aforementioned recommendations.</p>
2	Employees that do not have the applicable benefits deductions	Based upon the data analysis completed by KPMG's engagement team, noted that all employees had a form of benefits deductions.	Based upon the results of our analysis, follow-up procedures are not considered necessary.	Not applicable
3	Employee matches to the Social Security Administration death master file	Based upon the data analysis completed by KPMG's engagement team, noted that employee matches to the Social Security Administration death master file do not exist.	Based upon the results of our analysis, follow-up procedures are not considered necessary.	Not applicable

No.	Analysis Performed	Results of Analysis	Follow-up Procedures	Results from Follow-up and Recommendation
4	<p>Employees that have been hired and terminated within a short period of time (e.g., one month) and paid after their termination date</p>	<ul style="list-style-type: none"> <li>We noted three employees that were terminated within 90 days of their hire date and received pay after their termination date.</li> </ul>	<ul style="list-style-type: none"> <li>Ascertained through interview of HR and payroll personnel examples of when employees are terminated within 90 days of their hire date and are paid after their termination date.</li> <li>Selected all transactions from the results column.</li> <li>For each sample item selected, we:                             <ul style="list-style-type: none"> <li>Reviewed HR personnel files to confirm the actual termination dates, hire dates, and rehire dates where applicable.</li> <li>Reverified termination dates, hire dates and rehire dates, where applicable, for the employees in the system.</li> <li>Identified the number of pay periods after termination that the employee was paid to determine if the payment served as a final payment for service performed.</li> </ul> </li> </ul>	<p>As a result of the interviews and follow-up procedures performed, it was disclosed that employees being hired and terminated within a short period of time could occur due to various reasons. In the particular cases we reviewed, these include:</p> <ul style="list-style-type: none"> <li>The newly hired employee received a better offer from another school district.</li> <li>The newly hired employee did not feel comfortable working in the District.</li> <li>The newly hired employee was not able to submit additional documentation required by the District to support his or her qualification for the position.</li> </ul> <p>All of the three personnel files we reviewed have proper termination documentation. None of the individuals involved have been rehired by the District at the time of the completion of our audit.</p> <p>We noted that one individual was still able to receive pay about nine pay periods after she was separated from the District. We were able to determine that this payment pertained to a retroactive mass salary adjustment approved by the Board after she had already left the District.</p> <p>The aforementioned individual was effectively hired based on a temporary pay scale. By the time the pay scale was finalized, she was no longer employed by the District. Inasmuch as, she was legally entitled to the pay adjustment pertaining to the period she was still employed by the District, management had no choice but to pay the retroactive adjustment.</p> <p>Ideally, there should be a fixed time frame for processing the final pay of a separated employee. It is, however, our understanding that, normally, due to protracted negotiations over salary levels, it may take some time before the final mass salary adjustment figures can be arrived at.</p> <p>Explanations provided and documentation reviewed appear reasonable; as such, further analysis is not considered necessary.</p>

No.	Analysis Performed	Results of Analysis	Follow-up Procedures	Results from Follow-up and Recommendation
5	<p>Employees paid greater than 30 days after their termination date</p>	<p>We noted (18) employees that were terminated within 30 days of their hire date and received pay after their termination date totaling \$55,657. The breakdown is as follows:</p> <ul style="list-style-type: none"> <li>● 4 of 18 employees were paid between 31 and 90 days after termination totaling \$4,029.</li> <li>● 14 of 18 employees were paid greater than 90 days after termination totaling \$51,628.</li> </ul>	<ul style="list-style-type: none"> <li>● Ascertained through interview of HR personnel examples of when employees may receive pay after termination</li> <li>● Selected 18 all items listed in the results column.</li> <li>● For each sample item selected, we: <ul style="list-style-type: none"> <li>– Reviewed HR personnel files to confirm the actual termination dates, hire dates, and rehire dates where applicable.</li> <li>– Reverified termination dates, hire dates and rehire dates, where applicable, for the employees in the system.</li> </ul> </li> <li>● Identified the number of pay periods after termination that the employee was paid to determine if the payment served as a final payment for service performed.</li> <li>● Inquired about potential settlement payments owed to the employee</li> <li>● Inquired about payments made due to an earlier paycheck having been lost (requested a copy of the void check if applicable).</li> </ul>	<p>As per our interviews with HR and Payroll personnel, employees may be paid after 30 days from the termination date. Examples for why an employee will be paid include:</p> <ul style="list-style-type: none"> <li>● Accrued vacation</li> <li>● Substitute teachers</li> <li>● Stipends</li> <li>● Retroactive payments</li> </ul> <p>We requested the personnel files for all the 18 individuals noted in our analysis and the results of the procedures we performed did not disclose anything unusual or irregular. The explanations for the time lag between the date of termination and the date of last pay received are as follows:</p> <ul style="list-style-type: none"> <li>● twelve cases involved payments pertaining to retroactive mass salary adjustments approved by the Board after the individuals concerned had already left the District (please refer to the previous detailed discussion in Point No. 4). The time lags on these cases ranged from 61 days to 256 days.</li> <li>● Four cases involved substitute teachers who were automatically purged from the Payroll Master File by the system because they have not rendered any service to the District for a considerable period of time (the Payroll Assistant is not sure of the exact purging time frame but she thinks it would be more than one year). These substitute Teachers will be reactivated in the system whenever their services are reengaged by the District.</li> <li>● As a result of the foregoing situation, the above-mentioned employees appeared to have been receiving pay long after they were terminated. In reality, they are occasional employees who are not really subject to the concept of “termination” as it applies to full-time employees.</li> <li>● One case involves an individual who suddenly died. Accordingly, the processing of his final pay took 58 days to complete.</li> </ul> <p>One case involves a final pay which was deliberately withheld by District management because the individual concerned has not fully settled his accountabilities to the District. The time lag involved in this particular case was 168 days.</p>

No.	Analysis Performed	Results of Analysis	Follow-up Procedures	Results from Follow-up and Recommendation
				<p>We recommend that:</p> <ul style="list-style-type: none"> <li>• A fixed time frame for processing the final pay of a separated employee should be considered (unless such pay pertains to a retroactive salary adjustment or is being withheld due to noncompliance with District accountability clearance requirements).</li> <li>• Substitute teachers should be excluded from the automatic purging feature of the payroll system. Instead, they should be automatically terminated at the end of each school year and then formally rehired at the beginning of each school year on the basis of the Approved List of Substitute Teachers issued by the Board.</li> </ul> <p>Explanations provided and documentation reviewed appears reasonable; as such, further analysis is not considered necessary outside of the aforementioned recommendations.</p>
6	<p>Employees who received greater than 39 checks within the 1 ½ year period covering the last six months of School Year (SY) 2004–05 and the entire SY 2005–06</p> <p><i>NOTE: The electronic payroll files of the District for the first six months of SY 2004–05 are no longer available.</i></p>	<p>We noted 138 employees that received greater than 39 checks in the two year period covering SY 2004–05 and SY 2005–06 totaling \$4,123,074 in gross pay. The breakdown is as follows:</p> <ul style="list-style-type: none"> <li>• 110 employees received between 40 and 52 checks totaling \$3,378,311 in gross pay.</li> <li>• 28 employees received between 53 and 75 checks totaling \$744,763 in gross pay).</li> </ul>	<ul style="list-style-type: none"> <li>• Ascertained through interview of the payroll personnel why an employee may receive greater than 39 checks over the span of 1 ½ fiscal years (i.e., overtime, stipends, expense reimbursement).</li> <li>• Selected a sample of 20 transactions from the listing of employees who received more than 39 checks in a given fiscal year.</li> <li>• For each sample item, the engagement team: <ul style="list-style-type: none"> <li>– Verified that supporting documentation exists for the additional disbursements (i.e., approved overtime form, expense reimbursement request/approval, contract to coach a sports team)</li> </ul> </li> </ul>	<p>Based on the results of the procedures performed, it was noted that it is not uncommon for an employee to receive approximately 48 checks in a given year because the District cuts a separate check for any additional pay earned by an employee within a particular pay period. In fact, certain employees (e.g., custodians) work overtime every week and may receive 48 checks in a given year.</p> <p>We requested the personnel files for all 20 sample employees and the results of the procedures we performed did not disclose anything unusual or irregular.</p> <p>Other than the above-mentioned explanation involving additional pay, the reason why certain employees appear to have received an unusual number of checks is due to the manner the KPMG data analysis tool used to run this test was counting check disbursement transactions from the electronic payroll files. The data analysis tool counted check disbursement transactions embedded in the electronic payroll files in absolute terms. As such, even a check disbursement entry made in error will be counted as one transaction, while the corresponding entry to reverse it will also be counted as another transaction.</p> <p>Notwithstanding the above situation, it should be highlighted that no case was noted wherein the total number of “check disbursement transactions” of an employee exceeded the theoretical District threshold of 78 checks.</p> <p>The four employees without any gross pay are substitute teachers whose services were recently no longer availed of by the District. They had no payroll activity since at least June 30, 2006.</p> <p>Explanations provided and documentation reviewed appear reasonable; as such, further analysis is not considered necessary.</p>

No.	Analysis Performed	Results of Analysis	Follow-up Procedures	Results from Follow-up and Recommendation
7	<p>Employees whose gross pay increased by greater than \$7,500 from SY 2004–05 to SY 2005–06</p>	<p>We noted 32 employees that received gross pay increases greater than \$7,500. The total gross amount of increase for these employees was \$428,838. The breakdown is as follows:</p> <ul style="list-style-type: none"> <li>● 22 employees received a gross pay increase between \$7,501 and \$12,500</li> <li>● 6 employees received a gross pay increase between \$12,501 and \$25,000</li> <li>● 4 employees received a gross pay increase greater than \$25,001</li> </ul> <p><i>NOTE: Due to the previously mentioned unavailability of the electronic payroll files of the District for the first six months of SY 2004–05, the SY 2004–05 figures used in generating the above-mentioned gross pay increases were partly based on estimated amounts. For purposes of reviewing in detail the 20 sample employees, however, actual amounts lifted from the hardcopy payroll files were used.</i></p>	<ul style="list-style-type: none"> <li>● Ascertained through interview of the payroll personnel the salary increases by job grade.</li> <li>● Considered Board Resolution for percentage increases</li> <li>● Selected a sample of 20 employees receiving high gross pay increase to further understand the salary increase.</li> <li>● For the sample selected, we reviewed the personnel file for: <ul style="list-style-type: none"> <li>– Indication of a promotion</li> <li>– Indication of sick/vacation days cashed in</li> <li>– Indication that the employee performed an additional job function requiring a stipend</li> <li>– Overtime approval forms</li> <li>– Other documentation supporting a large gross pay increase.</li> </ul> </li> </ul>	<p>Per our interviews with HR and Payroll personnel, employees could receive greater than \$7,500 increase in gross pay from 2004–2005 to 2005–2006 due to the following common reasons:</p> <ul style="list-style-type: none"> <li>● Base pay increases</li> <li>● Stipends</li> <li>● Extended time</li> <li>● Overtime</li> <li>● Substitute in SY 2004–05 who was appointed to a full-time position in SY 2005–06</li> <li>● Employees who were hired in the middle of the year</li> <li>● Others (lunch aides, breakfast aides, substitutes who worked more days in 2005–2006, etc.)</li> </ul> <p>We requested the personnel files for all 20 employees and the results of the procedures we performed did not disclose anything unusual or irregular. The explanations for the significant increases in gross pay noted are as follows:</p> <ul style="list-style-type: none"> <li>● We noted, for 11 of the 20 employees tested, that they included employees who were partially employed by the District in SY 2004–05 (e.g., new hires), and employed for a full year in SY 2005–06. The difference in number of months from year to year resulted in the increase greater than \$7,500.</li> <li>● We noted, for seven of the 20 employees tested, an increase in the salary, as well as additional pay (e.g., stipend, health benefits waiver pay, etc.) of the individual.</li> <li>● We noted, for two of the 20 employees sampled, that gross pay increased greater than \$7,500 as a result of a change in employment status (e.g., substitute to full-time teacher).</li> </ul> <p>Explanations provided and documentation reviewed appears reasonable; as such, further analysis is not considered necessary.</p>

No.	Analysis Performed	Results of Analysis	Follow-up Procedures	Results from Follow-up and Recommendation
8	<p>Employees whose salary increased by an amount greater than \$7,500 from SY2004–05 to SY2005–06</p>	<p>We noted four employees that received a salary increase greater than \$7,500. The total gross amount of increase for these employees was \$428,838. The breakdown is as follows:</p> <ul style="list-style-type: none"> <li>● 1 employees received a salary increase between \$7,501 and \$12,500</li> <li>● 3 employees received a salary increase between \$12,501 and \$25,000</li> </ul> <p><i>NOTE: To generate the above figures, SY 2004–05 salary data was compared against the SY 2006–07 data (i.e., actual increase over two years). The amount of increase generated was then divided by two to arrive at the estimated increase for one year.</i></p>	<ul style="list-style-type: none"> <li>● Ascertained through interview of HR and payroll personnel the salary increases by job grade.</li> <li>● Considered Board Resolution for percentage increases.</li> <li>● Selected all employees receiving high salary increase to further understand the salary increase.</li> <li>● For the sample selected, we reviewed the personnel file for: <ul style="list-style-type: none"> <li>– Indication of a promotion</li> <li>– Indication that the employee performed an additional job function with an agreed-upon salary increase</li> <li>– Other documentation supporting a large salary increase.</li> </ul> </li> </ul>	<p>As per our interviews with the HR and Payroll personnel, increases in base salary are normally due to one or a combination of the following:</p> <ul style="list-style-type: none"> <li>● Annual guide increase (e.g., Step 1 to Step 2)</li> <li>● Higher degree (e.g., BA to MA)</li> <li>● Inactivity (e.g., Leave of absence)</li> <li>● Change in the position as a result of promotion (e.g., teacher to supervisor)</li> </ul> <p>We requested the personnel files for all four employees and the results of the procedures we performed did not disclose anything unusual or irregular. The explanations for the significant increases in salary noted are as follows:</p> <ul style="list-style-type: none"> <li>● The individual was only partially employed by the District in SY 2004–05 because he/she was already hired well into the school year. He or she, however, was employed for the entire SY 2005–06. (Two cases)</li> <li>● There was a significant increase in the salary pay of the individual. (2 cases)</li> </ul> <p>Explanations provided and documentation reviewed appear reasonable; as such, further analysis is not considered necessary.</p>

No.	Analysis Performed	Results of Analysis	Follow-up Procedures	Results from Follow-up and Recommendation
9	<p>Employees who received greater than 10% of base salary in additional pay</p> <p><i>NOTE: In the electronic payroll files of the District, stipend pay, overtime pay, night differential pay, health benefits waiver pay, and other similar pay are lumped together as "Additional Pay."</i></p>	<p><u>SY 2005–06</u></p> <p>We noted 102 employees that received greater than 10% of base salary in additional pay. The total gross amount of additional pay for these employees was \$1,244,375.</p> <p>The breakdown is as follows:</p> <ul style="list-style-type: none"> <li>● 67 employees have an additional pay rate of more than 10% to 20% of gross pay.</li> <li>● 35 employees have an additional pay rate of more than 20% to 233% of gross pay.</li> </ul> <p><u>SY 2004–05</u></p> <p>We noted 71 employees that received greater than 10% of base salary in additional pay. The total gross amount of additional pay for these employees was \$240,331.</p> <p>The breakdown is as follows:</p> <ul style="list-style-type: none"> <li>● 40 employees have an additional pay rate of more than 10% to 20% of gross pay.</li> <li>● 31 employees have an additional pay rate of more than 20% to 47% of gross pay.</li> </ul>	<ul style="list-style-type: none"> <li>● Ascertained through interview of HR and payroll personnel a listing of all positions paid via stipend and the corresponding amount.</li> <li>● Inquired about the District's policy for employing people to perform positions paid via stipend who are nonsalaried employees.</li> <li>● Selected a sample of 50 employees receiving stipends in excess of 10% of their base salary.</li> <li>● For the sample selected, we:             <ul style="list-style-type: none"> <li>– Confirmed the employee was identified on the list of employees receiving pay via stipend</li> <li>– Confirmed the amount of the stipend</li> <li>– Compared the stipend amount paid to the employment contract</li> </ul> </li> </ul>	<p>We requested the personnel files for 50 employees (40 from SY 2005–06 and 10 from 2004–05) and the results of the procedures we performed did not disclose anything unusual or irregular. All additional pay items paid to the employee were found to be properly approved.</p> <p>The main reason for the significant percentages noted is the fact that all nonsalary items were lumped together under the "additional pay" column in the system regardless of nature (although they were individually itemized under such column). Accordingly, for District employees that have low base pay and also have the following sources of additional pay, the percentages will always come out as significant.</p> <ul style="list-style-type: none"> <li>● Health benefits waiver</li> <li>● Stipend pay</li> <li>● Night differential and/or overtime pay</li> </ul> <p>In one of the 50 samples selected, we noted that certain key entries to an approved Individual Absence Report and Salary Adjustment Claim Form (the primary document used to support an employee's additional pay) were just made in pencil. This, however, appears to be an isolated case.</p> <p>We recommend that the current District practice of using ink to make any necessary changes to the Individual Absence Report and Salary Adjustment Claim Form should be consistently followed.</p> <p>Explanations provided and documentation reviewed appear reasonable; as such, further analysis is not considered necessary outside of the aforementioned recommendation.</p>

No.	Analysis Performed	Results of Analysis	Follow-up Procedures	Results from Follow-up and Recommendation
10	Employees who received greater than 25% of base salary in overtime	NOTE: The analysis cannot be completed due to system limitations. As previously explained in Point No. 9, the overtime pay amounts in the payroll electronic files are grouped together with other additional pay and, therefore, cannot be separately benchmarked against base salary.	Not applicable	We recommend that the District consider making the required system and process changes to enable tracking of all payroll data separately. For example, the Additional Pay classification in the payroll records should be broken down further into its key components (e.g., stipend, overtime, health benefits waiver, etc.).

No.	Analysis Performed	Results of Analysis	Follow-up Procedures	Results from Follow-up and Recommendation
11	Payments that exceed the original purchase order amount	<p>We noted 380 payments totaling \$32,012,678 in excess of the original PO amount. The breakdown is as follows:</p> <ul style="list-style-type: none"> <li>● 116 purchases made where the payment amount exceeded the original PO amount by between 5% and 10% totaling \$18,824 in excess</li> <li>● 73 purchases made where the payment amount exceeded the original PO amount by between 10% and 25% totaling \$105,929 in excess</li> <li>● 191 purchases made where the payment amount exceeded the original purchase order amount by greater than 25% totaling \$31,878,597 in excess</li> </ul>	<ul style="list-style-type: none"> <li>● Ascertained through interview of the purchasing and accounts payable personnel why certain disbursements would be processed in excess of the PO.</li> <li>● Inquired as to why new POs are not issued when an increase is required.</li> <li>● Selected a sample of 50 transactions from the listing of disbursements that exceeded the PO amount.</li> <li>● For each sample item, the engagement team: <ul style="list-style-type: none"> <li>– Traced and agreed the disbursement to supporting documentation (e.g., contract, vendor invoice, purchase requisition, etc.) to assess if the disbursement was properly approved and processed</li> <li>– Noted if the increased amount caused the purchase to exceed a bid or quote threshold.</li> </ul> </li> </ul>	<p>We requested 50 POs for review and the results of the procedures we performed are as follows:</p> <ul style="list-style-type: none"> <li>● \$23,081,231 of the \$32,012,678 excess noted represents four payroll-related transactions which were not actual purchases at all but were assigned PO numbers just for purposes of system processing. Apparently, without a PO number, a payroll check disbursement transaction cannot be processed through the system.</li> </ul> <p>The above-mentioned observed excess, therefore, is not really an actual excess (the Purchasing System will not allow any payment to exceed the PO amount in the first place). The same just resulted from the unique approach of the District of setting up the PO amount in increments throughout the school year. Our understanding is that this was to ensure that encumbrances would more or less match the available funds. Thus, although the original PO amount was exceeded by the amount of subsequent payments, on a total-for-the-year basis, the total amount paid was still equal to the total PO amount.</p> <ul style="list-style-type: none"> <li>● Another \$825,777 of the above-mentioned excess represents two transactions pertaining to food reimbursements received from both the Federal Government and State Government. Inasmuch as these reimbursements are originally remitted to the District's General Fund, they must be transferred to the District's Food Service Fund before they can be used for food service-related purchases. Again, they were assigned PO numbers because the related payment check cannot be processed through the system without such numbers.</li> </ul> <p>Similar to the first case above, the excess noted was not a real excess but rather the result of the previously mentioned unique approach of the District of setting up the PO amount in increments throughout the school year. Thus, although the original PO amount was exceeded by the amount of subsequent payments, on a total-for-the-year basis the total amount paid was still equal to the total PO amount.</p> <p>We understand that this practice has recently been discontinued by the District. Such inter-fund transfers are now being booked through manual journal entries.</p> <ul style="list-style-type: none"> <li>● The rest of the above-mentioned excess were caused by the following factors: <ol style="list-style-type: none"> <li>1. The previously discussed unique style of the District of setting up the PO amount in increments throughout the school year.</li> <li>2. The practice of the District of editing key details of approved POs (without being made to repeat the PO approval process) to reflect changes in PO terms (e.g., shipping and handling, quantity, etc.).</li> </ol> </li> </ul>

No.	Analysis Performed	Results of Analysis	Follow-up Procedures	Results from Follow-up and Recommendation
11	Payments that exceed the original purchase order amount			<p>For example, 17 out of 44 POs reviewed (as previously discussed, six of the 50 POs are not really true POs), contain manually edited details.</p> <p>3. POs are manually generated (as a result, some POs are not dated, some POs are dated incorrectly, and several POs may have the same number).</p> <p>For example, 18 out of 44 POs examined, are supported by two or more PO documents bearing the same PO number.</p> <p>4. Tolerance of the District of the practice of issuing “open” POs (i.e., POs issued lacking one or more key details such as date, quantity, unit price or total amount).</p> <p>In view of the foregoing, we recommend that:</p> <ol style="list-style-type: none"> <li>1. The practice of setting up of the PO amounts in increments be discontinued (except for the previously discussed payroll-related PO).</li> <li>2. For each change to an approved PO amount, a second approval by an authorized District representative should be obtained.</li> <li>3. The District should consider the acquisition of the appropriate software or assess if the current technology can be enhanced to support electronic generation and approval of POs.</li> <li>4. The practice of issuing “open” POs should be discontinued.</li> </ol> <p>We recommend the District assess if it is necessary to expand the current analysis to determine if there are any POs that were not appropriately approved.</p>
12	Invoice dates that are prior to purchase order dates.	NOTE: The analysis cannot be completed due to system limitations. Vendor invoice dates are not included in the District’s purchasing electronic files.	Not applicable	To facilitate management review of the timing of vendor payments, including the aging of payables, etc., we recommend that the purchasing system be enhanced such that it will be able to store and report vendor invoice dates.

No.	Analysis Performed	Results of Analysis	Follow-up Procedures	Results from Follow-up and Recommendation
13	Vendors paid at known mail drops (e.g., PO Box, commercial mail receiving agencies, etc.)	We noted 10 vendors that receive payment at known mail-drop locations.	<ul style="list-style-type: none"> <li>● Selected all vendors who receive payment at mail-drop locations.</li> <li>● Traced and agreed a disbursement to supporting documentation (e.g., contract, vendor invoice, etc).</li> <li>● Requested business certification forms for the vendor to confirm the address.</li> <li>● Requested evidence that the vendor was included within the vendor master file (to comply with this request, KPMG was given online access to the vendor master file by the District).</li> </ul>	<p>We selected all 10 vendors from the District's vendor master file whose mailing address appears to be a known mail-drop location. These vendors included:</p> <ul style="list-style-type: none"> <li>● New Jersey School-Age Care Collection (NJSACC)</li> <li>● Markerboard People, Inc. (Lansing, MI)</li> <li>● Coastal Publishing Group, Inc. (Herndon, VA)</li> <li>● Raymund Petniunas (Alexandria, VA)</li> <li>● Academic Innovations (Santa Barbara, CA)</li> <li>● Harriet B. Schiffer (Jenkintown, PA)</li> <li>● Paper Showcase (Mankato, MN)</li> <li>● Naeti (Ocean, NJ)</li> <li>● Trainers Warehouse (Natick, VA)</li> <li>● Discount Dictionaries (Temple City, CA)</li> </ul> <p>Notwithstanding its use of a maildrop, NJSACC appears to be an active and credible nonprofit organization in New Jersey based on the results of our review of their Web site. We also did not note any exception during our review of the supporting documentation of the District's last transaction with NJSACC.</p> <p>Our review further disclosed that, except for NJSACC, the District did not have any transaction with the above-mentioned vendors from SY 2004–05 to the present. From a practical point of view, therefore, these vendors should already have been deactivated from the vendor master file.</p> <p>We recommend that vendors without any account activity within a reasonable time frame (say, two years) should be deactivated from the vendor master file.</p> <p>Explanations provided and documentation reviewed appear reasonable; as such, further analysis is not considered necessary outside of the aforementioned recommendation.</p>

**Certified Staff Review**

The objective of this review was to assess if certified staff employed by the District are performing the job function for which he/she is coded and compare whether the building administrator classified them accordingly. In accordance with the RFQ, we requested that the District have their principals for each school within the District complete a Microsoft Excel spreadsheet (referred to as Form C) that identifies all certified staff employed and their respective job title and function.

We selected a sample of 100 certified staff to review. Our selection included 80 certified teachers and 20 nonteaching certified staff representing a cross section of school locations and job functions. The following table summarizes the cross section of job functions reviewed.

Level	School	Reviewed
Certified Teachers	Elementary School	27
	Middle School	27
	High School	26
Nonteaching Certified Staff	Principals	6
	Guidance Counselors	2
	Supervisors	2
	Department Chair	2
	Other	8

We performed the following for each employee:

- Visited the school and confirmed the employee’s name by observing identification and the primary role of the employee through inquiry
- Verified the employee’s job function through inquiry and/or observation
- Compared the job function listed per the Form C to the position control roster to assess if they were classified consistently
- Requested a copy of the teacher’s schedule or class assignment as appropriate to ensure that it supported the primary role of the teacher
- Noted if the employee performed any additional job functions within the District.

To the extent we could not interview an individual due to absence, documentation related to the absence and evidence of the substitute assigned for the class was requested.

Based on our review, all of the employees reviewed were performing the job function identified by the District.



# Assessment of Internal Controls





# Assessment of Internal Controls

The second piece of our scope involved an assessment of District internal controls over key functions, including:

- Inventory
- Facilities Management
- Purchasing/Accounts Payable
- Human Resources/Payroll
- General Operations/Accounting
- Food Services
- Transportation
- Technology
- Student Activities

Through review of the Internal Control Questionnaire (ICQ) completed by the District and other documentation as well as interviews with District professionals, we gained an understanding of the processes and controls in place. We were able to identify gaps or control weaknesses and develop recommendations for potential improvement. In addition, for each functional area except for Technology, 25 items were tested to understand whether key controls were in effect as described.

The pages that follow present the observations and recommendations resulting from our internal controls assessment. Each section is organized to present an overview of the functional area and a summary of observations and recommendations.

It should be noted that the Salem City School District is a relatively small school district in terms of size. Accordingly, the staffing complement at the District is not comparable to that of a larger school district. This is particularly true with respect to the Business Office team which comprises only five (5) people: a business administrator, an accountant, a purchasing assistant, a payroll assistant, and an office secretary.

Facilities are also limited at the District management level. District management personnel have offices in a cluster of container offices. Education Management by Computer Center (EMC), the AS400-based core business system of the District, is already 20 years old. This application is used to manage the accounting and human resources functions for the District and is used by approximately eight (8) staff members. Due to its age, it does not have the flexibility and features that more recent business systems can offer.

## Inventory

### Overview

From a physical existence point of view, in general, the following are the major types of inventories and fixed assets owned by the District:

### Inventories

- Library books
- Textbooks
- Athletic equipment
- Computer parts and supplies
- Maintenance parts and supplies
- Instructional supplies
- Office supplies

### Fixed Assets

- Land
- Land improvements
- Buildings
- Building improvements
- Transportation equipment
- Maintenance equipment
- Kitchen equipment
- Instructional equipment
- Computer equipment
- Office equipment
- Furniture and fixtures

The purchase of the above-mentioned inventory items is normally initiated by the school principals or department heads. Once delivered, the management and control of these items shall also be the responsibility of the school principal or department head concerned.

The nature and timing of the District's major Fixed Assets acquisitions are determined by its Long-Range Facilities Plan (LRFP). In general, the regulations of the New Jersey Department of Education (NJDOE) mandates that no school facilities project will be considered or approved by the District unless its LRFP has been submitted to and approved by the Commissioner of Education.

The process of acquiring inventories and/or fixed assets is governed by the District's purchasing policies and procedures.

For accounting purposes, the fixed asset capitalization threshold is \$2,000. The District also currently follows a “zero physical inventory” policy. Items purchased which under normal circumstances would have been “inventoriable” are being expensed outright because of their small order quantities. Accordingly, acquisition of fixed asset items which, individually, are costing below \$2,000, are also being directly expensed.

The fixed asset acquisition budget of the District for the School Year 2005–06 amounted to about \$0.31 million. Actual acquisitions made amounted to about \$0.28 million.

As part of our procedures, we developed a high-level understanding of the inventory process. At the District, the inventory process includes the following subprocesses:

- Acquisition
- Receiving
- Tagging
- Physical tracking and monitoring
- Recording
- Performance of book-to-physical reconciliation

We identified key controls within the inventory process based on interviews with business process owners for each of the subprocesses. We considered the following to select a sample of 25 items to test as a cross-sectional representation of key controls over the inventory process:

- Gaps in internal controls – areas in the process where internal controls would be expected but do not appear to be effective or do not exist at all.
- Variances within the process – areas in the process that are not actually performed as documented or as noted from the interview.

Based on the key controls identified and the process elements considered, the following attributes were identified for testing:

- Proper district management review and approval of inventories acquisitions.
- Inventory acquired is properly certified as received.
- Inventory acquired is properly booked in the accounting records
- Inventories are physically tagged
- Inventories are being physically tracked and monitored

### Summary of Observations and Recommendations

We present below a summary of observations and recommendations related to the inventory process. The observations were identified as a result of the ICQ responses, business process interviews conducted, and results of the key controls/attributes tested. We have titled each observation, provided a discussion of the circumstances

surrounding the observation, and presented potential recommendations for consideration.

#### **Deficiency in the Tracking and Monitoring of Laptops**

Laptops are not currently being tracked and monitored down to the user level. They are only being monitored at the “room” level (i.e., to which room it was originally delivered). In principle, the department head in charge of a particular room is responsible for all technology items contained therein. As a result of this situation, the Technology Department has no formal documentation as to the identities of individual laptop users.

We recommend that all movable high-value equipment such as laptops be physically tracked and monitored down to the user level.

#### **Deficiency in the Capitalization Threshold for Computer Equipment**

In compliance with existing State policy, the District does not capitalize any fixed asset item which is individually costing less than \$2,000. As a result, laptops, desktops, printers and other equipment individually costing less than \$2,000 are being directly expensed and, therefore, no longer carried in the District’s balance sheet. Judging by the scale of the District’s operations, the current fair value of these noncapitalized equipment items could easily run into a few million dollars.

We recommend that this policy be refined further to exclude equipment which, although costing less than \$2,000 on an individual basis, are normally being purchased in large quantities (e.g., computers).

#### **Formal Physical Records for Movable/Semimovable Fixed Assets**

The Buildings and Grounds Department does not maintain formal physical records of all movable/semimovable fixed assets under its jurisdiction.

We recommend that formal physical records be created and maintained for all movable/semimovable fixed assets under the jurisdiction of the Buildings and Grounds Department. A good reference for designing such records would be the one currently being used by the Technology Department.

#### **Nonperformance of Book-to-Physical Reconciliation Procedures on Textbooks**

Currently, textbooks on hand at the various schools are not being subjected to book-to-physical reconciliation procedures.

We recommend that textbooks with an estimated useful life of more than one (1) school year should be subjected to book-to-physical reconciliation procedures at least on an annual basis.

#### **Deficiency in the Receiving of Books Purchased**

We encountered an instance (which appears to be an isolated case) during our testing wherein a particular purchase of library books was not properly certified as “Received” in the receiving copy of the PO.

We recommend that a PO not be processed for payment unless the goods or services covered by the same have been properly certified as “Received” by the Requisitioner himself/herself or his/her designated representative.

#### **Policy on the Storage of Sensitive Information on Movable Media**

Notwithstanding the extensive use we noted of movable data media (e.g., laptops, flashdrives, disks, etc.) in the District, it does not have a policy expressly prohibiting the storage of confidential and/or sensitive information in such media.

We recommend that the District consider the establishment of a formal policy prohibiting the permanent storage of sensitive information in any movable media, unless such information can be adequately protected by the appropriate encryption technology.

### **Facilities Management**

#### **Overview**

The effective and efficient attainment of the District’s educational objectives is only possible if supported by adequate educational facilities. The continued availability of such facilities, on the other hand, is only possible if supported by sound planning strategies based on accurate information. In view of this, one of the key responsibilities of the District’s Board is to maintain and amend on an annual basis a Long-Range Facilities Plan (LRFP).

It is also the responsibility of the Board to review all District educational facilities annually to determine if the same still meet State standards. In principle, any facility determined to be “substandard” can no longer be used unless, upon inspection, the Division of Facilities and Transportation of NJDOE has decided that:

- The facility still meets health, safety, and educational adequacy standards for temporary “substandard” facilities.
- A plan has been developed by the District and approved by the County Superintendent of Schools to upgrade the facilities to “standard” status.

To ensure that it shall be able to fulfill the aforementioned responsibilities, as well as in recognition of the fact that fixed assets represent a significant investment of public funds, the Board has established the Buildings and Grounds Department (the Department) to handle the development and implementation of a maintenance program covering all District facilities. The Department is headed by the Operations Director. Its maintenance program includes:

- Regular inspection of buildings to ensure adherence to health and safety laws
- Regular summer program of facilities repair and conditioning
- Maintenance of critical spare parts inventory
- Equipment replacement program
- Building modernization program.

From a physical existence point of view, the Department is primarily responsible for the following major types of fixed assets owned by the District:

- Land
- Land improvements
- Buildings
- Building improvements
- Transportation equipment
- Maintenance equipment

The resource complement of the Department is as follows:

Position	Headcount
Operations Director	1
Secretary	1
Supervisor	2
District Safety & Resource Officer	1
Groundskeeper	1
Security Guards	3
Maintenance	4
Janitors/Custodians	13
<b>TOTAL</b>	<b>26</b>

With the above headcount, the Department is able to handle on an “in-house” basis most of the routine maintenance and repair work in the District.

The Department is responsible for the maintenance and upkeep of three (3) building complexes

which have a combined floor area of about 307,000 square feet.

The total budget of the Department for the School Year 2005–06 amounted to about \$1.88 million. Total actual cost amounted to about \$1.87 million.

As part of our procedures, we developed a high-level understanding of the Facilities Management process. At the District, the Facilities Management process includes the following key subprocesses:

- Preventive maintenance
- Emergency repairs
- Overtime approval

We identified key controls within the facilities process based on interviews with business process owners for each of the subprocesses. We considered the following to select a sample of 25 items to test as a cross-sectional representation of key controls over the Facilities Management process:

- Gaps in internal controls – areas in the process where internal controls would be expected but do not appear to be effective or do not exist at all.
- Variances within the process – areas in the process that are not actually performed as documented or as noted from the interview.

Based on the key controls identified and the process elements considered, the following attributes were identified for testing:

- Formalization of the District's LRFP
- Proper District management review and approval of maintenance and repair expenditures
- Purchases of goods and/or services related to maintenance and repairs are properly certified as received
- Maintenance and repair expenditures are properly booked in the accounting records
- Existence of a formal preventive maintenance schedule
- Actual preventive maintenance work is being tracked and monitored against the formalized preventive maintenance schedule.

### Summary of Observations and Recommendations

On the following pages we present a summary of observations and recommendations related to the inventory process. The observations were identified as a result of the ICQ responses, business process interviews conducted, and results of the key controls/attributes tested. We have titled each observation, provided a discussion of the circumstances surrounding the observation, and presented potential recommendations for consideration.

### Formal Physical Records for Movable/Semimovable Fixed Assets

*Please refer to the Fixed Assets/Inventory Process for the detailed comments and recommendation on this finding.*

### Formalized Preventive Maintenance Schedule

There is no formalized preventive maintenance schedule for the District's facilities. The same is being maintained using as a reference the collective experience of the personnel of the Department.

We recommend that a formal preventive maintenance schedule be prepared for the District's facilities, and all preventive maintenance activities should be benchmarked against such schedule.

### Deficiency in Overtime Documentation

The underlying reason for doing overtime work by Department personnel is not always indicated on the Time Card.

We recommend that the reason for any overtime rendered should be clearly documented in the Time Card so that the same can easily be linked to either the preventive maintenance schedule of the District or an emergency repair situation.

### Deficiency in the Receiving of Purchases of Maintenance and Repairs Services

Our testing disclosed certain instances wherein purchases of maintenance and repair services were not properly certified as "Received" in the receiving copy of the PO.

We recommend that a PO should not be processed for payment unless the goods or services covered by the same have been properly certified as "Received" by the requisitioner himself/herself or his or her designated representative.

### Purchasing/Accounts Payable

#### Overview

The District has substantially decentralized its Purchasing Function. Unless the item to be purchased is required to undergo formal bidding, the requisitioning school or department (the Requisitioner), using its own budget for the year as reference, handles directly the negotiation of the terms and conditions of a potential purchase with the vendor. The preparation of the Purchase Order (PO) is also handled by the Requisitioner.

The purchasing agent at the Business Administration Office is only responsible for the procurement of materials such as school supplies, as well as for overseeing the Request for Proposal (RFP) and bidding process.

Purchasing transactions are recorded and tracked using the Purchasing Module of the District's AS 400-based, Educational Management by Computer Center (EMC) application (the Application). In addition to purchases, the Application is also used to manage the accounting and HR functions of the District. The Application has been used by the District for the last 20 years.

The District's total budget for Purchasing Services for School Year 2005–06 was about \$0.35 million. Actual cost incurred was about \$0.34 million.

As part of our procedures, we developed a high-level understanding of the purchasing/accounts payable process. At the District, the purchasing process includes the following key subprocesses:

- Requisitioning
- Vendor Selection
- Purchase Order Processing
- Receiving
- Payment

- Accounts Payable

We identified key controls within the purchasing and accounts payable process based on interviews with business process owners for each of the subprocesses. We considered the following to select a sample of 25 items to test as a cross-sectional representation of key controls over the inventory process:

- Gaps in internal controls – areas in the process where internal controls would be expected but do not appear to be effective or do not exist at all.
- Variances within the process – areas in the process that are not actually performed as documented or as noted from the interview.

Based on the key controls identified and the process elements considered, the following attributes were identified for testing:

- Contracting requirements established by the State Bid Law are adhered to where applicable and that the District utilizes a competitive bid process as appropriate.
- Approval of POs by the management of the Requisitioner, business administrator, superintendent, and the Board.
- Sign-off by the Requisitioner on the receiving copy of the PO to indicate receipt of the goods or services purchased.
- Approval of all payment checks by the business administrator or superintendent.
- Approval of all payment checks by the school treasurer and the Board president.
- Propriety of purchase-related and check-payment related accounting entries automatically generated by the EMC System.

### Summary of Observations and Recommendations

On the following pages, we present a summary of observations and recommendations related to the inventory process. The observations were identified as a result of the ICQ responses, business process interviews conducted, and results of the key controls/attributes tested. We have titled each observation, provided a discussion of the circumstances surrounding the observation, and presented potential recommendations for consideration.

### Deficiency in the Documentation of the Operational Justification of Purchases

Under the District's unique decentralized purchasing system, the PO effectively also serves as the purchase requisition. Unlike in a usual purchase requisition, however, there is no space provided for in the PO to document the operational justification for the goods and/or services purchased.

We recommend that the District consider redesigning its current PO and provide space for documenting the operational justification of goods and/or services purchased.

#### **Deficiency in the Sequence of Purchase Order Review**

The superintendent reviews and approves the Purchase Order ahead of the business administrator.

To conform to the District's organizational hierarchy, we recommend that the business administrator should review and approve the PO ahead of the superintendent.

#### **Use of Rubber-Stamped Signatures for Signing Purchase Orders**

POs are being signed using "Rubber Stamp" signatures of the Board secretary. The justification provided by the District for this situation is that the Board secretary is also the business administrator, and she manually initials the PO in her capacity as business administrator.

Notwithstanding the foregoing justification, we still recommend that the practice of using Rubber Stamp signatures on all POs be discontinued. Instead, only POs below a certain threshold should be approved using nonmanual signatures. Beyond such threshold, all PO signatories should be required to manually affix their signatures. Furthermore, there should be formal documentation as to who will be the only personnel authorized to affix the Rubber Stamp signatures.

#### **Incremental Setup of Purchase Order Amounts**

For certain POs, the District follows the practice of setting up the PO in incremental amounts throughout the school year.

We recommend that this practice be discontinued (unless the PO setup is payroll related).

#### **Postapproval Manual Changes to Purchase Order Details**

The key details of approved POs are just being edited manually without being made to repeat the PO approval process.

We recommend that every time a key detail of an approved PO needs to be changed, the same should be initialed by the same set of people who originally approved the PO.

#### **Manual Purchase Order Preparation**

The PO is still being manually prepared. As a result, due to human error, certain PO details are sometimes overlooked (e.g., some POs are not dated; some POs are wrongly dated, etc.).

We recommend that the District consider the acquisition of the appropriate technology that would allow the electronic generation of POs. In considering which software application to obtain, the District should identify an application that would reject POs that are incomplete or contain invalid data elements.

#### **Issuance of “Open” POs**

The District tolerates the practice of issuing “Open” POs (i.e., POs issued lacking certain key details such as date, quantity, unit price, and amount) to facilitate the “updating” of changes in PO details.

We recommend that the practice of issuing “open” POs be discontinued.

#### **Inability of the Purchasing System to Store and Report Vendor Invoice Dates**

As currently configured, the current purchasing system is not capable of storing and reporting vendor invoice dates.

To facilitate management review of the timing of vendor payments, we recommend that the purchasing system be reconfigured such that it will be able to store and report vendor invoice dates.

#### **Nonpurging of Inactive Vendors**

Our tests disclosed instances wherein vendors that have already been inactive for more than two (2) years are still maintained in the vendor master file.

We recommend that vendors which have been inactive for two (2) years or more should already be purged from the vendor master file.

#### **Human Resources/Payroll**

##### **Overview**

##### **Human Resources**

The human resources function of the District is substantially handled by the following:

- Salem City Board of Education (the Board)
- Superintendent
- Business Administrator
- Principals – John Fenwick School, Salem City Middle School, and Salem City High School
- Superintendent Secretary

The key activities handled by the human resources function are:

- Hiring
- Performance Evaluation
- Compensation and Benefits Administration
- Training and Development Administration
- Employee Records Administration
- Termination.

Day-to-day decisions involving the aforementioned activities are generally initiated by the principals (for teachers and other School-based personnel) and the business administrator (for District-based finance and administration personnel).

Such decisions are then elevated to the superintendent for her review and approval. Where required, it will be further elevated to the Board for their final review and approval.

The District's total budget for personnel services for School Year 2005–06 was about \$0.35 million. Actual cost incurred was about \$0.34 million.

### Payroll

The payroll function of the District is substantially performed by the following:

- Board President
- Superintendent
- Business Administrator/Board Secretary
- Payroll Assistant
- Operations Director Secretary

The key activities handled by the payroll function are:

- Attendance Monitoring
- Regular Pay Computation
- Additional Pay Computation (i.e., stipend, overtime, etc.)
- Regular Pay Distribution
- Additional Pay Distribution

Payroll is processed using the AS400-based EMC School Budget Accounting System (the Accounting System). This system has been in use since 1987. According to District Management, the District is not statutorily required to maintain electronic payroll files.

On a day-to-day basis, the payroll assistant has sole access to the payroll module of the System. In rare instances when she is not available, the Accountant will

temporarily operate the payroll module. Due to the relatively low volume of the District's payroll transactions, the same can easily be monitored and controlled by "going around" the payroll module (e.g., by simply comparing input and output hardcopies).

The cost and expenses associated with the payroll function are also covered by the District's personnel services budget.

As part of our procedures, we developed a high-level understanding of the human resources and payroll process which, at the District, includes the following key subprocesses:

- Hiring
- Changes to Employment Terms
- Separation
- Pay Stipends
- Overtime
- Buy-Backs
- Attendance
- Payroll Processing
- Pay Distribution

We identified key controls within the human resources and payroll process based on interviews with business process owners for each of the key subprocesses. We considered the following to select a sample of 25 items to test as a cross-sectional representation of key controls over the inventory process:

- Gaps in internal controls – areas in the process where internal controls would be expected but do not appear to be effective or do not exist at all.  
Comparison of the controls/policies should be compared with:  
*Travel Expense and Reimbursement Policy – NJAC 6A:10A-8.3, which was adopted September 22, 2005.*
- Variances within the process – areas in the process that are not actually performed as documented or as noted from the interview.

Based on the key controls identified and the process elements considered, the following attributes were identified for testing:

- District management review and approval of hiring documents, termination documents, regular pay, additional pay, leave-related computations, and payroll reports

### **Summary of Observations and Recommendations**

On the following pages we present a summary of observations and recommendations related to the HR/payroll process. The observations were identified as a result of the ICQ responses, business process interviews conducted, and results of the key controls/attributes tested. We have titled each observation, provided a discussion of the circumstances surrounding the observation, and presented potential recommendations for consideration.

#### **Manually Maintained Individual Employee Personnel Files**

Individual employee personnel files are still manually maintained.

We recommend that the District consider investing in technology that would enable it to fully maintain employee personnel files in electronic format. Hardcopies of such files will then just serve as backup for the electronic files.

#### **Deficiency in Payroll System Integration**

The EMC System module which maintains employee attendance records are not yet integrated with the payroll computation module.

In view of the age of the EMC System itself, we recommend that the District consider investing in an up-to-date fully integrated payroll system.

#### **Nonsigning of the of the Payroll Reports by the Payroll Assistant**

The payroll assistant is not required to sign the payroll posting summary (the topmost document of the payroll report package) to indicate that she is the one responsible for the preparation of all payroll reports.

We recommend that the payroll assistant should also be required to affix her signature on the payroll posting summary.

#### **Nonsigning of the of the Payroll Reports by the Business Administrator**

The business administrator is not required to sign the payroll posting summary (the topmost document of the payroll report package) to indicate that she is the one responsible for the preparation of all payroll reports.

We recommend that the business administrator should also be required to affix her signature on the payroll posting summary.

#### **Non-Detection of Missing Employee Data**

An instance was noted (which appears to be an isolated case) wherein the date of birth of an employee in the payroll system is missing.

The payroll system should be reconfigured such that employees with missing key data elements (e.g., birth date) will automatically generate an error report during payroll processing.

#### **Nondeletion of Inactive Substitute Teachers from the Payroll System**

Instances were noted wherein substitute teachers who are no longer included in the List of Substitute Teachers approved by the Board are still included in the payroll system.

We recommend that once a substitute teacher is no longer included in the List of substitute teacher s approved by the Board, he/she should immediately be deleted from the payroll system.

#### **Long Time Lag in Processing the Final Pay of a Separated Employee**

An instance was noted (which appears to be an isolated case) wherein the final pay of a deceased employee was only paid 58 days after his untimely demise.

We recommend that a fixed time frame for processing the final pay of separated employees be imposed (unless such pay pertains to a retroactive salary adjustment or is being withheld due to noncompliance with District accountability clearance requirements).

#### **Automatic Purging of Substitute Teachers from the Payroll System**

Substitute teachers are also subject to the payroll inactivity automatic purging feature of the payroll system.

We recommend that substitute teacher s be excluded from the automatic purging feature of the payroll system. Instead, they should be automatically terminated at the end of each school year and then formally rehired at the beginning of each school year on the basis of the Approved List of Substitute Teachers issued by the Board.

#### **Use of Pencil in Preparing the Additional Pay Supporting Document**

An instance was noted (which appears to be an isolated case) wherein certain key entries to the Individual Absence Report and Salary Adjustment Claim Form (the primary document used to support an employee's additional pay) were just made in pencil.

We recommend that the current District practice of using ink to fill up the Individual Absence Report and Salary Adjustment Claim Form should be consistently enforced.

#### **Deficiency in the Payroll Records Breakdown of Additional Pay**

In the payroll records, stipend, overtime, health benefits waiver, and other similar nonbase salary compensation are just being lumped together under the additional pay classification.

To facilitate the conduct of top-level reviews over the recorded payroll amounts, we recommend that the Additional Pay classification in the payroll records be broken down further into its key components (e.g., stipend, overtime, health benefits waiver, etc.).

### **General Operations/Accounting**

#### **Overview**

#### **General Operations**

The responsibility for the general operations function of the District is substantially handled by the following:

- Salem City Board of Education (the Board)
- Superintendent

- Business Administrator/Board Secretary
- Treasurer
- Operations Director
- Technology Director

General operations covers the entire range of District activities which are not directly education related. As such, these would include the following:

- Human Resources (including Payroll)
- Purchasing (including Accounts Payable)
- Technology
- Fixed Assets and Inventory Control
- Facilities Management
- Budgeting
- Accounting (including Treasury)

The first five (5) activities enumerated above are covered in other sections of this Report. This section will just focus on the budgeting and accounting (including treasury) aspects of general operations.

### Budgeting

The Budgeting Function of the District is substantially performed by the following:

- Salem City Board of Education (the Board)
- Superintendent
- Business Administrator/Board Secretary
- Principal – John Fenwick School
- Principal – Salem City Middle School
- Principal – Salem City High School
- Other Department Heads

The annual budget is effectively the financial blueprint for the achievement of the District's educational objectives. Accordingly, its preparation is one of the key functions of the Board.

The annual budget is being prepared in accordance with the guidelines issued by the New Jersey Commissioner of Education (the Commissioner). In general, it should reflect the following:

- The actual total expenditure for each item for the preceding school year, the actual amount appropriated for the current school year, and the amount estimated to be necessary to be appropriated for the ensuing school year

- The actual amount of surplus account available at the beginning of the preceding school year, as well as at the beginning of the current school year, and the amount anticipated to be available for the ensuing school year
- The actual amount of revenue available for budget purposes for the preceding school year, as well as for the current school year, and the amount anticipated to be available for the ensuing school year
- Actual transfers between current expense and capital outlay for the preceding school year, as well as for the current school year, and the transfers anticipated for the ensuing school year
- Compliance of all budgetary and accounting systems used in the District with double entry bookkeeping, as well as Generally Accepted Accounting Principles followed in the State of New Jersey

### Accounting

The Board is responsible to the taxpayers of both the District and the State of New Jersey itself to expend public funds wisely and prudently for the "...maintenance of a thorough and efficient system of public education and to institute appropriate controls and accounting procedures."

For the Board to be able fulfill the above-mentioned responsibility, the accounting function of the District must:

- Establish and implement sound accounting practices
- Institute effective business practices
- Acquire the appropriate accounting technology
- Present to the Board accurate and timely fiscal and statistical reports
- Report annually to the Board on the effectiveness of financial operations
- Identify opportunities for improving financial operations.

The District's books of account and classification of expenditures is being maintained in accordance with the rules and regulations established by the State of New Jersey. Basically, this involves compliance of the District's accounting records with New Jersey's Chart of Accounts.

Accounting transactions are recorded and processed using the District's AS400-based, Educational Management by Computer Center (EMC) System (EMC System). The EMC System has been continuously used by the District for the last 20 years.

As part of our procedures, we developed a high-level understanding of the general operations/accounting process which, at the District, includes the following key subprocesses:

- Annual Budget Preparation
- Treasury

- Disbursements
- Journal Entries
- Financial Reporting

We identified key controls within the general operations/accounting process based on interviews with business process owners for each of the subprocesses. We considered the following to select a sample of 25 items to test as a cross-sectional representation of key controls over the process:

- Gaps in internal controls – areas in the process where internal controls would be expected but do not appear to be effective or do not exist at all.
- Variances within the process – areas in the process that are not actually performed as documented or as noted from the interview.

Based on the key controls identified and the process elements considered, the following attributes were identified for testing:

- Existence of an approved annual budget
- Proper recording of receipts
- Review and approval of manual journal entries
- Performance of monthly bank reconciliation
- Board review and approval of the Monthly Board Secretary's Report
- Board review and approval of the Monthly Board Treasurer's Report
- Board review and approval of the Monthly Transfer Report.

### Summary of Observations and Recommendations

On the following pages, we present a summary of observations and recommendations related to the general operations/accounting process. The observations were identified as a result of the ICQ responses, business process interviews conducted, and results of the key controls/attributes tested. We have titled each observation, provided a discussion of the circumstances surrounding the observation, and presented potential recommendations for consideration.

#### Nonsigning of Manual Journal Entries

An instance was noted wherein the file copy of a manual journal entry was not signed by the business administrator/board secretary.

We recommend that file copies of the manual journal entries be thoroughly rechecked to ensure that all of them have been signed to formally evidence review and approval.

#### Nonsigning of the Board Secretary's Report

The file copy of the Board Secretary's Report for September 2006 was not initialed by either the business administrator/board secretary or the superintendent.

We recommend that file copies of the Board Secretary's Report be thoroughly rechecked to ensure that all of them have been signed to formally evidence review and approval.

#### Use of Rubber-Stamped Signatures for Signing Checks

Checks are being signed using "Rubber Stamp" signatures of the Board president and the treasurer. According to the treasurer, she was not the one who rubber-stamped the checks. In fact, she does not know who actually performed the rubber-stamping of the checks with her signature.

We recommend that the practice of using Rubber Stamp signatures on all checks be discontinued. Instead, only checks below a certain threshold should be signed using nonmanual signatures. Beyond such threshold, all check signatories should be required to manually sign the checks. Furthermore, there should be formal documentation as to who will be the only personnel authorized to affix the Rubber Stamp signatures.

### Food Services

#### Overview

To handle its food services requirements, the District has invested in the following kitchen facilities:

- Central Kitchen – Salem High School
- Satellite Kitchen – John Fenwick Elementary School
- Satellite Kitchen – Salem Middle School

There are basically two (2) types of food services that have been outsourced to an outside vendor (the Outsourced Provider), which can be provided by the above-mentioned kitchen facilities:

- Regular menu sitdown services at the various school cafeterias (for regular meals and snacks)
- Special menu catering services (for special events, meetings, etc.).

To fulfill its food services provider obligations, the Outsourced Provider has deployed a total of 25 personnel to the District:

- 1 Food Services Manager
- 1 Assistant Food Services Manager
- 4 Cashiers (full time)
- 3 Cashiers and Sandwich/Salad Makers
- 7 Servers and Sandwich Makers
- 4 Servers and Prep/Line Cooks
- 2 Dishwashers
- 2 Drivers

#### 1 Satellite Person (for Elsinboro and Mannington)

For School Year 2005–06, food services served approximately 88,910 breakfasts and 184,214 lunches for the District.

In addition to its food preparation and food serving responsibilities, the Outsourced Provider is also responsible for collecting and depositing the proceeds of daily cafeteria sales to the District's food services account. To ensure transparency in the recording of cafeteria sales transactions, the Outsourced Provider was provided by the District with state-of-the-art touch-screen cash registers which are electronically-linked on a real-time basis with the District's business office.

The scope of the Outsourced Provider's services described above covers only regular menu sitdown services at the various school cafeterias. It does not include special menu catering services. Pricing for catering event meals are negotiated on a per transaction basis by the Outsourced Provider and District management.

District policies and regulations require that all funds derived from the operation, maintenance, or sponsorship of its food service facilities should be deposited intact to its the food services account (the Account). No amount can be transferred from the Account to any other account or fund of the District, except as authorized by the Board, and such authorization must not be contrary to existing laws and regulations.

The District has no budget and does not receive any funding for food services. According to District management, there is no policy or regulation which requires food services activities to be accounted for on a grossed-up basis in the annual budget. The only requirement is that the District must not incur a deficit for such services (and, therefore, must generate revenue). The total actual cost incurred for food services for School Year 2005–06 amounted to about \$0.87 million (i.e., before offset of food services revenue). Historically, the District has always been on a net revenue position.

As part of our procedures, we developed a high-level understanding of the food services process which, at the District, includes the following key subprocesses:

- Food and Other Kitchen Supplies Inventory
- Donated Items
- Food Serving
- Accounting for Cash Proceeds
- Review and Approval of Food Service Provider Invoices
- Actual-versus-Budget Review of Food Service Cost

We identified key controls within the food services process based on interviews with business process owners for each of the subprocesses. We considered the following to select a sample of 25 items to test as a cross-sectional representation of key controls over the inventory process:

- Gaps in internal controls – areas in the process where internal controls would be expected but do not appear to be effective or do not exist at all.
- Variances within the process – areas in the process that are not actually performed as documented or as noted from the interview.

Based on the key controls identified and the process elements considered, the following attributes were identified for testing:

- Existence of a legally binding contract which formalizes the relationship with the food service provider
- Daily food receipts are deposited intact
- Daily food receipts are deposited no later than the next banking day
- Review of food service provider invoices vis-à-vis compliance with the contracted terms.

#### Summary of Observations and Recommendations

On the following pages we present a summary of observations and recommendations related to the food services process. The observations were identified as a result of the ICQ responses, business process interviews conducted, and results of the key controls/attributes tested. We have titled each observation, provided a discussion of the circumstances surrounding the observation, and presented potential recommendations for consideration.

#### Nonsigning of the Daily Sales and Meals Counts-Briefs by the Food Service Provider Representative

The designated representative of Metz & Associates, Ltd., the District's official food service provider, is not being required to initial the daily sales and meals counts-brief (which summarizes the proceeds of food sales for the day) to document his or her preparation of the same.

We recommend that the designated representative of the District's official food service provider be required to initial the daily sales and meals counts-brief.

#### Nonsigning of the Daily Sales and Meals Counts-Brief by the Accountant

The accountant is not being required to initial the daily sales and meals counts- brief (which summarizes the proceeds of food sales for the day) to document her review of the same.

We recommend that the designated representative of the District's official food service provider be required to initial the daily sales and meals counts-brief.

### **Nondeposit of Food Sales Receipts on the Next Banking Day**

An instance was noted wherein food services receipts (which appears to be an isolated case) was only deposited on the third banking day from the date it was collected.

We recommend that all collections be deposited no later that the next banking day.

### **Improper Purchase Order Signing by the Preparer**

Instead of an individual's signature, the space provided for the preparer's signature in certain food services POs just contains the term "Food Service."

We recommend that every preparer of a PO should be required to properly sign off the same.

## **Transportation**

### **Overview**

The management of the Transportation Function of the District is managed by the Buildings and Grounds Department, which is under the leadership of the Operations Director. The District is classified as a "walking district." As such, only special needs students of the District are provided with transportation services. In general, therefore, there are only two (2) types of activities which are provided with transportation services in the District:

1. Traveling to and from school (only for special needs, homeless and vocational students – the District normally has about 100 such students)
2. Extracurricular activities travel (e.g., sports events, field trips, after-school programs, etc.).

The District's budget for transportation services for the School Year 2005–06 is about \$0.48 million, while actual cost amounted to about \$0.53 million. The budget is directly managed by the business administrator with the help of inputs from the operations director.

Inasmuch as the District does not have its bus fleet, to address the aforementioned needs, the District has engaged the services of outside service providers.

As part of our procedures, we developed a high-level understanding of the transportation process which, at the District, includes the following subprocesses:

- School Bus Service
- Extracurricular Activity Bus Service
- Review and Approval of Transportation Service Provider Invoices
- Actual-versus-Budget Review of Transportation Service Cost

We identified key controls within the transportation process based on interviews with business process owners for each of the subprocesses. We considered the following

to select a sample of 25 items to test as a cross-sectional representation of key controls over the inventory process:

- Gaps in internal controls – areas in the process where internal controls would be expected but do not appear to be effective or do not exist at all.
- Variances within the process – areas in the process that are not actually performed as documented or as noted from the interview.

Based on the key controls identified and the process elements considered, the following attributes were identified for testing:

- Existence of legally binding contracts, which formalizes the relationships with transportation service providers
- Day-to-day tracking and monitoring of the performance of school bus services
- Review of transportation service provider invoices vis-à-vis compliance with the contracted terms
- Performance of actual-versus-budget review on transportation service provider invoices.

### Summary of Observations and Recommendations

On the following pages, we present a summary of observations and recommendations related to the transportation process. The observations were identified as a result of the ICQ responses, business process interviews conducted, and results of the key controls/attributes tested. We have titled each observation, provided a discussion of the circumstances surrounding the observation, and presented potential recommendations for consideration.

#### Deficiency in the Retention of Bid Documents

The supporting bid documents in the selection of the extracurricular activity bus service provider are no longer on file. According to District management though, formal Request for Proposal (RFP) and bidding procedures were followed in the selection of such provider.

We recommend that the retention period policy applying to POs should also be followed for formal bid documents.

### Technology

#### Overview

The District's Technology Department is responsible for maintaining and supporting the IT needs of instructional and administrative operations. The District has four buildings, and each building itself is a local area network that is connected to each other via fiber optic which constitutes a wide area network for the District. The Technology Department supports software, hardware, and network infrastructure for over 750 computers. The IT Department is supported by three (3) staff members including a technology coordinator, a technology specialist and a technology trainer. The IT Department is currently operating out of a temporary trailer, while awaiting

new accommodation. The District has a dedicated technology team that ensures that the District has a reliable IT environment which has ensured that the District has minimum downtime during the recent past.

The Technology Department supports the District's core IT applications including:

- Education Management by Computer Center (EMC) – This system is the core business system for this District. This application is used to manage accounting and HR functions for the District. The District has been operating on this application for the last 20 years. This application is used by approximately eight staff members.
- e-Grade – This system is used by the District for grading students. This application is used by approximately 125 teachers and 1450 students.
- WinSchool – This system is used by the District for managing student information. This application is used by approximately 125 teachers and 1450 students.
- Read 180 – This system is a Special Education Systems for students. This is used at Elementary Schools. This application is used by approximately 20 staff members.

As part of our procedures, we developed a general understanding of the IT environment, including at a high level how:

- User access to the environment is controlled, both physically and logically
- Change control is managed
- Programs or other software is developed
- Backups are performed
- The environment is monitored.

### Summary of Observations and Recommendations

On the following pages, we present a summary of observations and recommendations related to the subprocesses listed above. We have titled each observation, provided a discussion of the circumstances surrounding the observation, and presented potential recommendations for consideration.

### Advanced Age of the District's Core Business System

As previously discussed, the District's core business system (which is used to manage the accounting and human resources functions) is already 20 years old.

We recommend that the District should consider upgrading its core business system to a version of this system which would be comparable in functionality to other systems currently available in the market. In addition to improving the effectiveness and efficiency of managing the accounting and human resources functions, without such upgrade, the District would probably not be in a position to address the following observations discussed elsewhere in this report:

- Manual PO preparation
- Inability of the purchasing system to store and report vendor invoice dates
- Deficiency in payroll system integration
- Manually maintained individual employee personnel files
- Nondetection of missing employee data
- Automatic purging of substitute teacher s from the payroll system
- Deficiency in the classification of additional pay in the payroll records

#### **Formally Documented Information Technology Security Policy**

An IT security policy is a document that sets the direction of information security for an organization. This policy may include specifics relating to security such as how accounts and passwords are created, along with acceptable usage statements for users' use of network and e-mail accounts. This policy helps align the expectations of management and users.

Our discussions with staff within the District have identified that the District does not have a formally documented IT security policy.

Without policies being documented, the users of the network may have inappropriate and inconsistent expectations of what is considered appropriate when using the network.

We recommend that the District create an IT security policy and ensure it is available to staff who use the network. This policy should be endorsed by senior management before distribution to the network users.

#### **Deficiencies in the Implementation of the Acceptable Usage Policy**

An acceptable use policy is used by many organizations to outline the acceptable use of the organization's information technology infrastructure. This policy is predominantly focused around the use of electronic mail and the Internet. The Salem City District currently uses an acceptable use policy to communicate expectations students.

Our discussions with District management identified that staff members are not informed of this requirement nor are they required to sign this document.

Without policies being documented and communicated to staff members, they may have inappropriate expectations of what is considered appropriate when using the network.

We recommend that the District create a staff acceptable usage policy and that this policy be communicated to the staff within the District. Each of the staff members should sign that they will act in accordance with this policy.

### **Deficiencies in Password Requirements for Network and Applications**

Access to the network and key applications within the District are restricted to authorized users through the use of unique usernames and passwords. The use of unique usernames and passwords allows accountability within the network.

Our discussions with IT management have identified that passwords for the network and applications are not forced to change, and that password complexity (the use of letters and numbers) is not enforced.

Without strong password parameters configured in the network and key applications, there is an increased risk that unauthorized users may obtain access to the network or applications.

It is recommended that the District investigate the use of system forced password expiration and complexity for the network and key applications.

### **Inadequate Safety of Data Center**

The existence of the data center is critical to the continuing operation of the District's information technology systems. Salem City is currently running the

computer operations from a temporary trailer which is not locked during business hours. While observing the data center, we identified that the District does not have a dedicated data center to house the key application. The key application server is placed in the temporary trailer offices. The trailer offices are locked during off-business hours and are not locked during business hours

The absence of a dedicated data center and appropriate security increases the risk that servers and the infrastructure may be deliberately or inadvertently damaged.

We recommend that the District appropriately secure the accommodation that houses the District's servers and infrastructure.

### **Deficiencies in the Procedures for Creating, Modifying, or Deleting User Accounts**

The process of creating, modifying or deleting user accounts by IT staff is an event that occurs many times a year and is a critical control in the protection of information contained within the network. One important control in this process is the approval to perform the action as the IT staff should not be making changes without approval, especially with respect to changes on the business applications. This approval is normally given through the use of a request form which gives specific details of the access that is required. This form should be kept to verify the approval for each staff member's access rights.

In the Salem City School District, the approval for the creation, modification or removal of user accounts, on the network and application, is given by the Board and communicated through the Board meeting minutes.

Although approval is given to create, modify and delete the user accounts, approval at the Board level is not specific as it only lists the role of the staff member, and not the actual access that the staff member requires.

We recommend that the process for creating, modifying and deleting user accounts, on the network and key applications, be modified to include the use of user access request forms. All requests for financial applications should be

approved and specified by the business administrator, while network access should be granted by the technology director.

These access request forms, which may be completed manually or electronically, should be retained in a central location for future audit purposes.

#### **No Evidence of Periodic Access Review**

The periodic review of user access is a key detective control to allow organizations to identify users who have left the organization or have transferred and still have access to key systems and the network.

Salem City IT management informed us that they perform this review on a semiannual basis, although there is no audit trail to verify the performance of this review.

Without evidence to support the performance of a review, it is very difficult to substantiate, to audit or management, that the review has taken place, is performed adequately, and that issues were rectified.

It is recommended that for each review that staff performs, documentation be kept to provide an audit trail for review. This documentation could simply be a spreadsheet of the active accounts, employed staff, and the comparison or a confirming e-mail to senior staff indicating the performance of the review and any issues that were identified.

#### **Formally Documented Change Management Process**

During discussions regarding how changes are made to the network and key applications, management described a process in which changes are identified, approved by management, tested, and validated.

There are no formally documented procedures of this above process and no evidence trail to suggest it has been followed for all changes.

Without policies and procedures of how changes are supposed to be authorized, implemented and documented, there is an increased risk that changes may be introduced into the environment in an uncontrolled manner due to staff members not knowing the desired process.

We recommend that the District formally create a change management process and that all changes be implemented using this process. In addition, this document should outline the process to be followed in the case of an emergency.

### **Formally Documented Backup Procedures**

During discussions regarding how backup of data is performed for the key applications, management described a process of backups.

The District does not have documented policy or procedure to create backup of key application.

Without policies and procedures of how backups are supposed to be implemented and documented, there is an increased risk that the backups may not be done appropriately due to staff members not knowing the desired process. The District staff may not have a clear understanding of backup requirements of key application. In case of disaster, the District may not be able to restore or use the backup to keep the business up and running

We recommend that the District formally create a backup process document and outline the backup procedures to be implemented using this process. In addition, this document should outline the process to be followed in the case of an emergency.

### **Nonperformance of Backup Media/Data Restores on a Periodic Basis**

Backup devices should be tested periodically in order to validate that media is functioning appropriately, and the individuals performing the restore are aware of the process to restore data in the event that it may be required.

During discussions with IT management staff, it was determined that backup restores are not being performed on a periodic basis, and management has not defined a procedure to perform such restores on backups.

The lack of testing increases the risk that data may not be recoverable during an emergency, tape drives may prove to be not operating effectively, or individuals responsible for performing the restore function may not know how to restore data.

We recommend that management implement a procedure to test the validity of backup media and data, as well as test the procedure of restoring data from backup media that are sent off-site. This would ensure that the quality of data backed up onto media is appropriate, and the individuals performing this function are aware of how to perform restores.

### **Backup Location Shortcomings**

The offsite storage of backup tapes is critical in the event of a disaster to the main data center. These tapes can be used, along with new equipment, to restore the operations of the District. These tapes should be retained in a location that is a sufficient distance from the primary site, environmentally controlled, and physically secure.

Currently, the backup tapes are stored at the data center.

The backups are located at the same location as the data center; therefore, there is an increased risk of losing data of key applications in case of a disaster in the data center.

We recommend that the District investigate the use of another school as a site for the storage of backup tapes. This location should be physically secured from general staff members.

#### **Nontracking and Nondocumentation of IT Incidents**

Issues and incidents occur from time to time and are identified and rectified by the IT team. They do not retain any log of what caused the incident and the steps taken to fix the problem.

On inquiry of Salem City IT management, it was noted that they use a Web-based application to track incidents from initiation to resolution. It was also identified that some incidents that are reported verbally are not always tracked.

Without retaining the issues log, management cannot inspect past logs to identify trends or provide an audit trail for review of incidents and issues.

Management should start logging all incidents and track resolution with actions taken. This will enable management to maintain a repository of all issues, and common solutions to handle them.

#### **Nondocumentation of Batch Job Procedures**

There are batch jobs procedures which run periodically within the organization such as reports. Details relating to batch jobs should be documented to indicate the time when these jobs are scheduled for, individuals who can perform these jobs, and procedures for monitoring such jobs. Having such procedures in place will ensure that batch jobs are performed and executed appropriately.

Our review identified that the procedures related to batch jobs are not documented.

Without policies and procedures of how backups are supposed to be implemented and documented, there is an increased risk that the backups may not be done appropriately due to staff members not knowing the desired process.

It is recommended that batch job procedures be documented. This documentation should include information relating to the processing times, data that is interfaced, procedures to be followed if batch job fails and authorized employees who should be given access to make changes to these batch jobs.

### **Student Activities**

#### **Overview**

The following are the schools and grades in the District:

- John Fenwick Elementary School (Pre-Kindergarten to Grade 3)
- Salem Middle School (Grades 4 to 8)
- Salem High School (Grades 9 to 12)

In general, the educational program being taught at John Fenwick Elementary School and Salem Middle School are the same with that of other elementary and middle schools in the State of New Jersey. Salem High School, however, is not just like any other high school in the State, in view of the following:

- It is only one of two (2) schools in the entire State which offers the Pathways Program (Pathways). Pathways, which a student may take in addition to the required high school courses, is designed to offer focused and challenging learning on a particular career field. Currently, Salem High School offers six (6) educational programs under Pathways – Performance Dance; Digital Communications; Health, Recreation and Exercise Science; Energy Engineering; International Studies; and Agricultural Science.
- It is only one of 13 schools in the entire State to be selected in the Inter-District Public School Choice Program sponsored by the New Jersey Department of Education. This program allows students from anywhere in the State to attend the educational programs offered by Salem High School.

Each of the aforementioned schools is led by a principal who is assisted by at least one (1) vice principal.

It is the direct responsibility of the superintendent to record and verify the number of students enrolled in the District in accordance with the rules and regulations of the State Board of Education. Such records must be created and maintained in such a way that the same can serve as the basis for Board decision making vis-à-vis program planning, facilities development, allocation of resources, as well as in estimating requests for State aid.

Information about individual students is compiled and maintained in the interest of their own educational welfare and advancement. Mandated records include the student's personal descriptive data, daily attendance records, progress reports, and physical records.

The District uses the WinSchool Student Administration System (Winschool) to manage student records. WinSchool is a full-featured and easy-to-use administration system which runs under Windows and, therefore, utilizes the latter's user-friendly graphic interface. Some of the major modules of WinSchool are:

- Student/Teacher Demographics
- Desktop Attendance
- Electronic Grade Book
- Discipline Tracking
- Report Cards
- Transcript of Records.

As part of our procedures, we developed a high-level understanding of the student activities process which, at the District, includes the following key subprocesses:

- Enrollment
- Tuition Collection/Payment
- Attendance
- Academic Classes
- Grading
- Fieldtrips
- Athletics
- Other Extracurricular Activities (e.g., Prom)

We identified key controls within the student activities process based on interviews with business process owners for each of the subprocesses. We considered the following to select a sample of 25 items to test as a cross-sectional representation of key controls over the inventory process:

- Gaps in internal controls – areas in the process where internal controls would be expected but do not appear to be effective or do not exist at all.
- Variances within the process – areas in the process that are not actually performed as documented or as noted from the interview.

Based on the key controls identified and the process elements considered, the following attributes were identified for testing:

- Formalization of the tuition fee arrangements with other nearby school district's through the execution of legally binding contracts
- Propriety of documents supporting entries to student records
- Tuition fee and sporting event collections are supported by properly prepared receipts
- Tuition fee and sporting event collections are deposited intact and no later than the next banking day
- Disbursements directly made from the Athletic Fund are properly reviewed and approved
- Purchases of athletic equipment and uniforms are properly reviewed and approved

#### **Summary of Observations and Recommendations**

On the following page we present a summary of observations and recommendations related to the student activities process. The observations were identified as a result of the ICQ responses, business process interviews conducted, and results of the key controls/attributes tested. We have titled each observation, provided a discussion of the circumstances surrounding the observation, and presented potential recommendations for consideration.

**Noninitialed Receipt**

An instance was noted (which appears to be an isolated case) wherein a receipt issued for a tuition fee collection was not initialed by the individual who issued the same.

We recommend that a receipt should not be recorded unless the same has been initialed by the person who received the same.

**Improper Purchasing Order Signing by the Preparer**

Instead of an individual's signature, the space provided for the preparer's signature in a certain field-trip-related transportation service's POs just contains the term "Salem Middle School" or "Salem Middle School."

We recommend that every preparer of a PO should be required to properly sign off the same.

**Nondeposit of Tuition Fee Receipts on the Next Banking Day**

Instances were noted wherein tuition fee receipts were not deposited on the next banking day from the date they were collected (four were deposited on the second banking day while one was deposited on the third banking day).

We understand that the official policy in the District is to deposit collections no later than the second banking day. For stronger internal control, however, we recommend that all collections be deposited no later than the next banking day.





# Appendices

This section of the report includes the following appendices:

Appendix A – District Response

Appendix B – Subgroup Analysis Sample and Results of Testwork

Appendix C – Statistical Analysis Sample and Results of Testwork

The district response provided on the following pages is presented as it was received.

KPMG in its Executive Summary acknowledged that the Salem City School District is a relatively small district with five employees in the business office. They have indicated that the business office is housed in a 'container office'. The 'container offices' that house the district offices are converted temporary classroom units (TCU's) supplied by the Schools Construction Corporation as the district used the former board offices for classrooms to accommodate pre-school three and four year old children.

## **PROJECT OVERVIEW**

KPMG took a corporate/industry based internal controls audit model and attempted to adapt that model to education. This was a cumbersome and time-consuming process -- duplicating the annual audits that are completed by Certified Public Accounts auditing schools following New Jersey Department of Education guidelines and regulations. Costs incurred by the State of New Jersey contracting with KPMG are "questionable" as to its educational value and reasonableness; and, the district questions how does this expenditure by the Department of Education -- expenditures of time and resources by the district translate to improving the delivery of instruction to poor children in the State of New Jersey. This multi-million dollar expenditure will ultimately decrease available aid to districts in their efforts to educate children. Unfortunately, it is, once again, the students of New Jersey who are short changed in this latest accounting exercise that has been borne by the Salem City School District. Valuable time was taken by the district to educate KPMG's novice employees in basic school accounting and New Jersey School Law for example: account numbers and what kind of expenditures were allocated to programs and object codes, that business administrators need a surety bond, that business administrators and board secretaries are the same person in small districts, etc.

A turnover in staff assigned to Salem by KPMG contributed to the KPMG's inefficiency. Accounting clerks were employed with little or no field experience. Turnover also caused documentation and/or files to be misplaced. Accounting documentation was all over the place and in different "piles" as it was used by so many different clerks.

KPMG requested that Salem's accounting data be converted from paper documents to electronic data for their review. The Salem City School District incurred expenditures in staff overtime and ultimately, the procurement of an outside technology consultant to comply with their request. KPMG indicated, "The district transmits a very limited amount of payroll data, for example, FICA, taxes, direct deposit, etc. KPMG stated "The district provided "clean" or "usable" electronic data on April 17, 2007 for Accounts Payable and on May 15, 2007 for Human Resources". Spreadsheets were created by KPMG from the "clean" data transmitted by Salem. Unfortunately, the spreadsheet data that was given to Salem for analysis was flawed—it was another district's data and that data contained a total amount that grossly exceeded the total of Salem's entire budget. Despite the cost incurred by the district to provide "clean" and

“useable” data, ultimately the district had to revert back to paper documents to provide the analysis required by KPMG.

## **PURCHASES**

In the executive summary, data, presented by KPMG, indicates that ninety-five percent (95% of sampled transactions “appeared reasonable”, one percent (1%) “discretionary” and four percent (4%) were “inconclusive”.

In reviewing the four percent inconclusive category, it includes various school supplies, workbooks, CD, computer notebooks, etc.; of which, the district questions KPMG’s ability to determine what should be used by teachers to deliver instructions to students.

Below are additional examples of KPMG’s “inconclusive” expenditures:

- \$2,860 hotel accommodations for Board of Education members attending workshop at the Atlantic City Fall School Boards convention
- \$764.69 Student Recognition Honor Roll Breakfast and Staff Appreciation day
- \$545.77 Agency account checks
- \$985 Individual .37 stamps for parent notification for IEP’s; CST should determine number of stamps need for school year. This is difficult to project when children transfer in and out of the district, new students going through the classification process, etc. Student life in a school district such as Salem is not a stationary process.
- \$ 908.45 instructional materials: Boys & Girls Book about Divorce; Story Telling Card Games; Self Control Workbook
- \$7,800 Rental of portable air conditioners: As an Abbott school district, the district’s capital reserve funds were reallocated to fund 15 to support the budget. In addition, the district has had in its Long Range Facilities Plan and before the Schools Construction Corporation, projects to replace HVACC units at the high school. Salem High School has wings of interior classrooms, solely dependent on the rooftop HVAC units to cool and circulate air during warm months. SCC’s delay in replacing the units necessitated the rental of portable units to maintain air quality conducive to an educational environment.
- \$9,000 in USPS postage ordered by phone –District followed postage meter company’s guidelines to replenish postage in the meter.
- \$7,954.26 – various school science lab supplies, silver nitrate, Phases of Matter video, Mixtures and Solutions video
- \$3,862 administrative supplies – legal pad, labels, cork board
- \$3,078.62 athletic supplies – footballs, practice pants and mouthpieces
- \$1,593 Athletic Director expense – officials, security, facility rentals, clinic dues
- \$9,753.26 workbooks and CD’s for example, spelling, grammar, reading
- \$1,902.96 testing materials

- \$2,200 registration for School Boards - no invoice; it is usual an customary that no invoice is provided by NJ School Boards
- \$1,035 Science kit training for teachers; a voucher is attached and is used in lieu of an invoice
- \$2,600 legal fees by former employee; part of a legal settlement between parties
- \$50 Pay to Play Workshop not clear based on documentation; required by State of NJ

In reviewing the one percent “discretionary” purchase order category, they include some of the following examples:

- \$55 a sympathy basket
- Various amounts throughout the time period audited -- refreshments/lunches for staff and board members.
  - Board members are volunteers that willingly volunteer their valuable time to serve the children of the Salem City School District. Board meetings commence at 6:00 necessitating Board members to come to the meeting directly from work. Meals were snacks and/or light sandwiches.
  - Refreshments are served to committee members for meetings, for example, the School Leadership Committees, Advisory councils, etc.
  - A continental breakfast and a light lunch is served on staff in service days. The city of Salem has four eateries with a total seating capacity of approximately 150. More time would be needed for staff to travel to the eateries at staggered times during staff development. Providing meals for teachers during staff development days curtails loss time that could be used productively for staff development opportunities.
- \$210., \$205, \$215, \$175 grant related activities for Family Friendly Centers
- \$50 Flowers for the eighth grade graduation are rented plants that are also used for the high school graduation.
- \$40 Board members attending end of year retirement luncheon
- \$628 New teacher luncheon
- \$333.36 100 school lanyard key chains “I make the difference Salem high school”.

Purchasing Practices and Procedures:

- KPMG indicates that invoice paid is in excess of purchase order:
- The district does have an open purchase order for electric, phone, natural gas, health insurance. These are purchase orders that vary from month to month depending on usage, cost at that particular time for the utility and/or the beginning or termination of employees and their respective coverage.
- For a change in a purchase order to get a second approval. An order is submitted by the originator of the purchase order with the anticipation that all of the items ordered are available by the supplier. There are occasions when items are back-ordered or no longer available. If they are no longer available then the purchase order is decreased. If the item is no longer available, the supplier may suggest an item substitution. In that case the

originator of the purchase order is called for a verbal approval and/or disapproval for the substitution. There are also times when the originator gives an estimate on the shipping cost and the items ordered incur a shipping cost more than what was estimated.

- Upgrade technology to generate purchase orders electronically. The district is not sure what would be accomplished. Payments of purchase orders are supported by invoice documentation.
- Invoice date prior to purchase order date – upgrade technology. The district is not sure that an upgrade in technology would alleviate this issue.
- Possible questionable vendors – post office mail drop address – Post office box numbers were valid addresses for orders and applicable payments. The district has no authority over the address in which a payment is to be sent for a payment to a vendor. By calling identified vendors with post office mail drop addresses, KPMG could verify that is the correct address for payment to be sent. Inactive vendors will be reviewed for “possible” deactivation.

KPMG recommended that the current purchase order be revised to include space for documenting operation justification of goods and other services purchased. The District has current procedure in place in which “certified staff” sign off or approve purchase orders for availability of funding and educational appropriateness.

## **PAYROLL**

As payroll expenditures constitute a majority of a district’s budget and/or expenditures and with the ten point analysis that was conducted, KPMG validated through its review of payroll data that the Salem City School District has no “ghost” employees.

KPMG has raised the following issues:

### Possible Questionable Employees- Incomplete Employee Profile

- One (1) employee without a birth date; and, it was corrected while KPMG was in the district
- Substitute teachers are in a pool of possible substitutes; the list is updated and approved by the board; payroll is generated by pay claims. There was no evidence that anyone was paid without supporting documentation of a pay claim

### Possible questionable payment –

- Payments made to an employee greater than thirty days (30) days after termination date. If an employee has not fulfilled all obligations, then payment is held until the obligation is met. The employee did not fulfill obligations within the thirty (30) day period as recommended by KPMG.
- Large portion of gross pay in stipend. The district’s practice is to total all the additional salary remuneration, such as stipends, overtime, etc. into one category

resulting in a large variance when performing an analysis – board minutes and pay claims supported an individual’s amount of base pay plus additional pay.

- One (1) in a sample of 50 was completed in pencil. A pencil is a normal writing tool for a lower elementary grade teacher. Despite the comment made by KPMG, there were no irregularities of what was on the pay claim and the amount paid to the employee. The pencil pay claim supportive the amount paid.
- Large portion of Gross pay in Overtime – Refer to the second bullet above – both items reference similar payments.

## **ASSESSMENT OF INTERNAL CONTROLS**

Recommendations made in other sections are reiterated in this section, for example, Purchasing/Accounts Payable and Payroll Human/Resources issues.

### **Potential Risk**

- Non signing of manual journal entries – two people have the capability of generating journal entries, a determination of the originator can be generated from printer source.
- Use of rubber stamped signatures for signing checks. The district cannot understand the difference in an electronic stamp generated through software versus a rubber stamp –both expose the district to an equal risk.
- Lack of Policy on storage of sensitive information on moveable media—in multiple sections KPMG indicated the need for the district to enhance the accounting system electronically. We do not have a sophisticated system with moveable media data; therefore, there is a need for clarification by KPMG.
- Lack of Formally – Documented Backup Procedures. There are procedures that are available and followed. Further clarification of additional backup procedures or suggestions of “good” backup procedures be provided by KPMG is requested.
- Technology Department has several recommendations: Throughout the report, KPMG indicated “the AS400 based core business/accounting application system is already 20 years old.” The software application programs is used by numerous other school districts and the software management company provides periodic updates that reflect the requirements of the Department of Education for budget preparation, record keeping and accounting. In addition, the hardware has been replaced during that period of time. The Salem City School District does not have the space and/or facilities to have a dedicated data center -- nor because of its size, warrant an extensive or separate IT department one for business applications and one for educational applications. The functionality of Salem’s three member IT team is to primarily serve the educational needs of the three schools in the district – including installation and maintenance of software and hardware and training. The IT staff of the district does maintain support for NJ Smart, a data warehouse for testing data and educational applications such as the Read 180, Success Maker, etc. There is no IT department for business/accounting applications for the business office.

- Mobile labs: “Laptops are not currently tracked and monitored down to user level”  
The district acknowledges that mobile labs are available for classroom use in each of our three schools. The nature of mobile labs means they are wheeled into many classrooms throughout the day. The district will attempt to purchase a mobile lab per grade to streamline accountability of usage; but it will still be difficult to ascertain individual use throughout the day.
- KPMG recommends that even though the district is following state guidelines to capitalize fixed assets in excess of \$2,000, that the district include computers in the capitalization. The district does maintain a computer value for insurance purposes.
- KPMG recommends that the State should review and amend its existing policy on the retention of school district electronic files such that the same will also be subject to the same retention period being applied to hardcopy files. The district does follow the existing State guidelines as it pertains to retention of files.
- KPMG recommends that even though there is only one person on the Food Service staff preparing the Daily Sales and Meal Counts, they should initial the report. There is only one accountant and that person reviews the above counts and that person should sign that they have reviewed the Meal Counts. On the Daily Sales and Meal Counts a line will be added for the preparer and reviewer to initial.

## **CONCLUSION**

The Salem City School District looks at any audit as a learning experience. Unfortunately, on the part of district personnel, many hours were consumed in the KPMG audit and the district is not sure of the educational validity of this exercise. The district does acknowledge that there is always room for improvement and it will focus on the recommendations that can be implemented having little financial consequences to the educational programs for students.

KPMG has validated results garnered from previous audits conducted by Bowman & Co., certified public accountants, that there are no financial irregularities regarding Payroll and Purchasing expenditures.

Margaret J. Nicolosi  
Superintendent

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
1	1.10003E+12	0056	7/15/2004	MINOLTA-DIV KMBS USA	\$5,075.65	\$5,075.65	Copy machine rental for SY 2004-05 [covered by State Contract #A46622]	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
					\$3,156.76	\$3,156.76	Copy machine rental for SY 2004-05: [1] Board Office; [2] John Fenwick Elementary School; [3] Middle School; [4] High School; [5] Child Study Team [covered by State Contract #A46622]	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
					\$6,786.87	\$6,786.87	Copy machine rental for SY 2004-05: [1] Board Office; [2] John Fenwick Elementary School; [3] Middle School; [4] High School; [5] Child Study Team [covered by State Contract #A46622]	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
					\$10,002.37	\$10,002.37	Compy machine rental for SY 2004-05 [covered by State Contract #A46622]	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
2	1100026142000	0057	7/15/2004	JAG GLASS & TOWING	\$242.82	\$242.82	Safety glass; installed glass	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
3	1100023053001	0087	7/19/2004	BURKE-DOHERTY, CAROL	\$161.94	\$161.94	Cookies for Students Volunteer; Thank You Gifts; New Room Supplies; Year End Calendars; Postal Mail Records [Actual transaction was done by BR, Secretary. She mails student records to new schools using petty cash funds. All petty cash checks are issued to CABD, Principal]			✓	Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district. No Vendor Invoice, however, is on file.
					\$58.87	\$58.87	Cellular charges for A/C#17378118-001-38/ Cell No. 609-420-6530. The account name is "BOARD" per Billing Statement [The lone cellphone line of the District issued to FW, Operations Director. He is on call on a 24/7 basis.]	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments	
Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
4	1100023053000	0091	7/30/2004	CINGULAR WIRELESS - WILMINGTON	\$63.70	\$63.70	Cellular charges for A/C#17378118-001-38/ Cell No. 609-420-6530. The account name is "BOARD" per Billing Statement [The lone cellphone line of the District issued to FW, Operations Director. He is on call on a 24/7 basis.].	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.	
5	1100026142000	0092	9/29/2004	HONEYWELL ACS-SERVICE	\$15,058.00	\$15,058.00	Charges for Salem High School Mechanical Maintenance from July 1, 2004 through September 30, 2004. The expenditure partially covers the Annual Maintenance Contract.			✓	According to District Management, the Vendor is considered a Preferred Sole Provider and is, therefore, no longer being subjected to competing quote procedures. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be related to the day-to-day operations of a school district. In view of the frequency and magnitude of the transactions with this Vendor, the District should explore the possibility of entering into long-term supply agreements with them. The supporting PO is also not on file.	
					\$800.00	\$800.00	Partial payment on a disputed account for advanced data services.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.	
					\$400.00	\$400.00	Telephone charges - A/C#201-Z05-3474-012-64-Y	✓			According to District Management, this account is for a data line. Based on the foregoing explanation, as well as the supporting documentation on file, the expenditure appears to be reasonable.	
					\$400.00	\$400.00	Telephone charges - A/C#201-Z05-3474-012-64-Y	✓			According to District Management, this account is for a data line. Based on the foregoing explanation, as well as the supporting documentation on file, the expenditure appears to be reasonable.	
					\$3,117.89	\$406.00	Telephone Charges for SY 2004-05	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.	

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments	
Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
6	1100023053005	0095	7/30/2004	VERIZON COMPANY	\$406.00	\$406.00	Telephone charges - A/C#201-Z05-3473-012-64-Y	✓			According to District Management, this account is for a data line. Based on the foregoing explanation, as well as the supporting documentation on file, the expenditure appears to be reasonable.	
7	1100023053001	0097	7/30/2004	VERIZON COMPANY							Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district. The supporting PO, however, is not on file.	
8	1100023053000	0097	7/30/2004	VERIZON COMPANY	\$3,064.04	\$3,064.04	Telephone landline charges - July 2004			✓	Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district. The supporting PO, however, is not on file.	
9	1100023053002	0097	7/30/2004	VERIZON COMPANY							Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district. The supporting PO, however, is not on file.	
10	1100023053003	0097	7/30/2004	VERIZON COMPANY	\$3,117.89	\$2,711.89	Telephone charges for SY 2004-05			✓	Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district. The supporting PO, however, is not on file.	
11	1100026244100	0101	9/29/2004	MOBILE MINI, INC.	\$1,319.23	\$1,319.23	Lease of two [2] 8 x 40 Storage Trailers for three [3] months	✓			According to District Management, these storage pods were used for Board records, as well as equipment storage when the business offices were relocated, initially, from the Middle School to the High School, and then, from the High School to their current location in the double-wide trailers. Based on the foregoing explanation, as well as the supporting documentation on file, the transaction appears to be related to the day-to-day operations of a school district.	
12	1100023059000	0118	8/5/2004	COURIER POST	\$1,809.54	\$1,809.54	06/20/2004 ad for various school positions - Teachers, Counselor, LDT/Consultant	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments	
Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
13	1100023053002	0125	8/5/2004	U.S. POSTAL SERVICE	\$925.00	\$925.00	37 Cent stamps (100 to a roll) - 25 rolls bought from Salem City Post Office			✓	According to District Management, this was purchased at the start of the school year to accommodate the numerous mailings the District must make to parents and professionals. While the foregoing explanation appears to be reasonable, ideally, the thought process involved in determining the amount of stamps to be purchased should have also been documented and attached to the PO package, so that, for management evaluation purposes, there will be a certain level of comfort that the amount purchased had adequate operational basis.	
14	1100026142000	0196	8/16/2004	NUTEMP LONGRILLE	\$1,950.00	\$1,950.00	Rental of portable airconditioners for the High School - 2 x SC 26 kbtuh MovinCool CP-26 & 1 x SC 14 kbtuh MovinCool CP-14 [01/24/05 to 02/20/05] - represent emergency rentals made due to the failure of the rooftop unit.	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.	
					\$7,800.00	\$7,800.00	Rental of portable airconditioners for the High School - 2 x SC 26 kbtuh MovinCool CP-26 & 1 x SC 14 kbtuh MovinCool CP-14 [4 months - 07/12/04 to October 2004] - represent emergency rentals made due to the failure of the rooftop unit.			✓	Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district. Only 3 of the 4 Vendor Invoices paid, however, are on file [Invoice#121000179 is not on file].	
					\$3,840.00	\$0.00	Rental of portable airconditioners for the High School - 2 x SC 26 kbtuh MovinCool CP-26 & 1 x SC 14 kbtuh MovinCool CP-14 [2 mos -05/15/05 to 06/11/05; 06/12/05 to 07/09/05] - represent emergency rentals made due to the failure of the rooftop unit.			✓	Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district. The amount paid, however, already exceeded the outstanding PO balance.	
15	1100023059000	0220	8/16/2004	PHILADELPHIA INQUIRER	\$2,655.00	\$2,655.00	Education: CLS Enquirer Full Run/Career Builder; Education: Daily News	✓			According to District Management, this represents ads for various vacant teaching positions in the District. Based on the foregoing explanation, as well as the supporting documentation on file, the expenditure appears to be related to the day-to-day operations of a school district.	

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments	
Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
16	1100023059000	0265	8/30/2004	COURIER POST	\$1,450.82	\$1,450.82	07/20/2004 ad for High School Teacher; Ad for Job Fair	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
17	1100023059000	0288	8/31/2004	NEW JERSEY SCHOOL BOARDS ASSN.	\$1,100.00	\$1,100.00	MNSBA/NJASA/NJASB Workshop/ Convention, October 20, 21, 22, 2004 [9 attendees - Board Members and key officers]: MN [Superintendent], Suzanne Fox [Business Administrator], CA, CC, SD, YG, KR, JS, FW			✓	According to District Management, Board Members attended this training to comply with the training requirements of the State of New Jersey. Based on the foregoing explanation, as well as the supporting documentation on file, the transaction appears to be education-related. There is, however, no Vendor Invoice [or its equivalent] on file.	
18	1100026242000	0297	9/29/2004	SALEM COUNTY UTILITIES AUTHORITY	\$605.37	\$605.37	May 2005 garbage disposal fees charged by the Salem County Government for all School District locations. The fee rates appear to be reasonable.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	
					\$2,215.44	\$2,215.44	June 2005 tipping fees	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	
					\$1,172.49	\$1,172.49	February 2005 tipping fees	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	
19	1100026249000	0298	11/2/2004	WATER & SEWER DEPT.	\$4,500.04	\$4,500.04	Water and sewer billing for 10/01/2004 to 03/31/2005	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
20	1100023059000	0304	9/10/2004	NJSBA/NJASA/NJ ASBO HOUSING	\$2,860.00	\$2,860.00	Hotel Rooms for NJSBA/NJASA/NJAS Convention, October 200, Atlantic City, NJ [8 attendees]; CA [President, School Board Officers] - 3 nights; CC [Salem City BOE Board Member] - 2 nights; SD (GD) [Salem City BOE Member/Husband] - 3 nights; YG [Salem City BOE Board Member] - 2 nights; JS [Vice President, School Board Officers] - 3 nights; MN [Superintendent] - 3 nights; SF [Former SBA] - 3 nights; FW [Director of Operations] - 3 nights			✓	According to District Management, Board Members attended this training to comply with the training requirements of the State of New Jersey. Based on the foregoing explanation, as well as the supporting documentation on file, the transaction appears to be education-related. There is, however, no Vendor Invoice [or its equivalent] on file.
21	1100026242000	0361	9/29/2004	HILLYARD INDUSTRIES, INC.	\$862.59	\$862.59	Repair of Tornado Burnisher	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
22	1100026142000	0366	9/29/2004	HONEYWELL ACS-SERVICE	\$2,360.58	\$2,360.58	Repairs to AC units in classrooms at the High School (Service Call Charges). The District has an annual maintenance contract with the vendor for all rooftop units and their related control systems. The expenditure is for repairs of the thru-the-wall units which are not covered by the annual maintenance contract.	✓			According to District Management, the Vendor is considered a Preferred Sole Provider and is, therefore, no longer being subjected to competing quote procedures. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be related to the day-to-day operations of a school district. In view of the frequency and magnitude of the transactions with this Vendor, the District should explore the possibility of entering into long-term supply agreements with them.
23	1100023059000	0376	9/29/2004	SALEM NEWSPAPER	\$1,819.68	\$1,819.68	Salem Newspaper ads: John Fenwick Elementary School Pre-School Special Meeting Childcare Board Member Needed District Accountant Maintenance	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
24	1100022232003	0379	9/29/2004	SALEM COUNTY VOCATIONAL SCHOOL			Consolidated Services rendered by Salem County Vocational Technical Schools for the following items: 1 unit Audio/Visual Aides - \$4,638; 1 unit Educational Technology Training Center - \$1,000; 1 unit School Science Kit - \$11,455; 1 unit County Hub - \$7,163; 1 unit Schools to Careers - \$500 [Science Kits are part of the Board-approved curriculum for the Middle School; audio/video services portion of the transaction enable the Elementary School to borrow video tapes and CD/DVDs				Based on the supporting documentation on file and the additional explanation of District Management, the items purchased appears to have educational value.
25	1100022139005	0379	9/29/2004	SALEM COUNTY VOCATIONAL SCHOOL							
26	1100022232001	0379	9/29/2004	SALEM COUNTY VOCATIONAL SCHOOL							
27	1100022232002	0379	9/29/2004	SALEM COUNTY VOCATIONAL SCHOOL	\$24,756.00	\$24,756.00		✓			
28	1100023059000	0414	9/29/2004	NICOLOSI, MARGARET	\$950.00	\$950.00	Reimbursements of expenses - workshops	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
29	110002213900515	0491	10/19/2004	EDSOLUTION	\$3,000.00	\$3,000.00	3rd and Final Installment on the Educational Partnership Contract with EdSolution, Inc. covering the period 09/30/2004 to 06/30/2005. EdSolution created a web-based software for the District and then performed the following: [1] web-based software development; [2] web based software maintenance (including hosting and technical support); [3] data warehousing, and; [4] professional development training and educational consulting (\$9K annual fee in 3 installments of \$3K each - Sept. 30, Dec. 30, March 30).	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
30	1100023033900	0868	1/31/2005	GARRISON ARCHITECTS	\$7,500.00	\$7,500.00	Review of the existing Long-Range Facility Plan on file with NJDOE: Pre-development activities, including new models and schematic designs for the replacement of the Elementary School and the Middle School	✓			According to District Management, an architectural firm is considered as a professional service vendor and, therefore, is exempted from the competing quote requirements. Based on the foregoing explanation, as well as the supporting documentation on file, the transaction appears to be related to the day-to-day operations of a school district.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
31	1100021850003	0927	1/31/2005	VANGUARD PRINTING	\$798.00	\$798.00	Printing of High School Program of Studies booklets [This course description booklet is provided to all new High School students in order to assist them in their course selections.]	✓			Based on the supporting documentation on file and the additional explanation of District Management, the items purchased appear to have educational value.
32	1100023059000	0958	2/10/2005	NICOLOSI, MARGARET	\$1,257.32	\$1,257.32	Various reimbursements - including Atlantic City hotel accomodation for NJASA Techspo 2005 and air travel to Atlanta, GA [ASCD-related]	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
33	1100023059000	0959	2/10/2005	N J ASSN SCHOOL ADMIN	\$290.00	\$290.00	Onsite registration for the Superintendent's participation in NJASA Techspo 2005 - January 27-28, 2005	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
34	1100021832003	0986	2/17/2005	SALEM CO. BD. FOR VOC. ED.	\$2,500.00	\$2,500.00	SBYS Counselling Assessment Services for 13-19 year olds for SY 2004-05	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
35	1100025159200	1029	2/28/2005	MORRISSEY, JOANN	\$26.80	\$26.80	Reimbursement for mileage incurred relative to her attendance in the "Central Office Administrative Secretary Seminar" at Mt. Laurel, NJ [70 mi.]	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
36	1100026142000	1149	3/15/2005	RFP SOLUTIONS, INC.	\$4,010.05	\$4,010.05	Miscellaneous add-ons, relocations and repairs to the intercom systems in the 3 schools of the District [the vendor is a professional service provider of choice].	✓			According to District Management, the Vendor is considered a Preferred Sole Provider and is, therefore, no longer being subjected to competing quote procedures. Based on the supporting documentation on file, as well as foregoing explanation, the transaction appears to be related to the day-to-day operations of a school district.
37	1200040045003	1154	3/17/2005	TREAS., STATE OF NJ	\$2,720.00	\$2,720.00	SCC approval application for High School HVAC Project #03050	✓			Based on the supporting documentation on file, the transaction appears to be education-related. No Vendor Invoice on file - but no exception highlight is warranted since the Vendor is also a governmental entity.
38	1100025159200	1199	3/30/2005	BELL, ARLENE	\$21.46	\$21.46	Mileage reimbursement for EROC Workshop at Gloucester County Institute of Technology	✓			According to District Management, this was an IRS-related training and the attendee was the District's lone Payroll Assistant. Based on the foregoing explanation, as well as the supporting documentation on file, the expenditure appears to be related to the day-to-day operations of a school district.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments	
Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
39	1100026142000	1208	5/10/2004	TYCO/SIMPLEXG RINNEL LP	\$1,660.00	\$1,660.00	Represents repairs to the building fire monitoring system according to the Operations Director.			✓	Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district. The supporting PO, however, is not on file.	
40	1100026142000	1271	4/8/2005	HONEYWELL ACS-SERVICE	\$24,800.00	\$24,800.00	Provide and install new rooftop York 20-ton AC, 50 KW electric heat, economizer and relief damper for the C Wing area in the High School. These represent services not covered by the annual maintenance contract.	✓			According to District Management, the Vendor is considered a Preferred Sole Provider and is, therefore, no longer being subjected to competing quote procedures. Based on the supporting documentation on file, as well as foregoing explanation, the transaction appears to be related to the day-to-day operations of a school district.	
41	1100026142000	1352	6/17/2004	SOUTH JERSEY WATERPROOFING	\$11,350.00	\$11,350.00	Provide below-grade exterior waterproofing and pressure relief system to the Southwest elevations of the Middle School. A Competing Quote was also received from Dry Guys Waterproofing - \$16,880	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	
42	1100021939000	1379	5/3/2005	JAMES L. HEWITT, MD	\$325.00	\$325.00	Psychiatric evaluation of JC [SHS]	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
43	1100021839003	1391	6/30/2004	CHANCERY SOFTWARE LIMITED	\$1,678.56	\$1,678.56	Win School Technical Support 2000 Annual Service	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
44	1100025159200	1407	5/5/2005	AMERICAN APPRAISAL ASSOCIATES	\$3,204.00	\$3,204.00	Fixed asset appraisal in accordance with GASB34	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	
45	1100025159200	1407	5/5/2005	AMERICAN APPRAISAL ASSOCIATES	\$1,602.00	\$1,602.00	Fixed Asset appraisal in accordance with GASB 34 [approved at Board Meeting #2-D-33, April 18, 2005 ]	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	

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Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
46	1100023053000	1415	5/6/2005	UNITED STATES POSTAL SERVICE	\$3,000.00	\$3,000.00	Postage-by-phone			✓	According to District Management, a postage meter was used for this transaction and all supporting documentation are on file. While the foregoing explanation appears to be reasonable, ideally, the thought process involved in determining the amount of stamps to be purchased should have also been documented and attached to the PO package, so that, for management evaluation purposes, there will be a certain level of comfort that the amount purchased had adequate operational basis.	
47	1100026142001	1442	6/30/2004	TRI-STATE TILE RESTORATION	\$5,237.50	\$5,237.50	Saniglaze tile restoration work performed on floors in various restrooms at John Fenwick Elementary School [the vendor is a professional service provider of choice]	✓			Based on the supporting documentation on file, the transaction appears to be related to the day-to-day operations of a school district. According to District Management, the Vendor is considered as a Sole Provider and is, thus, exempt from Competitive Bidding requirements.	
48	1100026142000	1531	6/30/2004	C.H. REEL AND COMPANY	\$3,400.00	\$3,400.00	Supply and install new floor on the Middle School Home Economics Room [covered by State Contract #A-84601]	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school	
49	1100026142000	1531	6/30/2004	C.H. REEL AND COMPANY								
50	1100026142000	1563	5/31/2005	STANLEY SECURITY SOLUTIONS	\$20,086.88	\$20,086.88	686 items - new lock systems for the various rooms of the District's 3 schools [replaced due to the trend of the old existing lock sets to fail due to age, as well as due to the renewed concern for the safety and security of District buildings and their occupants; replacement lock sets are all Post-9/11 Code Compliance on a one-to-one basis]	✓			According to District Management, the Vendor is considered a Preferred Sole Provider and is, therefore, no longer being subjected to competing quote procedures. Based on the supporting documentation on file, as well as foregoing explanation, the transaction appears to be related to the day-to-day operations of a school district.	
51	1100026142000	1563	5/31/2005	STANLEY SECURITY SOLUTIONS	\$39,520.96	\$39,520.96	356 items - new lock systems for the various rooms of the District's 3 schools [replaced due to the trend of the old existing lock sets to fail due to age, as well as due to the renewed concern for the safety and security of District buildings and their occupants; replacement lock sets are all Post-9/11 Code Compliance on a one-to-one basis]	✓			According to District Management, the Vendor is considered a Preferred Sole Provider and is, therefore, no longer being subjected to competing quote procedures. Based on the supporting documentation on file, as well as foregoing explanation, the transaction appears to be related to the day-to-day operations of a school district.	

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Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
52	1100026142003	1578	6/30/2004	C.H. REEL AND COMPANY	\$10,920.00	\$10,920.00	Supply and install new floor on the Middle School Home Economics Room [covered by State Contract #A-84601]	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
53	1200040045000	1579	6/30/2004	CONESTOGA BUILDINGS, INC.	\$24,331.00	\$24,331.00	Construction of addition off North Gable end of existing Conestoga Building [Contract #05-4095]. Competing Bids were requested from the following: [1] Fetterville - \$25,205; and [2] Pioneer - did not submit a quote.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
54	30000A40045000	1582	6/30/2004	D.A. NOLT, INC.	\$46,393.59	\$46,393.59	Part of Middle School Cornice and Gutters Project amounting to \$344,803 [bid awarded through Board motion #2-D-17]. The Competing Bids received were: [1] Alper Enterprises, Inc. - \$379K; [2] Coastland Contractors, Inc. - \$415K, and ; MJJ Construction - \$436K.	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district. The supporting PO, however, is not dated.
55	30000A40045000	1582	6/30/2004	D.A. NOLT, INC.	\$18,190.15	\$18,190.15	Part of Middle School Cornice and Gutters Project amounting to \$344,803 [bid awarded through Board motion #2-D-17]. The Competing Bids received were: [1] Alper Enterprises, Inc. - \$379K; [2] Coastland Contractors, Inc. - \$415K, and ; MJJ Construction - \$436K.	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district. The supporting PO, however, is not dated.
					\$109,993.52	\$109,993.52	Part of Middle School Cornice and Gutters Project [Payment Nos. 1 & 2] amounting to \$344,803 [bid awarded through Board motion #2-D-17]. The other Competing Bids received were: [1] Alper Enterprises, Inc. - \$379K; [2] Coastland Contractors, Inc. - \$415K, and ; MJJ Construction - \$436K.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.

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Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
56	1100023033900	1610	6/8/2005	GARRISON ARCHITECTS	\$19,500.00	\$19,500.00	Development and assistance in the submission of the District's new Long-Range Facilities Plan [Board Memo #23D-44, June 8, 2005]	✓			According to District Management, an architectural firm is considered as a professional service vendor and, therefore, is exempted from the competing quote requirements. Based on the foregoing explanation, as well as the supporting documentation on file, the transaction appears to be related to the day-to-day operations of a school district.
57	100023033100BU	1627	6/6/2006	SELIKOFF & COHEN, P.A.	\$1,427.95	\$1,427.95	State of New Jersey vs. Sharon Montgomery legal fees paid to Selikoff & Cohen by the School District	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
58	1200040045003	1642	6/24/2005	DON RODGERS, INC.	\$168,200.00	\$168,200.00	Tennis court mat and resurfacing of existing courts and the addition of 2 tennis courts per Bid Award from Board Memo #2-D-36. The other Competing Bids received were: [1] Greenlane Contractors - \$175,575; [2] Nickolaus Construction, Inc. - \$211,600	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
59	1100026142000	1686	6/30/2005	THYSSENKRUPP ELEVATOR CORP.	\$782.00	\$782.00	Service call and repairs to the Middle School elevator	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
60	1100026142000	1706	6/30/2005	MITCHELL HARDWARE COMPANY	\$1,510.00	\$1,510.00	Supply and install HM16ga SUW frame, UL20-VL door, and hardware in Room B-18 of the Middle School [entrance lock supplied by the District]	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
61	1100026142000	1708	6/30/2005	MITCHELL HARDWARE COMPANY	\$1,510.00	\$1,510.00	Supply and install HM16ga SUW frame, UL20-VL door, and hardware in the Middle School Pincipal's Office [entrance lock supplied by the District]	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
62	1100023059000	1728	6/30/2005	SALEM NEWSPAPER	\$1,170.00	\$1,170.00	"No Child Left Behind", "Positions are Available", "Transition Program" ads	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.

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Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
63	100026230000OP	0062	7/1/2005	PARS ENVIRONMENTAL, INC.	\$3,100.00	\$3,100.00	AHERA 6-month periodic surveillance and central file update; 2004 NJ Right-to-Know surveys & MSDS for new products [professional services are no longer required to undergo competitive bidding]	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
64	100026142000OP	0090	7/7/2005	THYSSENKRUPP ELEVATOR CORP.	\$5,290.00	\$5,290.00	Emergency repair to the Middle School elevator - replace submersible hydraulic pump motor	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district. Competing Quotes were not deemed a critical requirement due to the emergency nature of the transaction.
65	100026252000OP	0176	8/1/2005	COMMERCE INSURANCE SERVICE	\$73,930.00	\$73,930.00	Renewal of various insurance policies for the period 07/01/2005 to 07/01/2006 - Commercial Property, Electronic Data Processing, Boiler and Machinery, Crime, General Liability, and Commercial Automobile [NJ School Boards Policy No. P806W]	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
66	100026252000OP	0177	8/1/2005	COMMERCE INSURANCE SERVICE	\$8,084.00	\$8,084.00	Renewal of excess liability policy [NJ School Boards Policy No. U806W]	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
67	100023059000BU	0180	8/1/2005	COMMERCE INSURANCE SERVICE	\$12,726.00	\$12,726.00	Renewal of basic student accident policy [AIG Policy No. AMK0044236]	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
					\$5,829.17	\$5,829.17	Copier rental, maintenance, and supplies [State Contract #A46622]	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
					\$5,536.38	\$5,536.38	Copier rental, maintenance, and supplies [State Contract #A46622]	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.

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Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	Comments	Salem City School District Comments
					\$5,376.75	\$5,376.75	Copier rental, maintenance, and supplies [State Contract #A46622]	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	
					\$5,177.22	\$5,177.22	Copier rental, maintenance, and supplies [State Contract #A46622]	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	
					\$4,844.08	\$4,844.08	Copier rental, maintenance, and supplies [State Contract #A46622]	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	
					\$3,856.32	\$3,856.32	Copier rental, maintenance, and supplies [State Contract #A46622]	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	
					\$753.80	\$753.80	Copier rental, maintenance, and supplies [State Contract #A46622]	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	
					\$21.81	\$21.81	Copier rental, maintenance, and supplies [State Contract #A46622]	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	
68	100025159200BU	0293	8/11/2005	MINOLTA-DIV KMBS USA	\$5,328.18	\$5,328.18	Copier Rental & Maintenance for SY 2005-06 School for the following District offices: Superintendent's Office Business Office Curriculum Office Child Study Team Facilities/Special Projects John Fenwick Elementary School Teacher's Rooms (2)	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	

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Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
69	100025159200BU	0294	8/15/2005	NJ ASSO OF SCHOOL BUS OFFICALS	\$100.00	\$100.00	Registration fee for SF, Business Administrator, for the seminar "Public Contracting for NJ School Districts"	✓			Based on the supporting documentation on file, the transaction appears to be related to the day-to-day operations of a school district. Instead of a Vendor Invoice, the transaction is supported by a Seminar Registration Form copy (but not an unusual practice for this type of expenditure).	
70	100026142000OP	0295	8/15/2005	MONARCH BOILER CONSTRUCTION CO	\$3,980.40	\$3,980.40	Supplied necessary labor, material and equipment to drain, disconnect, remove and replace damaged 3" supply line, pipe, fittings and temperature gauge. Tested line and insulated; June 28, 2005 for High School DHWB [represents emergency repairs].	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.	
71	100023059000BU	0297	8/15/2005	COMMERCE INSURANCE SERVICE	\$3,871.00	\$919.00	Ohio Casualty Insurance Company Policy for District Employee, BS [Inv. #267004]; Increase for BS's Policy; Policy renewal for MN, District Superintendent	✓			These insurance premiums are for the account of the State as per employment terms. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be related to the day-to-day operations of a school district.	
72	100026142000OP	0329	8/18/2005	FIVE STAR RENTAL	\$391.74	\$391.74	Rental of concrete floor grinder, and B 9 trench	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	
73	100026242000OP	0331	8/18/2005	GEORGE SPARKS, INC.	\$3,622.25	\$3,622.25	Electrical service installation for Summer School room air conditioners. The Service Vendor is a licensed commercial electrical contractor the district uses in emergency situations which the in-house maintenance team cannot handle. The contractor is already familiar with the complex electrical systems of the district and, therefore, could get the work done quicker and cheaper.	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.	

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Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
74	100026142000OP	0333	8/18/2005	THYSSENKRUPP ELEVATOR CORP.	\$558.98	\$558.98	Maintenance Contract for chair lifts at the Middle School covering the period August to October 2005.	✓			Deemed essential for the transport of wheelchair-bound students at the Middle School.
					\$558.98	\$558.98	Maintenance Contract for chair lifts at the Middle School covering the period November 2005 to January 2006.	✓			Deemed essential for the transport of wheelchair-bound students at the Middle School.
75	100026142000OP	0340	8/18/2005	CITY OF SALEM	\$162.00	\$162.00	Elevator Inspection at the Middle School [July 2005].	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
76	100023058500BU	0342	8/23/2005	NEW JERSEY SCHOOL BOARDS ASSN.	\$1,490.00	\$1,490.00	NJSBA/NJASA/NJASB Workshop/Convention, October 26-28, 2005; Atlantic City, NJ [10 attendees - all Board Members and/or Key Officers]: CA, CC, WF, DM, JS, KR, YG, MN, SF, FW Urban Board's Lunch Tickets [6 attendees]: CC, WF, DM, JS, KR, YG	✓			According to District Management, Board Members attended this training to comply with the training requirements of the State of New Jersey. Based on the foregoing explanation, as well as the supporting documentation on file, the transaction appears to be education-related.
					\$56.88	\$56.88	Cellular charges for A/C#17378118-001-38/ Cell No. 609-420-6530. The account name is "BOARD" per Billing Statement [The lone cellphone line of the District issued to FW, Director of Operations. He is on call on a 24/7 basis.].	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
					\$58.33	\$58.33	Cellular charges for A/C#17378118-001-38/ Cell No. 609-420-6530. The account name is "BOARD" per Billing Statement [The lone cellphone line of the District issued to FW, Director of Operations. He is on call on a 24/7 basis.].	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.

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Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
					\$63.59	\$63.59	Cellular charges for A/C#17378118-001-38/ Cell No. 609-420-6530. The account name is "BOARD" per Billing Statement [The lone cellphone line of the District issued to FW, Director of Operations. He is on call on a 24/7 basis.].	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.	
					\$58.53	\$58.53	Cellular charges for A/C#17378118-001-38/ Cell No. 609-420-6530. The account name is "BOARD" per Billing Statement [The lone cellphone line of the District issued to FW, Director of Operations. He is on call on a 24/7 basis.].	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.	
					\$58.55	\$58.55	Cellular charges for A/C#17378118-001-38/ Cell No. 609-420-6530. The account name is "BOARD" per Billing Statement [The lone cellphone line of the District issued to FW, Director of Operations. He is on call on a 24/7 basis.].	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.	
					\$59.12	\$59.12	Cellular charges for A/C#17378118-001-38/ Cell No. 609-420-6530. The account name is "BOARD" per Billing Statement [The lone cellphone line of the District issued to FW, Director of Operations. He is on call on a 24/7 basis.].	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.	
					\$58.32	\$58.32	Cellular charges for A/C#17378118-001-38/ Cell No. 609-420-6530. The account name is "BOARD" per Billing Statement [The lone cellphone line of the District issued to FW, Director of Operations. He is on call on a 24/7 basis.].	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.	
					\$122.55	\$122.55	Cellular charges for A/C#17378118-001-38/ Cell No. 609-420-6530. The account name is "BOARD" per Billing Statement [The lone cellphone line of the District issued to FW, Director of Operations. He is on call on a 24/7 basis.].	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.	

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Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
					\$58.36	\$58.36	Cellular charges for A/C#17378118-001-38/ Cell No. 609-420-6530. The account name is "BOARD" per Billing Statement [The lone cellphone line of the District issued to FW, Director of Operations. He is on call on a 24/7 basis.].	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
77	100023053000BU	0348	8/30/2005	CINGULAR WIRELESS - WILMINGTON	\$52.91	\$52.91	Cellular charges for A/C#17378118-001-38/ Cell No. 609-420-6530. The account name is "BOARD" per Billing Statement [The lone cellphone line of the District issued to FW, Director of Operations. He is on call on a 24/7 basis.].	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
78	500024030003SH	0356	8/30/2005	MAJOR SOUND WORK	\$500.00	\$500.00	Sound reinforcements Twelve Channel PA System w/ speakers, amps, processors, 58 mics, cables, connectors, wiring including delivery with engineer to operate gear for 2006 High School Graduation	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
79	100023059000BU	0364	8/30/2005	SALEM NEWSPAPER	\$1,929.92	\$1,929.92	Ad at the Today's Sunbeam publication soliciting enrollment for 3, 4, & 5- yrs olds.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
80	100023059000BU	0365	8/30/2005	COURIER POST	\$47.06	\$47.06	Salem City Board Meeting legal payment	✓			According to District Management, this represents the State-mandated public announcement of the dates of future Board meetings. Based on the foregoing explanation, as well as the supporting documentation on file, the expenditure appears to be related to the day-to-day operations of a school district.
					\$70.00	\$70.00	Seminar titled "Closing the Gap with Curriculum Mapping" - Sept 27, 30, 2005 Maple Shade, NJ [registration list provided]	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
81	100022150000CU	0372	8/30/2005	ROWAN UNIVERSITY/EI	\$550.00	\$550.00	Seminar titled "Closing the Gap with Curriculum Mapping" - Sept 27, 30, 2005 Maple Shade, NJ [registration list provided]	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
82	100026142000OP	0375	8/30/2005	HONEYWELL ACS-SERVICE	\$1,445.61	\$1,445.61	Installation of condenser fan motor; cleared condensate drain; water leak on floor; housing inlet holes clogged with rust; drilled new inlet holes so water can evaporate quicker - the District has an annual maintenance contract with the vendor for all rooftop units and their related control systems. The expenditure is for the repairs of the thru-the-wall units which are not covered by the annual maintenance contract.	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
83	100026142000OP	0376	8/30/2005	HONEYWELL ACS-SERVICE	\$3,688.78	\$3,688.78	Repairs to A-6 and A-46 by Honeywell for the Air Conditioner units - The District has an annual maintenance contract with the vendor for all rooftop units and their related control systems. The expenditure is for the repairs of the thru-the-wall units which are not covered by the annual maintenance contract.	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
84	100026242000OP	0404	8/31/2005	GEORGE SPARKS, INC.	\$5,255.25	\$1,603.00	Electrical Contractor hired to install receptacle for air conditioners and finish wiring receptacles for AC unit	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district. District Management is of the opinion that a long-term agreement would not be suited for this type of transaction. If the funding is available, they would prefer to hire a full-time Electrician.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
85	100023053000BU	0407	8/31/2005	RFP SOLUTIONS, INC.	\$6,160.92	\$6,160.92	Monthly Service - SY 2005-06 Maintenance Contract for the Telephone, Voicemail and Call Accounting System at the following facilities: [1] Middle School/Administration; [2] High School, and; [3] John Fenwick Elementary School [the vendor is a professional service provider of choice]	✓			According to District Management, the Vendor is considered a Preferred Sole Provider and is, therefore, no longer being subjected to competing quote procedures. Based on the supporting documentation on file, as well as foregoing explanation, the transaction appears to be related to the day-to-day operations of a school district.
86	100023058500BU	0414	9/7/2005	N J SCHOOL BOARD ASSOC	\$60.00	\$60.00	Registration fee for YG and KR [Board members] for the NJASA Women's Leadership Breakfast Bally's Atlantic City, Thursday, October 27, 2005 at 7:30 p.m.	✓			Based on the supporting documentation on file, the transaction appears to be education-related. No Vendor Invoice on file - but no exception highlight is warranted in view of the semi-governmental nature of the Vendor
87	100025159200BU	0422	8/31/2005	FOX, SUZANNE	\$89.59	\$89.59	Expense Reimbursement for SF (former SBA) for: Roundtables attended - Alloway, Mannington; Fiscal Specialist Workshop - Trenton; EWEG Training - Sewell GC [Expense Voucher submitted for other expenses]	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
88	100023058500BU	0428	9/9/2005	N J SCHOOL BOARD ASSOC	\$75.00	\$75.00	Registration Fees for KR [Board Member] for Forum on Thursday October 27, 2005 in Atlantic City, NJ. Reviewed invoice and PO and have registration form on file that indicates that the forum was for the Thirty Fifth Annual School Law Forum designed for School Board Attorneys, Administrators and Board Members	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments	
Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
89	100023053000BU	0543	9/30/2005	UNITED STATES POSTAL SERVICE	\$3,000.00	\$3,000.00	US Postal Service Postage by Phone.			✓	According to District Management, a postage meter was used for this transaction and all supporting documentation are on file. While the foregoing explanation appears to be reasonable, ideally, the thought process involved in determining the amount of stamps to be purchased should have also been documented and attached to the PO package, so that, for management evaluation purposes, there will be a certain level of comfort that the amount purchased had adequate operational basis.	
90	100026242000OP	0544	9/30/2005	HARTFORD STEAM BOILER	\$180.00	\$180.00	Boiler/Refrigeration Operating Certificates Renewal on 9/19/05	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	
91	100026242000OP	0548	9/30/2005	GEORGE SPARKS, INC.	\$3,079.60	\$3,079.60	Building maintenance - installed wire mold and receptacles. The Service Vendor is a licensed commercial electrical contractor the district uses in emergency situations which the in-house maintenance team cannot handle. The contractor is already familiar with the complex electrical systems of the district and, therefore, could get the work done quicker and cheaper.	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.	
92	100026242000OP	0549	9/30/2005	GEORGE SPARKS, INC.	\$3,126.60	\$3,126.60	Building maintenance - pulled wire and installed recept for A/C units in L rooms, as well as installed circuit panel, and installed instruct to support power poles. The Service Vendor is a licensed commercial electrical contractor the district uses in emergency situations which the in-house maintenance team cannot handle. The contractor is already familiar with the complex electrical systems of the district and, therefore, could get the work done quicker and cheaper.	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.	

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Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
93	100026242000OP	0550	9/30/2005	GEORGE SPARKS, INC.	\$1,256.05	\$1,256.05	Building maintenance - ran circuit for computer hub, wired up receptacle for ups, and installed receipt for computer. The Service Vendor is a licensed commercial electrical contractor the district uses in emergency situations which the in-house maintenance team cannot handle. The contractor is already familiar with the complex electrical systems of the district and, therefore, could get the work done quicker and cheaper.	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
94	100026242000OP	0551	9/30/2005	GEORGE SPARKS, INC.	\$621.00	\$621.00	Building Maintenance installed panel guts and terminated wires, started to run circuits for room C-10 and Ran conduit from panel to room C-10.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
95	100022350000CU	0552	10/5/2005	ASCD	\$1,598.00	\$1,598.00	Institutional Membership to the ASCD for GG [Board Member and Curriculum Director] and MN [District Superintendent] for SY 2005-06.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
96	500022339001CU	0565	9/30/2005	NEWBOLD, TERRIE	\$1,500.00	\$1,500.00	Teacher Training - 9/16, 10/10, 11/13, 2/13, 3/14 In-service Workshop and Coaching Everyday Math Program	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
97	100021839000CU	0574	9/30/2005	EDSOLUTION	\$3,000.00	\$3,000.00	1st of 3 Installments on the Educational Partnership Contract with EdSolution, Inc. covering the period 07/01/2005 to 06/30/2006. EdSolution created a web-based software for the District and then performed the following: [1] web-based software development; [2] web-based software maintenance (including hosting and technical support); [3] data warehousing, and; [4] professional development training and educational consulting (\$9K annual fee in 3 installments of \$3K each - Sept. 30, Dec. 30, March 30).	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
98	100023059000BU	0578	9/30/2005	NICOLOSI, MARGARET			Reimbursement for Travel expenses for MN [District Superintendent] Mileage 7/5/05 - 8/24/05, 495 miles at \$0.405/mi. and 9/12/05 - 9/30/05 752 miles at \$0.485/mi. Tolls \$1.80 Food \$244.00 Telephone \$170.48				Based on the supporting documentation on file, the transaction appears to be education-related.
99	100023053000BU	0578	9/30/2005	NICOLOSI, MARGARET	\$981.58	\$981.58		✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
100	100026242000OP	0612	10/21/2005	GEORGE SPARKS, INC.	\$988.00	\$988.00	Wired up receptacle in resource room and teachers room	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
101	100026142000OP	0629	10/21/2005	MATRIX SECURITY SYSTEMS	\$1,150.00	\$1,150.00	Repair service for the existing security surveillance cameras.	✓			Based on the supporting documentation on file, the transaction appears to be education-related. No supporting Vendor Invoice, however, is on file.
102	500022132001CU	0675	10/28/2005	HALTER, PAMELA	\$1,035.00	\$1,035.00	Science Kit Training for Teachers during the month of July 2005			✓	Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
103	100023033100BU	0718	11/28/2005	SELIKOFF & COHEN, P.A.	\$3,916.35	\$3,916.35	Legal Case - Representation fee for Jacquelyn Hazelton vs. the State of NJ [see 18A:16-6 Indemnity of officers and employees against civil actions legislation]	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
104	100022150000CU	0767	11/18/2005	ANTINORI, RONALD	\$161.50	\$161.50	RA [Teacher] Reimbursement for Mileage October 2005 383 Miles at \$0.405/mi	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
105	100023059000BU	0770	11/22/2005	COURIER POST	\$34.60	\$34.60	Meeting notice	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
106	100023058500BU	0773	11/16/2005	SALEM COUNTY SCHOOL BDS ASSN.	\$140.00	\$140.00	Dialogue with 8th Graders	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

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Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
107	100023059000BU	0774	11/16/2005	COMMERCE INSURANCE SERVICE	\$131.00	\$131.00	Renewal of \$50K Surety Public Official Bond for SF [former SBA]	✓			Insurance premiums of this nature are for the District's account as per employment terms. Based on the supporting documentation on file, as well as the foregoing explanation, the expenditure appears to be related to the day-to-day operations of a school district.	
108	100026142000OP	0777	11/22/2005	MONARCH BOILER CONSTRUCTION CO	\$350.00	\$350.00	Bled tank down and operated system	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	
109	100023053000BU	0779	11/18/2005	RFP SOLUTIONS, INC.	\$121.25	\$121.25	Voicemail and call coverage programming - Ext. 358	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	
110	100026142000OP	0780	11/18/2005	HONEYWELL ACS-SERVICE	\$1,645.05	\$1,645.05	Install new control package in weight room left unit. New control package to univent.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district. In view of the frequency and magnitude of the transactions with this Vendor, the District should explore the possibility of entering into long-term supply agreements with them.	
111	100023058500BU	0798	11/28/2005	ADAMS, CAROL	\$103.11	\$103.11	Reimbursement for mileage and food October 2005 Atlantic City Workshop [School Boards Convention]	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
112	100026142000OP	0816	12/15/2005	MATRIX SECURITY SYSTEMS	\$1,968.75	\$1,968.75	Electronic Supplies - replacing 4 Interior cameras at \$375 a piece [repair service for the existing security surveillance cameras]	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.	
113	100021959200CS	0820	11/30/2005	CHAMPION, JANINE	\$55.78	\$55.78	JC [District Social Worker] Expense reimbursement - Mileage for 11/1/05 - 11/29/05 115 miles at \$0.485/mi.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
114	100021959200CS	0822	11/30/2005	DOBZANSKI, BARBARA	\$85.46	\$85.46	BD [Special Education Director] Expense reimbursement - Mileage for 11/1/05 - 11/22/05 176.2 miles at \$0.485/mi.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	

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Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
115	100026252000OP	0833	11/23/2005	INSURANCE SERVICE							Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
116	100023059000BU	0833	11/23/2005	INSURANCE SERVICE	\$555.00	\$555.00	Insurance excess liability increased to \$4,000,000 for the period 7/1/2005 to 7/1/2006	✓			
117	100023059000BU	0838	11/30/2005	COURIER POST	\$1,057.55	\$1,057.55	Print Ad for Positions Within the Salem Schools for Educational Positions on 10/15/2005	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
118	100021959200CS	0840	11/30/2005	PINKETT, KEVIN	\$45.12	\$45.12	KP [District Psychologist] Expense reimbursement - Mileage for 10/4/05 - 10/27/05, 67 miles at \$0.485/mi.; Mileage for 11/3/05 - 11/29/05, 26 miles at \$0.485/mi.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
119	100026242000OP	0843	11/30/2005	GEORGE SPARKS, INC.	\$1,800.65	\$1,800.65	Installed circuits in Science class; installed receptacles in Cafeteria; Finished wiring receptacle in Science Room in Middle School	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district. District Management is of the opinion that a long-term agreement would not be suited for this type of transaction. If the funding is available, they would prefer to hire a full-time Electrician.
120	100026230000OP	0850	11/30/2005	SCHOOL DUDE	\$2,040.50	\$2,040.50	Annual renewal for CommunityDirect, FSDirect, and MaintenanceDirect services through 12/31/2006 [represents annual fees for the building management system and the maintenance tracking software]	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
121	500022350003CU	0854	11/30/2005	CHERYL YORK MCDONOUGH, JD	\$377.45	\$377.45	Reimbursement for airfare, hotel, and meals			✓	Documentation on file is not adequate to explain the educational value of these services.
122	100026142000OP	0856	11/30/2005	HONEYWELL ACS-SERVICE	\$1,002.10	\$1,002.10	Installed new transmitter to control package - These represent services not covered by the maintenance contract.	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.

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123	100026259000OP	0859	11/30/2005	HARRISON, JIM	\$50.00	\$50.00	Reimbursement for NJ Boiler Certification			✓	Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district. The supporting Vendor Invoice, however, is not on file.	
124	100025159200BU	0865	12/5/2005	N J ASSN SCH BUS OFF	\$100.00	\$100.00	Teacher Training / Certification - Registration for SF [former SBA] for a seminar on 12/7/2005, "School Business Admin - Just Ask" at Double Tree in Mt. Laurel, NJ	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
125	500021839003SH	0866	12/12/2005	STANDARDIZED TEST SCORING	\$1,902.96	\$1,902.96	Teacher Training Materials - Test Booklets, Answer Key, Examiners Manuals, Writes Checklist and Match Ref. Sheet			✓	Based on the supporting documentation on file, the transaction appears to be education-related. The supporting Vendor Invoice, however, is not on file.	
126	500022332003CU	0870	12/12/2005	SJRLC	\$40.00	\$40.00	Teacher Training / Certification - Registration for DM [Teacher] "Practical Excel Tools for Compiling Budgets", on 12/6/05 at the Camden County Library	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
127	100026242000OP	0877	11/30/2005	CLASSIC FLOOR FINISHING CO.	\$2,957.00	\$2,957.00	Scrub and re-coat gym floor on 11/16/2005	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	
128	100023059000BU	0880	11/30/2005	NICOLOSI, MARGARET			Reimbursement for various work-related expenses - Cingular bill for 11/05, meals, as well as mileage and toll for for 18 days (10/3/05, 10/5/05, 10/11/05, 10/13/05, 10/17/05, 10/18/05, 10/19/05, 10/20/05, 10/21/05, 11/1/05, 11/9/05, 11/10/05, 11/14/05 11/16/05, 11/17/05, 11/21/05, & 11/23/05) of various work-related travel to and from meetings within NJ.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
129	100023053000BU	0880	11/30/2005	NICOLOSI, MARGARET	\$873.24	\$873.24						
130	100025159200BU	0883	12/12/2005	FOX, SUZANNE	\$239.35	\$239.35	Reimbursement for a PDA (at \$519.36), as well as mileage for 10 days (1/18/06, 1/19/06, 1/24/06, 2/28/06, 3/28/06, 3/29/06, 4/03/06, & 4/10/06) of travel to various work-related meetings within NJ - Mileage Portion [\$758.71-\$519.36=\$239.35).	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that this portion of the transaction is not related to the day-to-day operations of a school district.	

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131	100023059000BU	0906	12/16/2005	COURIER POST	\$36.76	\$36.76	11/23/05 - Legal Notice	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	
132	100022150000CU	0920	12/20/2005	DELROSSI, LINDA	\$67.56	\$85.44	Reimbursement of LDR [Literacy Supervisor] for November 2005 mileage - 98 miles at \$0.485/mi.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
133	500022350001JF	0921	1/11/2006	ROWAN UNIVERSITY/MC SIIP	\$125.00	\$125.00	Registration for LF [Math Coach] - Differentiated Instruction in the Math Classroom K-5	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
134	100025134000BU	0922	1/20/2006	CALLAGHAN QUINN ASSOCIATES	\$1,485.00	\$1,485.00	3-year 7x24 maintenance for IBM4247 printer			✓	Although this is normally a judgment call, the 3-year \$1,485 maintenance cost appears a bit high considering that the printer only cost \$2,890.	This is considered a customary expense for this type of equipment.
135	100023058500BU	0924	1/11/2006	NATIONAL SCHOOL BOARDS ASSN.	\$2,480.00	\$2,480.00	Chicago NSBA Conference registration - Board Members CA, CC, KR and YG [\$620 per person]	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
					\$135.00	\$135.00	National Network Luncheon [66th Annual Conference of NSBA] - Board Members CC, YG and KR [\$45 per person]	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
136	100023058500BU	0925	12/30/2005	ROOTS, KAREN	\$31.42	\$31.42	Reimbursement - NJ School Board Convention Dinner	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
137	100022150000CU	0938	12/30/2005	GOLDBERG, GARY	\$293.43	\$293.43	Mileage reimbursement for 9/01/2005 12/23/2005 [605 mi. at \$0.485/mi.]	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
138	100022350000CU	0940	12/30/2005	BUREAU OF EDUC. & RESEARCH	\$179.00	\$179.00	Registration for LR [Literacy Supervisor] "What's New in Young Adult Literature" 1/19/2006 - Cherry Hill, NJ	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
139	100021939000CS	0965	1/11/2006	JAMES L. HEWITT, MD	\$350.00	\$350.00	Psychiatric Evaluation for Student WR	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	

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140	100026142000OP	0988	1/18/2006	MATTEO FAMILY KITCHEN, INC.	\$469.50	\$469.50	Counter top supports; laminate [renovation cost of High School Room C-25, a Home Economics classroom].	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
141	100026142000OP	0991	1/18/2006	A.C. SCHULTES MOTOR & PUMP	\$758.00	\$758.00	Furnished Labor, Material & Equipment to replace blower motor & rebuild unit. Blower Fan repaired and returned.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
142	100026142000OP	0992	1/18/2006	A.C. SCHULTES MOTOR & PUMP	\$358.00	\$358.00	Furnished Labor, Material & Equipment to perform standard maintenance on blower.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
143	500024050003SH	1008	1/18/2006	PUBLIC AGENCY TRAINING COUNCIL	\$250.00	\$250.00	Registration for TJ [High School Vice Principal] "School Bomb Threats" 1/17/2006-1/8/2006	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
144	100026142000OP	1016	1/18/2006	TYCO/SIMPLEXG RINNELL LP	\$1,346.00	\$1,346.00	Repaired and replaced Pull Station In Cafeteria	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
145	100026142000OP	1017	1/18/2006	TYCO/SIMPLEXG RINNELL LP	\$1,187.00	\$1,187.00	Replaced Smoke Detectors and bad Communicator	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
146	100023033200BU	1024	2/14/2006	BOWMAN & COMPANY LLP	\$31,215.65	\$31,215.65	2004-2005 Bowman & Company LLP Audit Report for the Salem Board of Education	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
147	100023059000BU	1029	1/26/2006	COURIER POST	\$1,870.00	\$1,870.00	Ad on Friday 12/9/2006 for Career building opportunities with the Salem City School District	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
148	100023059000BU	1037	1/26/2006	SALEM NEWSPAPER	\$883.70	\$883.70	Ad for Salem City Board Town Meetings on 11/01/2005, 11/08/2005, 11/15/2005, 11/13/2005, 11/22/2005	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

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Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
149	100023058500BU	1038	1/26/2006	SALEM COUNTY SCH. BOARDS ASSN.	\$40.00	\$40.00	Registration Fee for CA [Board Member] and SF [former SBA] for SCSBA Dinner at Salem High School, 1/25/2006 - "Nutrition in the School's Childhood Obesity"	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
150	500021850003SH	1078	1/27/2006	PRINTERS OF SALEM COUNTY	\$895.00	\$895.00	Printed 1,000 Program of Studies booklets for the High School	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
151	100023059000BU	1082	1/30/2006	SALEM NEWSPAPER	\$144.72	\$144.72	Educational ad for staff positions and grounds keepers positions in the Salem Newspapers	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
152	100026142000OP	1096	2/7/2006	MONARCH BOILER CONSTRUCTION CO	\$2,964.53	\$2,964.53	Building Maintenance of the Rebuild Boiler #2 and #3 Pump	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
153	100026242000OP	1168	2/15/2006	TYCO/SIMPLEXG RINNELL LP	\$483.00	\$483.00	Service Contract for Equipment 3/01/2006 - 2/28/2007 Fire Extinguishers - John Fenwick Elementary School; Middle School; High School	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
154	100022150000CU	1170	2/22/2006	ROWAN UNIVERSITY/MC SIIP	\$375.00	\$375.00	Differentiated Instruction in the Math Classroom Workshop for the John Fenwick Elementary School, 3/7/2006 - registration list provided; for 3 teachers to strenghten strategies for meeting the needs of all students. Workshop provided specific examples of differentiated instruction in math presented by a Rowan University Mathematics Professor.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

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155	100023059000BU	1171	2/22/2006	COURIER POST	\$383.56	\$383.56	Various ads: Salem City Board Meeting Ad Meeting Dates GMC Bus Public Ad Board Member Ad Ads placed in the newspaper for School Board Candidacy information, Solicitation for Board Member, for Board of Education & Bid Proposals for the sale of a 1998 GMC Bus.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
156	100023053000BU	1172	2/22/2006	PITNEY BOWES, INC.	\$239.00	\$239.00	Software containing new rates for mailing scale.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
157	100026230000OP	1177	2/22/2006	TREAS., STATE OF NJ	\$80.00	\$80.00	NJ Dept of Treasury Hazardous Waste Compliance Monitoring Fee x2 at \$40 each	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
158	100026142000OP	1185	2/22/2006	TYCO/SIMPLEXG RINNELL LP	\$604.00	\$604.00	Monitoring for Board of Ed Trailers January 01, 2006 to December 31, 2006. Service Agreement for trailers (generic panels)	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
159	500022150002CU	1193	2/22/2006	RVC COLLEGE PLANETARIUM	\$200.00	\$200.00	Introduction to Hands-On Astronomy II 4/26/06, North Branch, NJ; Registration for 2 teachers attending planetarium event. List provided of staff in attendance.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
160	500022150002CU	1194	2/22/2006	ROWAN UNIVERSITY/MC SIIP	\$200.00	\$200.00	Registration for Connected Math Institute on 2/22/06 and 4/19/06. Registration for 2 teacher attending Math Institute event. List provided of staff registered.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
161	100023059000BU	1196	2/22/2006	COURIER POST	\$669.49	\$669.49	Ad for Hiring of High School Spanish Teacher in January 2006. Ad placed in newspaper to hire a Spanish High School Teacher.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

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162	100021959200CS	1197	2/22/2006	INSTITUTE FOR EDUCATIONAL DEVL	\$370.00	\$370.00	Registration for Practical Strategies for Teaching Social Skills and Addressing Challenging Behaviors of Students with High Functioning Autism/Asperger Syndrome April 21, 2006. Registration of workshop for two teachers of educational development.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
163	100026142000OP	1200	2/22/2006	ROCKY'S AUTO REPAIR	\$623.94	\$623.94	Repairs to 1993 Chevy Truck G10 Van Towed to shop since it did not start Fuel Pump, Screen, Tune Up, Air Filter, Spark Plugs, etc. misc repairs. Repairs to service vehicle used by the district	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
164	100026142000OP	1201	2/22/2006	ROCKY'S AUTO REPAIR	\$135.45	\$135.45	Repairs to 1992 Ford Truck F150 - Road Service of truck; brake line cracked, brake fluid, service vehicle, change oil, filter, etc. [represent various repairs to the maintenance vehicle fleet]	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
165	100026142000OP	1202	2/22/2006	ROCKY'S AUTO REPAIR	\$147.15	\$147.15	Repairs to 1994 GMC Truck G 3500 Food Service Van. Check Heater Blower, Blower Motor for Food Service Van	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
166	100026142000OP	1203	2/22/2006	ROCKY'S AUTO REPAIR	\$1,691.72	\$1,691.72	Repairs to 2000 Ford Truck F 150. Starter Motor replacement, transmission, Service Vehicle Change Oil, Oil Filter, Lights, Belts, Tire Pressure.	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
167	100026142000OP	1204	2/22/2006	PENNSGROVE AUTO GLASS, INC.	\$33.00	\$33.00	1/4 Wire Glass;Auto Glass Repair - Maintenance for district vehicle	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.

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Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
168	100023058500BU	1205	2/22/2006	SALEM COUNTY SCH. BOARDS ASSN.	\$196.00	\$196.00	Registration Fee for Board Members to attend SCSBA Dinner, February 22 2006. Roles & Responsibilities of Board Members. Salem County School Boards Association Board Dinner for 6 Board Members. Attendee List provided on PO.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
169	100023059000BU	1206	2/22/2006	SALEM NEWSPAPER	\$2,113.52	\$2,113.52	Salem Newspaper School Board Member Educational Ad GMC Bus Ad Salem Newspaper ads for solicitation of Board Members Bids for the Sale of 1998 GMC Bus Ad	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
170	100026142000OP	1208	2/22/2006	CITY OF SALEM	\$368.00	\$368.00	Elevator Device Inspection; Routine/Periodic inspection of elevator equipment	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
171	500024050003SH	1223	2/23/2006	JONES, THOMAS	\$74.16	\$74.16	Mileage and tolls to 2-day workshop at the Clarion Hotel Convention Center on January 17 and 18, 2006 in Atlantic City; Mileage reimbursement for Clarion Hotel Convention Center and Workshop to home.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
172	100026142000OP	1232	3/6/2006	STARLITE PRODUCTIONS	\$451.00	\$451.00	Starlite Productions Service/Repair 4 crew members On Site Service Labor 1 crew member Travel Time 1 crew member Travel Expense - Gas/Tolls/Park	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
173	100023058500BU	1233	2/28/2006	COLONY TRAVEL	\$902.44	\$902.44	Airline Tickets for Board Members to attend the NJSB Conference/Workshop in Chicago, April 7-10. Airline Fare for Board Members to attend out of state workshop/convention. List of Attendees provided	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

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174	500022150002CU	1234	2/28/2006	RARITAN VALLET COMMUNITY COLLE	\$100.00	\$100.00	Registration for Kinesthetic Astronomy: Sky Time - Grade 5-12 3/1/06 - North Branch, NJ; Registration for Leslie Elliot for attendance at Kinesthetic Astronomy planetarium departmnet.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
175	100025159200BU	1237	2/28/2006	N J ASSN SCH BUS OFF	\$200.00	\$200.00	NJASBO Registration Fee for SF (former SBA) to attend Business Office Operations Cracker Barrel on 4/3/06 - Bally's Atlantic City, NJ. Business Office Operations Function to address specific elements within a school district business office. Common Issues in School District Accounting Common Issues in School District Payroll Principles of Fund 20 Accounting and other topics	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
176	500022150002CU	1238	3/6/2006	BUREAU OF EDUC. & RESEARCH	\$179.00	\$179.00	Registration Fee for DS [In-School Suspension Teacher] - "From Disruptive to Self Disciplined", 3/1/2006 - Cherry Hill, NJ.; workshop for "Succeeding with Today's Most Challenging Students"	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
177	500021839003SH	1239	3/6/2006	STANDARDIZED TEST SCORING	\$3,839.40	\$3,839.40	High School Practice Test - 9 (152 sets) High School Practice Test - 10 (148 sets) Include Test Booklets, Answers, Examiner's Manual & Writer's Checklist, as well as test scoring	✓			According to District Management, these materials pertain to a State National Examination which can only be purchased from this supplier. Based on the foregoing explanation and the supporting documentation on file, the transaction appears to be education-related.
178	100023059000BU	1315	3/30/2006	COURIER POST	\$1,715.58	\$1,715.58	Educational ads February 18, 2006 Legal Notice - March 2, 2006 Notice for Bids - March 14th-18th (3) Legal Notice - March 16, 2006	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
179	100023053000BU	1317	3/23/2006	NICOLOSI, MARGARET			Reimbursement of expenses: Airline, Refreshments/meals Toll phone, tolls, cell phone (December to Present),				Based on the supporting documentation on file, the transaction appears to be education-related.
180	100023059000BU	1317	3/23/2006	NICOLOSI, MARGARET	\$1,515.18	\$1,515.18	Mileage	✓			

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181	100023058500BU	1318	3/28/2006	FOX, SUZANNE	\$1,000.00	\$1,000.00	Misc. expenditures (meals, transportation, etc.) for Board members attending the Annual School Boards' Association Convention in Chicago, IL. 4 Attendees listed on file with expenses of \$250 each.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
182	100022150000CU	1430	4/21/2006	MERRITT, STEVEN	\$55.29	\$55.29	Mileage reimbursement for SREB Conference on 3/29/2006 - 114 Miles at \$0.485/mi. to Clarion Hotel, Pleasantville, NJ	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
183	100022150000CU	1431	4/5/2006	CREGAR, DAYNA	\$48.50	\$48.50	Mileage Reimbursement of DC [Math Teacher] 100 miles at \$0.485/mi. for "High Schools that Work Conference" in Egg Harbor Township, NJ	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
184	100023059000BU	1434	4/21/2006	HOGATE, BLANCH							
185	100023059000BU	1434	4/21/2006	MCCRAY, BARBARA							
186	100023059000BU	1434	4/21/2006	KACEWICH, LOUISE							
187	100023059000BU	1434	4/21/2006	KLINE, GOLDA							
188	100023059000BU	1434	4/21/2006	KROUSE, MADELYN							
189	100023059000BU	1434	4/21/2006	KELIN, IRENE							
190	100023059000BU	1434	4/21/2006	OSBORN, JANICE							
191	100023059000BU	1434	4/21/2006	SCHNUR, BENJAMIN							
192	100023059000BU	1434	4/21/2006	WRIGHT, HAROLD							
193	100023059000BU	1434	4/21/2006	GRISCOM, HELEN							
194	100023059000BU	1434	4/21/2006	BEASLEY, SHIRLEY							
195	100023059000BU	1434	4/21/2006	KAVANAUGH, PEGGY							
196	100023059000BU	1434	4/21/2006	SHUMAN, EVELYN							
197	100023059000BU	1434	4/21/2006	HORNER, PATRICIA							
198	100023059000BU	1434	4/21/2006	BROWN, DORIS	\$1,207.50	\$1,207.50	School Board Election Worker - 7 hours at \$11.50/hr	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.

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199	100023059000BU	1437	4/24/2006	SALEM NEWSPAPER	\$2,129.36	\$2,129.36	Salem Newspaper ads 10 detailing special meetings in relation to education, budget, reorganization, public notice, and John Fenwick Elementary School registration.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
200	500022150002CU	1439	4/25/2006	ROWAN UNIVERSITY/MC SIIP	\$675.00	\$675.00	Registration for SC [District Math Supervisor] "Coaching Teachers in Mathematics" at Rowan University on 5/17/2006	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
201	100026242000OP	1442	4/25/2006	TYCO/SIMPLEXG RINNELL LP	\$978.50	\$978.50	Service Call for Panel in Middle School on 3/6/06 [represents repairs to the building fire monitoring system]	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
202	100026242000OP	1443	4/25/2006	MONARCH BOILER CONSTRUCTION CO	\$387.20	\$387.20	Service on #3 boiler pump and installation of seal kit.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
203	100026242000OP	1446	4/25/2006	EDWARDS SERVICE	\$1,803.90	\$1,803.90	Replaced mother board in L554 Fire Panel at the Middle School on 4/25/2006	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
204	100023053000BU	1448	4/25/2006	UNITED STATES POSTAL SERVICE	\$3,000.00	\$3,000.00	US Postal Service Bill Postage Paid via Postage By Phone			✓	According to District Management, a postage meter was used for this transaction and all supporting documentation are on file. While the foregoing explanation appears to be reasonable, ideally, the thought process involved in determining the amount of stamps to be purchased should have also been documented and attached to the PO package, so that, for management evaluation purposes, there will be a certain level of comfort that the amount purchased had adequate operational basis.
205	100021850000CU	1449	4/25/2006	DHL EXPRESS (USA) INC.	\$489.77	\$489.77	Mailing of New Jersey Assessment of Skills and Knowledge (NJ ASK) Tests	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
206	200040045000OP	1451	4/25/2006	BORRELLI CONSTRUCTION, L.L.C.	\$9,500.00	\$8,400.00	Placement and finishing of cast-in-place concrete floor pad [plus steel bollards - additional order]. A Competing Quote was also received from Miles Construction, Co. - \$9,000.	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.

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207	100026242000OP	1471	5/9/2006	TYCO/SIMPLEXG RINNEL LP	\$467.50	\$467.50	Maintenance replacing 2 pull stations at Room Nos. 31 & 33 of John Fenwick School [represents repairs to the building fire monitoring system]	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
208	100026142000OP	1477	5/8/2006	HONEYWELL ACS-SERVICE	\$499.04	\$499.04	Maintenance replacing space sensor for the high school room C-37	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
209	100026142000OP	1478	5/8/2006	ROCKY'S AUTO REPAIR	\$478.53	\$478.53	Service to 3 Maintenance to vehicles consisting of wheel alignment, oil change, break cleaning, etc.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
210	100021959200CS	1479	5/8/2006	CROSS COUNTRY EDUCATION	\$149.00	\$149.00	Registration for JC [Social Worker] "Play Therapy and Beyond: Treatment Techniques and Strategies" in Philadelphia, PA on 5/19/2006	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
211	500022150002CU	1480	5/8/2006	ROWAN UNIVERSITY/MC SIIP	\$675.00	\$675.00	Registration for CM [Teacher] "Coaching teachers in Mathematics" at Rowan University	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
212	100023053000BU	1483	5/8/2006	SOUTH JERSEY NEWSPAPER COMPANY	\$121.70	\$121.70	Newspaper Subscription Renewal to Today's Sunbeam for 52 Weeks	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
213	100023053000BU	1484	5/8/2006	LANIER WORLDWIDE INC.,	\$320.00	\$320.00	Maintenance Agreement Lanier Fax Machine service from 7/06 through 6/07 - Maintenance Agreement Covers All Parts and Labor, Excluding All Consumable Items	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
214	100026242000OP	1489	5/8/2006	HAAF REFRIGERATION	\$491.00	\$491.00	Installation of a walk-in cooler at the High School [The cooler was purchased by a separate grant for the Floral Design Class. The expenditure was for services required to charge and commission the refrigeration system.].	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
215	100022150000CU	1492	5/8/2006	COOPER, SHIRLEY	\$66.75	\$66.75	Reimbursement of SC [District Math Supervisor] for Mileage April 2006 150 Miles at \$0.445/mi.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

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216	100026142000OP	1512	5/8/2006	HONEYWELL ACS-SERVICE	\$522.25	\$522.25	Building Maintenance repaired heater for C55 on Feb 20 2006	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
217	500024050002SM	1521	5/8/2006	PRINTERS OF SALEM COUNTY	\$1,091.50	\$1,091.50	Tickets for graduation, diploma folders, graduation programs	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
218	100023053000BU	1531	5/9/2006	RFP SOLUTIONS, INC.	\$342.04	\$342.04	Ordered two new lines from Verizon and installed as burglar alarm lines in the John Fenwick School	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
219	100023058500BU	1543	5/9/2006	SALEM COUNTY SCH. BOARDS ASSN.	\$280.00	\$280.00	Spring Recognition Dinner, May 16, 2006 - Student winner and family, as well as Superintendent and 5 Board Members at \$40/person	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
220	100026242000OP	1545	5/9/2006	PENNSGROVE AUTO GLASS, INC.	\$45.37	\$45.37	20 x 23 unit for Safety Glasses	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
221	500022132001CU	1587	5/17/2006	RUTGERS-THE STATE UNIVERSITY			Registration for SC [District Math Supervisor], CM [Teacher] and LF [Math Coach] "Lenses on Learning Part 1 May 23, May 30, June 20 at NJPSA-FEA Center in Monroe Township, NJ				Based on the supporting documentation on file, the transaction appears to be education-related.
222	500022132002CU	1587	5/17/2006	RUTGERS-THE STATE UNIVERSITY	\$1,350.00	\$1,350.00		✓			Based on the supporting documentation on file, the transaction appears to be education-related.
223	100023059000BU	1592	5/24/2006	SALEM COUNTY TREAS. OFFICE	\$3,557.48	\$3,557.48	Initial Payment for 2006 School Election Costs	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
224	500022132002CU	1596	5/18/2006	ROWAN UNIVERSITY/EI	\$192.00	\$192.00	Registration for Kinda DelRossi and Sharen Cline "Special Education Writing: Best Practices for Challenged Writers" June 1, 2006 - Rowan University	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
225	100023033900BU	1606	5/24/2006	DR. THEODORE JOHNSON	\$3,725.00	\$3,725.00	Educational Consultant - July - April 2006	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
226	100023033900BU	1607	5/24/2006	DR. THEODORE JOHNSON	\$4,341.00	\$4,341.00	Affirmative Action Investigation 57 Hrs. at \$75 December 2005 - February 2006	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
227	500021839003SH	1608	5/24/2006	AP EXAMS	\$1,175.00	\$1,175.00	AP Exam Invoice for 17 exams	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
228	100023059000BU	1611	5/24/2006	COURIER POST	\$312.11	\$312.11	Educational Ad for staff positions	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
229	100023059000BU	1618	5/31/2006	SALEM NEWSPAPER	\$937.70	\$937.70	Educational Ad for staff positions	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
230	100023059000BU	1621	6/7/2006	COMMERCE INSURANCE SERVICE	\$131.00	\$131.00	Renewal of the District Superintendent's Surety Bond	✓			This type of expense is chargeable to the District as per terms of employment. Based on the supporting documentation on file, as well as the foregoing explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
231	1200040045000	1627	6/30/2005	MATTEO FAMILY KITCHEN, INC.	\$7,916.82	\$7,916.82	Counter tops; Kraftmaid cabin; pierce sink [renovation cost of High School Room C-25, a Home Economics classroom].	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
232	100022150000CU	1630	6/7/2006	COOPER, SHIRLEY	\$85.44	\$85.44	SC [District Math Supervisor] Reimbursement for Mileage May 2006 192 Miles at \$0.445/mi.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
233	100022150000CU	1632	6/7/2006	ANTINORI, RONALD	\$85.44	\$85.44	Reimbursement of RA [District Science Supervisor] for Mileage May 2006 153.6 Miles at \$0. 445/mi.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
234	200040045000OP	1633	6/7/2006	GRISCOM, GEORGE	\$1,924.00	\$1,924.00	Site prep for maintenance building addition and BOE modular buildings	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
235	100023058500BU	1638	6/6/2006	SALEM TEACHERS' ASSOCIATION	\$40.00	\$40.00	Board Members attending 2006 Retirement Luncheon on June 13, 2006 - CA, JH, AM and JS		✓		Notwithstanding the supporting documentation on file, due to the "staff morale" nature of the expenditure, it is deemed as a discretionary transaction.
236	100023059000BU	1639	6/13/2006	COURIER POST	\$108.90	\$108.90	Auditor Ad and Public Notice Ad in the Courier Post	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
237	100026242000OP	1645	6/13/2006	FIVE STAR RENTAL	\$84.00	\$84.00	Plate Compactor rental	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.

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238	500024050001JF	1646	6/13/2006	BURKE-DOHERTY, CAROL	\$104.00	\$104.00	Mileage and toll reimbursement for Court Hearing appearance - Office of Administrative Law at Trenton [220 mi at \$0.445/mi]	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
239	100022150000CU	1647	6/13/2006	DELROSSI, LINDA	\$41.39	\$41.39	Mileage reimbursement for May 2006 [93 mi at \$0.445/mi]	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
240	100026142000OP	1650	6/13/2006	HONEYWELL ACS-SERVICE	\$403.38	\$403.38	Checking condition of fan and changing of air filters for Room A-58	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
241	100026242000OP	1651	6/13/2006	FOGG INC., LESLIE G.	\$13.38	\$13.38	Repair to wheel for tractor	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
242	100025159200BU	1653	6/13/2006	NJ ASSO OF SCHOOL BUS OFFICALS	\$50.00	\$50.00	Pay to Play Workshop			✓	Workshop purpose is not clear based on the documentation on file.
243	100023059000BU	1667	6/19/2006	RIVERVIEW INN	\$987.66	\$987.66	Superintendent's Honor Roll Luncheon - 60 people at \$13.95/person	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
244	100026252000OP	1670	6/19/2006	NJ BUREAU OF FIRE SAFETY	\$739.00	\$739.00	Annual Life Hazard Use Registration Fee	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
245	100026242000OP	1677	6/19/2006	HAAF REFRIGERATION	\$210.00	\$210.00	Repairs to High School Ice Machine	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
246	100021959200CS	1678	6/19/2006	CHAMPION, JANINE	\$91.23	\$91.23	Mileage reimbursement for 05/01 to 06/13/2006 [205 miles at \$0.445/mi]	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
247	100021959200CS	1679	6/19/2006	DOBZANSKI, BARBARA	\$66.76	\$66.76	Mileage reimbursement for 04/03 to 05/31/2006 [150 miles at \$0.445/mi]	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
248	100021959200CS	1680	6/19/2006	FRANCIS, AMY	\$90.74	\$90.74	Mileage reimbursement for 05/01 to 06/12/2006 [198 miles at \$0.445/mi]	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
249	100021959200CS	1681	6/19/2006	GRIMM, DEVONN	\$28.04	\$28.04	Mileage reimbursement for 05/02 to 06/14/2006 [63 miles at \$0.445/mi]	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

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250	100021959200CS	1682	6/19/2006	PINKETT, KEVIN	\$40.05	\$40.05	Mileage reimbursement for 05/02 to 06/14/2006 [90 miles at \$0.445/mi]	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
251	100021959200CS	1683	6/19/2006	RUIZ, AUREA	\$40.06	\$40.06	Mileage reimbursement for 05/01 to 06/14/2006 [89 miles at \$0.445/mi]	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
252	100021959200CS	1689	6/20/2006	GRACE, CAROLYN	\$36.93	\$36.93	Mileage reimbursement for 05/03 to 06/13/2006 [83 miles at \$0.445/mi]	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
253	100022139000CU	1694	6/21/2006	JUNIOR ACHIEVEMENT OF DE, INC	\$250.00	\$250.00	Enterprise Village student fees [50 students at \$5/student]	✓			Based on the supporting documentation on file, the transaction appears to be education-related. The standard fee should have been \$15/student - the difference was subsidized by a grant from PSEG.
254	100022150000CU	1697	6/21/2006	GOLDBERG, GARY	\$458.80	\$458.80	Mileage reimbursement for 01/01 to 06/30/2006 [1,031 mi at \$0.445/mi]	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
255	500024050003SH	1701	6/26/2006	CITY OF SALEM							
256	500024050002SM	1701	6/26/2006	CITY OF SALEM	\$1,200.00	\$1,200.00	Police security provided during Middle School and High School Graduation ceremonies	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
257	100026242000OP	1706	6/27/2006	MATRIX SECURITY SYSTEMS	\$115.00	\$115.00	Trouble-shoot cameras at High School	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
258	500024050003SH	1709	6/20/2006	PRINTERS OF SALEM COUNTY	\$545.00	\$545.00	1,200 commencement programs	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
259	100023033100BU	1777	6/30/2006	A. N. PALMER COMPANY	\$2,600.00	\$2,600.00	50% of legal cost of Vance Joyce [State of NJ vs. Vance Joyce]			✓	There is no additional documentation on file on the legal and/or contractual basis of the Board decision. The Vendor Name per accounting records is different with per supporting documents. According to District Management, this is in accordance with the instructions of the New Jersey School Board Insurance Group.

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260	1100023089500	0063	7/15/2004	SALEM COUNTY SCHOOL BDS ASSN.	\$300.00	\$300.00	2004-05 Salem County School Board Association Dues	✓			Based on the supporting documentation on file, the transaction appears to be education-related. No Vendor Invoice on file - but no exception highlight is warranted in view of the semi-governmental nature of the Vendor	
261	1100024089001	0087	7/19/2004	BURKE-DOHERTY, CAROL	\$161.94	\$161.94	Cookies for Students Volunteer; Thank You Gifts; New Room Supplies; Year End Calendars; Postal Mail Records [Actual transaction was done by BR (Secretary). She mails student records to new schools using petty cash funds. All petty cash checks are issued to CD (Principal)].			✓	Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district. No Vendor Invoice, however, is on file.	
262	1100022389005	0228	8/24/2004	SALEM COUNTRY CLUB URBAN SUPERINTENDENT OF NJ	\$150.00	\$150.00	New Teacher Orientation Luncheon August 30, 2004 60 guests at \$11 per person			✓	Notwithstanding the "staff morale" nature of the purchase, the amount involved does not appear to be excessive. Vendor Invoice, however, is not on file.	
263	1100023089000	0235	8/24/2004	SALEM COUNTRY CLUB URBAN SUPERINTENDENT OF NJ	\$3,500.00	\$3,500.00	2004-05 USSNJ Comprehensive Membership Dues For Special Needs District	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
264	1100023089500	0288	8/31/2004	NEW JERSEY SCHOOL BOARDS ASSN.	\$1,100.00	\$1,100.00	MNSBA/NJASA/NJASB Workshop/ Convention, October 20, 21, 22, 2004 [9 attendees - all Board Members and key officers] - MN, SF, CA, CC, SD, YG, KR, JS and FW			✓	According to District Management, Board Members attended this training to comply with the training requirements of the State of New Jersey. Based on the foregoing explanation, as well as the supporting documentation on file, the transaction appears to be education-related. There is, however, no Vendor Invoice [or its equivalent] on file.	
265	1100022389005	0337	9/24/2004	SALEM COUNTRY CLUB	\$628.00	\$628.80	New Teacher Luncheon - 8/30/2004 Salem Country Club 60 Lunches at \$11/person		✓		Notwithstanding the supporting documentation on file, due to the "staff morale" nature of the expenditure, it is deemed as a discretionary transaction.	\$10 per meal at a country club appears to be quite reasonable.
266	1100022389005	0379	9/29/2004	SALEM COUNTY VOCATIONAL SCHOOL	\$24,756.00	\$24,756.00	For the school year 2004-05 Consolidated Services rendered by Salem County Vocational Technical Schools for the following items: 1 unit Audio/Visual Aides - \$4,638; 1 unit Educational Technology Training Center - \$1,000; 1 unit School Science Kit - \$11,455; 1 unit County Hub - \$7,163; 1 unit Schools to Careers - \$500	✓			Based on the supporting documentation on file and the additional explanation of District Management, the items purchased appears to have educational value.	

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267	1100023089500	0882	1/25/2005	DR. THEODORE JOHNSON	\$3,057.05	\$3,057.50	Consultant services for February to June 2005	✓			According to District Management, Dr. Johnson is a leading expert and was recommended for his expertise in urban schools. Based on the foregoing explanation, as well as the supporting documentation on file, the transaction appears to be education-related.	
268	1100023089000	0969	2/10/2005	SALEM CITY SCHOOL CAFETERIA	\$44.95	\$44.95	Free adult lunch tickets for teachers		✓		Notwithstanding the supporting documentation on file, due to the "staff morale" nature of the expenditure, it is deemed as a discretionary transaction.	
269	1100026289000	1242	3/30/2005	DELMARVA COMMUNICATIONS, INC.	\$18,048.00	\$18,048.00	Radio communication system & FCC license - GR1225 repeater, Motorola CDM-1250 45-watt base station, Motorola CP-200 portables. The other Competing Quote received was received from Town Communications \$21,233	✓			Technically, only the \$500 FCC license pertains to the Appropriation Code covered by the scope of this wps - and it appears to be related to the day-to-day operations of the District. Based on the supporting documentation on file, however, nothing was noted that could also raise the possibility that the other items covered by the PO are not related to the day-to-day operations of a school district.	
270	1100023089500	1351	6/20/2005	SALEM COUNTY 2000 ROBOTICS	\$1,000.00	\$1,000.00	Donation to Salem County Robotics Team	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.	
271	1100024089003	1359	5/3/2005	ACCLAIM PROMOTIONS, INC.	\$360.50	\$360.50	100 Peek-a-Boo travel alarms DP-503. Purchased as a morale item for teachers and staff during Teacher Appreciation Week.			✓	According to District Management, these were purchased as a "staff morale" item during Teacher Appreciation Week. Notwithstanding the supporting documentation on file, as well as the foregoing explanation, due to the "staff morale" nature of the expenditure, it is deemed as a discretionary transaction.	

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272	1100023089000	1456	5/17/2005	PENNSVILLE BD. OF EDUC.	\$347.87	\$347.87	Fees for the 2004-05 4A Breakfast	✓			According to District Management, this is a County-wide function . Every year, a different district initially pays the total bill and then subsequently allocates the same and bills the other County participants for their share. Based on the foregoing explanation and the supporting documentation on file, the expenditure appears to be related to the day-to-day operations of a school district. Although the supporting billing does not also look "official" ( it has no letterhead and is unsigned) it is mitigated by the fact that the payee is another school district.	
273	1100023089000	1541	5/31/2005	SPIRIT OF PHILADELPHIA	\$1,403.00	\$2,745.00	Superintendent's Honor Roll Dinner Cruise 2005 [26 attendees at \$65.51/person - with 3 attendees free]			✓	The PO was not revised to reflect the final amount paid.	
274	1100024089003	1573	6/30/2004	MEDIA EDUCATION FOUNDATION	\$795.70	\$795.70	Drug testing for BD - negative	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
275	100025189000BU	0075	7/6/2005	N J ASSN SCH BUS OFF	\$867.00	\$867.00	2005-06 membership dues of SF [former BA]	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
276	100023089500BU	0189	8/1/2005	SALEM COUNTY SCH. BOARDS ASSN.	\$300.00	\$300.00	2005-06 yearly dues	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
277	100023089500BU	0299	8/15/2005	NJSBA	\$1,300.00	\$1,300.00	NSBA's National Affiliate Membership Dues Membership Period: 10/01/2005 to 9/30/2006	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
278	100023089500BU	0300	8/17/2005	N J SCHOOL BOARD ASSOC	\$10,265.00	\$9,715.00	Membership Dues for 1005-06 School Year Formula for calculating: Base + (Multiplier x district current expenses) = dues, limited by maximum.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	

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279	100023089500BU	0342	8/23/2005	NEW JERSEY SCHOOL BOARDS ASSN.	\$1,490.00	\$1,490.00	NJSBA/NJASA/NJASB Workshop/Convention, October 26-28, 2005; Atlantic City, NJ [10 attendees - all Board Members and key officers] - CA, CC, WF, DM, JS, KR, YG, MN, SF, FW Urban Board's Lunch Tickets [6 attendees - all Board Members]: CC, WF, DM, JS, KR and YG	✓			According to District Management, Board Members attended this training to comply with the training requirements of the State of New Jersey. Based on the foregoing explanation, as well as the supporting documentation on file, the transaction appears to be education-related.
280	100023089000BU	0409	8/31/2005	URBAN SUPERINTENDENT OF NJ	\$3,500.00	\$3,500.00	USSNJ Comprehensive Membership Dues for Abbott District - Tier 1	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
281	100023089000BU	0410	8/31/2005	PHI DELTA KAPPA/INTL HEAD	\$92.00	\$92.00	Renewal of the Superintendent's membership in Phi Delta Kappa [a professional education fraternity]	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
					\$248.00	\$248.00	Cookies, Ice Tea, Snacks and Punch	✓			According to District Management, these items were used either as incentives or rewards, and were most likely refreshments for "Back-to-School Night". Based on the foregoing explanation, as well as the supporting documentation on file, the expenditure appears to be related to the day-to-day operations of a school district.
					\$609.75	\$609.75	Snack Tray Coffee & Soda's Soda's, Water & Cookies, Chicken Wings, Cheese Trays w/ Fruit, Continental Breakfast Donuts, Juice			✓	According to District Management, these represent refreshments for teachers during discipline meetings. Teachers would not have time for lunch with their abbreviated schedule during such meetings. Notwithstanding the supporting documentation on file and the additional explanation of District Management, due to the "staff morale" nature of the expenditure, it is deemed as a discretionary transaction.

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Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
					\$152.50	\$152.50	Cookies & juice; sandwiches, desserts & drinks [Food expense for meeting attendees. Teachers often sacrifice their time to participate in these meetings.]		✓		Notwithstanding the supporting documentation on file and the additional explanation of District Management, due to the "staff morale" nature of the expenditure, it is deemed as a discretionary transaction.	
					\$703.00	\$703.00	Scrambled eggs, waffles, bacon, sausage, bagels, donuts, juice & milk, coffee [these items were for Admin food needs such as Honor Roll breakfast, SIRS Committee, Discipline Committee, National Honor Society, Blood Drive, SLC, as well as homeroom uniform compliance reward]	✓			In view of the student-related components of the transaction, on an overall basis, the expenditure was considered as related to the day-to-day operations of a school district.	
					\$124.00	\$124.00	Sandwiches Cookies & Drink Cheese & Pepperoni Cracker Tray Cold Cut Tray Coffee, Sodas & Cookies	✓			According to District Management, the date of this item corresponds to the School Leadership Committee meeting. As these meetings are held at 6:30 P.M., light refreshments are served to the parents since they are usually coming straight from their day jobs. In view of the parent-related nature of this expenditure, as well as the supporting documentation on file, it was considered as related to the day-to-day operations of a school district.	
					\$1,172.51	\$1,172.51	Cookies, Punch, Chips & Pretzels Boxes of Ice Cream Breakfast Buffet Set up for Meeting Donuts & Coffee	✓			According to District Management, this appears to be a combination of incentives for perfect attendance (ice cream chips and pretzels), as well as the second marking period Honor Roll Breakfast (for all students who made the honor roll). In view of the student-related nature of this expenditure, as well as the supporting documentation on file, it was considered as related to the day-to-day operations of a school district.	

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					\$966.00	\$966.00	Cookies & drinks; lunches & sodas; cheestrays [these items were for Admin food needs such as Honor Roll breakfast, SIRS Committee, Discipline Committee, National Honor Society, Blood Drive, SLC, as well as homeroom uniform compliance reward]	✓			In view of the student-related components of the transaction, on an overall basis, the expenditure was considered as related to the day-to-day operations of a school district.
282	500024080003SH	0420	9/30/2005	SALEM CITY SCHOOL CAFETERIA	\$388.80	\$388.80	One full sheet cake; cookies, plates, napkins, forks, punch; tablecloths & skirting; box lunches [these items were for Admin food needs such as Honor Roll breakfast, SIRS Committee, Discipline Committee, National Honor Society, Blood Drive, SLC, as well as homeroom uniform compliance reward]	✓			In view of the student-related components of the transaction, on an overall basis, the expenditure was considered as related to the day-to-day operations of a school district.
283	500021880003SH	0421	12/20/2005	SALEM CITY SCHOOL CAFETERIA	\$175.00	\$175.00	Cookies, punch, chips & pretzels [for Guidance Office food needs for meetings, guest speakers, financial aid night, etc.]	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
284	100023089500BU	0428	9/9/2005	N J SCHOOL BOARD ASSOC	\$75.00	\$75.00	Registration Fees for KR [Board Member] for Forum on Thursday, October 27, 2005, in Atlantic City, NJ. Reviewed invoice and PO and have registration form on file that indicates that the forum was for the Thirty Fifth Annual School Law Forum designed for School Board Attorneys, Administrators and Board Members	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
285	100021980000CS	0546	9/30/2005	ROWAN UNIVERSITY/EI	\$100.00	\$100.00	Teacher Training fo AR - Rowan University 15th Annual Symposium for Learning Consultants for Learning Consultants, held on 10/21/2005, at the Holiday Inn Select in Bridgeport, NJ	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
286	500022180001CU	0553	9/30/2005	NATIONAL SCIENCE TEACHERS ASSN	\$74.00	\$74.00	Institutional Membership NSTA membership for RA [District Science Supervisor] for SY 2005-06	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

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287	500022380002CU	0596	12/30/2005	SALEM CITY SCHOOL CAFETERIA			Lunch/breakfast, Board meeting snacks, coffee services [This was for a district-wide workshop. The cost was equally absorbed by the various schools.]				Notwithstanding the supporting documentation on file and the additional explanation of District Management, due to the "staff morale" nature of the expenditure, it is deemed as a discretionary transaction.
288	500022380003CU	0596	12/30/2005	SALEM CITY SCHOOL CAFETERIA							
289	500022380001CU	0596	12/30/2005	SALEM CITY SCHOOL CAFETERIA	\$7,941.60	\$7,941.60			✓		
290	500022380003CU	0769	12/30/2005	SALEM CITY SCHOOL CAFETERIA			County-wide in-service 10/28/2005 - 300 breakfast, lunch & dinner at \$11.65/person				According to District Management, this is another County-wide function related to the training of all certified staff. This is a shared service wherein one district will manage the entire function and initially handle all payments. Subsequently, other participating districts will be billed of their share in the total cost of holding the function. Based on the foregoing explanation and the supporting
291	500022380002CU	0769	12/30/2005	SALEM CITY SCHOOL CAFETERIA							
292	500022380001CU	0769	12/30/2005	SALEM CITY SCHOOL CAFETERIA	\$3,495.00	\$3,495.00		✓			
293	500024080003SH	0832	11/30/2005	COLLEGE ENTRANCE EXAM BOARD	\$325.00	\$325.00	Membership Dues of GD [High School Principal], 11/1/2005 thru 10/31/2006, for College Examination Board	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
294	500022380003CU	0899	12/15/2005	ROWAN UNIVERSITY/MATH DEPT.	\$50.00	\$50.00	Teacher Membership Dues of SC [District Math Supervisor] - South Jersey Mathematics Alliance for SY 2005-06	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
295	100023089000BU	0928	12/30/2005	N J ASSN SCHOOL ADMIN	\$60.00	\$60.00	PGP Monitoring for Superintendents	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
296	500022380001CU	0934	12/30/2005	SALEM CITY SCHOOL CAFETERIA			Buffet Lunch on 8/22/05 and Breakfast/Lunch on 8/29/05 [This was for a district-wide workshop. The cost was equally absorbed by the various schools.]				According to District Management, due to the lack of business in Salem City, there is no food establishment that has the capability of serving breakfast/lunch to the District's approximately 200 teachers within an hour. In addition, District Management also feels that employee morale would decrease if lunch will not be served to employees while in training all day. The food ordered is not
297	500022380003CU	0934	12/30/2005	SALEM CITY SCHOOL CAFETERIA							
298	500022380002CU	0934	12/30/2005	SALEM CITY SCHOOL CAFETERIA	\$2,393.50	\$2,393.50		✓			
299	500022380002CU	0963	1/11/2006	ADAMS PRINTING COMPANY							
300	500022380001CU	0963	1/11/2006	ADAMS PRINTING COMPANY							

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments	
Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
301	500022380003CU	0963	1/11/2006	ADAMS PRINTING COMPANY	\$916.00	\$916.00	Printing School News Letter	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
302	100023082000BU	1435	4/21/2006	JOHNSON, FELECIA	\$15,000.00	\$15,000.00	Mediation Settlement Johnson vs. the Salem City Board of Education for \$15,000 on 4/10/2006	✓			The payment was part of the mediation settlement to Felecia Johnson by the Salem City Board of Education.	
303	100023089000BU	1547	5/9/2006	SUN NATIONAL BANK	\$922.50	\$922.50	American Express Gift Checks for the SY 2005-06 retirees		✓		The business justification of the amount of expense per retiree is not readily apparent based on the supporting documentation on file. Due to the apparent "staff morale" nature of the expenditure, the same has to be classified as a discretionary transaction.	
304	100023089000BU	1612	5/25/2006	PENNSVILLE BD. OF EDUC.	\$402.86	\$402.86	2005-06 4A Breakfast	✓			According to District Management, this is another County-wide function wherein one district will manage the entire function and initially handle all payments. Subsequently, other participating districts will be billed of their share in the total cost of holding the function. Based on the foregoing explanation and the supporting documentation on file, the expenditure appears to be education-related.	

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
305	1100022389005	0544	2004-10-28	SALEM CITY SCHOOL CAFETERIA	\$7,385.75	\$7,385.75	Teacher Orientation breakfast/dinner at a total cost of \$3,850; Teacher in-service at a total cost of \$2,283; Board Meeting/lunch tickets at a total cost of \$541; other meals.				According to District Management, these expenditures were for Board Meetings and Teachers' In-Service/Meetings. Due to the lack of business in Salem City, there is no food establishment that has the capability of serving lunch to the District's approximately 200 teachers within an hour. In addition, District Management also feels that employee morale would decrease if lunch will not be served to employees while in training all day. The food ordered is not extravagant as can be seen in the supporting documentation. Board Meeting light dinners on the other hand, is a kind consideration for the fact that such meetings start from 6 P.M. and end at about 10 P.M. [as a result, the majority of the District's Board Members must come directly from work]. District Management feels that Board morale would suffer if they were unable to eat a light dinner while attending such meetings. Notwithstanding the foregoing explanation, due to the Staff Morale nature of the expenditure, the same has to be classified as a discretionary transaction.
306	1100024061001	0087	7/19/2004	BURKE-DOHERTY, CAROL	\$161.94	\$161.94	Cookies for Students Volunteer; Thank You Gifts; New Room Supplies; Year End Calendars; Postal Mail Records [Actual transaction was done by B. Robinson, Secretary. She mails student records to new schools using petty cash funds. All petty cash checks are issued to C. A. Burke-Doherty.]			✓	Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district. No Vendor Invoice, however, is on file.
307	1100023061000	0093	7/29/2004	CHAMBERS, MARY ELLEN	\$115.98	\$115.98	Reimbursement - cost of 2 Administrative Meeting lunches, overnight express mail		✓		Notwithstanding the supporting documentation on file, due to the "staff morale" nature of the meals component of the expenditure, it is deemed as a discretionary transaction.
308	1100021861003	0168	8/6/2004	COLLEGE BOARD PUBLICATION	\$247.23	\$247.23	College Board Publications College Handbooks College Interview Text	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

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309	1100024061003	0199	8/16/2004	RYDIN SIGN & DECAL	\$206.00	\$206.00	100 Student Parking Permits for SY 2004-05; Hanging decals for Student Parking	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
310	1100024061001	0269	8/30/2004	NATIONAL BUSINESS FURNITURE CO	\$1,043.80	\$1,043.80	42" round table - figured mahogany; open back chairs [This was for the conference table, as well as chairs for the new Vice Principal. She was utilizing a very small office and had to have a meeting table and chairs that fit into a small area for parent/teacher discipline conferences. The table is not real mahogany - just pressboard covered by mahogany veneer.]	✓			Based on the supporting documentation on file and the additional explanation of District Management that the table purchased is not real mahogany, the expenditure appears to be related to the day-to-day operations of a school district.
311	1100022261003	0855	1/22/2005	FOLLET SOFTWARE COMPANY	\$1,383.24	\$1,383.24	Various online research software - "Find-it-All", "Web Collection Plus", etc.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
312	1100025161000	0910	1/31/2005	EPLUS TECHNOLOGY, INC.	\$860.27	\$860.27	Purchase of an HP Laserjet 4250 printer	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
313	1100024061002	1016	2/28/2005	PATS PIZZERIA	\$63.09	\$63.09	Lunch for 8th Grade Career Day guest speakers	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
314	1100024061003	1197	3/23/2005	MATTEO FAMILY KITCHEN, INC.	\$1,217.46	\$1,876.00	Cabinets, HPL counter top, utility sink [renovation cost of High School Room C-25, a Home Economics classroom].	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
315	1100022261002	1290	4/26/2005	FOLLETT EDUCATIONAL SERVICES	\$4,574.84	\$4,574.84	Various software - PHD Dolphin, WebCollection Plus, WebPath Online, etc. The most expensive item purchased [PHD Dolphin - \$3,190 for 2] represents the Computerized Inventory System for the library.	✓			Based on the supporting documentation on file and the additional explanation of District Management, the items purchased appears to have educational value.
316	1100024061001	1314	4/26/2005	HAMMOND & STEPHENS COMPANY	\$210.50	\$210.50	75 pcs - Class Record Book	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
317	1100021861003	1341	5/9/2005	BITS'N BYTES AMERICA							
318	1100021861001	1341	5/9/2005	BITS'N BYTES AMERICA							

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319	1100021861002	1341	5/9/2005	BITS'N BYTES AMERICA							
320	110002196100015	1341	5/9/2005	BITS'N BYTES AMERICA							
321	1100024061002	1341	5/9/2005	BITS'N BYTES AMERICA							
322	1100024061003	1341	5/9/2005	BITS'N BYTES AMERICA							
323	1100025161000	1341	5/9/2005	BITS'N BYTES AMERICA							
324	1100024061001	1341	5/9/2005	BITS'N BYTES AMERICA							
325	1100022161000	1341	5/9/2005	BITS'N BYTES AMERICA			28 units of desktops and related peripherals: Superintendent's Secretary-1; Curriculum Secretary-2; Business Admin Secretaries-3; CST Secretary-2; School Secretaries-10; School Guidance-7; School Nurses-3	✓			According to District Management, the District has 10 Secretaries and 7 Guidance Counselors - and each one of them got a new desktop. Based on the foregoing explanation, as well as the supporting documentation on file, the expenditure appears to be related to the day-to-day operations of a school district.
326	1100023061000	1341	5/9/2005	BITS'N BYTES AMERICA							
327	100023061000BU	1341	5/9/2005	BITS'N BYTES AMERICA	\$22,371.44	\$22,371.44					
328	1100022161005	1372	6/21/2004	SHIRLEY OFFICE SUPPLIES	\$2,579.00	\$2,579.00	Desk; Credenza; Lateral Storage; Hutch; Table Top; Base	✓			According to District Management, these represent office furnishings for a new job position. The District does not have any reserve inventory of office furnishings, hence, the same must be purchased everytime the need arises. Based on the foregoing explanation, as well as the supporting documentation on file, the expenditure appears to be related to the day-to-day operations of a school district.
329	1100022361005	1391	5/5/2005	CRISIS PREVENTION INSTITUTE	\$1,678.56	\$1,678.56	Win School Technical Support 2000 Annual Service	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
330	1100024061001	1433	6/30/2004	HEINEMANN	\$154.61	\$163.90	Units for Study for Primary Writing: A Yearlong Curriculum	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
331	1100024061001	1439	6/30/2004	HEINEMANN	\$662.97	\$662.97	Guided Reading & Writing Classroom Mgmt (text) Interactive Writing 7 Textbooks in Total	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
332	1100025161000	1443	5/31/2005	U.S. DISTRICT DISTRIBUTORS CO.	\$98.23	\$98.23	Pencils, pens, and markers.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
333	1100023061000	1458	6/30/2004	N J SCHOOL BOARD ASSOC	\$53.00	\$53.00	"Conducting Effective Meetings" CD-ROM	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

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334	1100022161000	1522	5/23/2005	LRP PUBLICATIONS	\$340.00	\$340.00	1-year subscription - "Education Grants Alert"	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
335	1100022161005	1539	5/27/2005	PC MALL GOV	\$2,097.39	\$2,102.74	4 units of HP Pavillion 470594 iPAQ HX4705 64 MHZ/ 64 RAM	✓			According to District Management, these items were purchased to replace damaged units. Based on the foregoing explanation, as well as the supporting documentation on file, the expenditure appears to be related to the day-to-day operations of a school district. The difference between the PO and Payment Check amounts is due to the reduction in shipping charges
336	1100022161000	1572	6/30/2004	SHIRLEY OFFICE SUPPLIES	\$679.00	\$679.00	Mahogany Lateral File; Right Pedestal (Oak Credenza)	✓			According to District Management, this is an office file cabinet which is currently in use at the Middle School Vice Principal Office. Based on the foregoing explanation, as well as the supporting documentation on file, the expenditure appears to be related to the day-to-day operations of a school district.
337	1100021961000	1574	6/30/2004	DELL MARKETING L.P.	\$6,804.00	\$6,804.00	4 Latitude D505 Notebooks configured with: Memory, Hard Drive, Floppy Disk Drive, Operating System, Modem, Cables [shipped to the Salem High School c/o BD, Child Study Team Director]	✓			Based on the supporting documentation on file, the transaction appears to be related to the day-to-day operations of a school district. These items are covered by a State Contract and, therefore, exempt from competitive bidding requirements.
338	1100022161000	1605	6/15/2005	PC MALL GOV	\$559.13	\$559.13	1 unit of HP Pavillion 470594 iPAQ HX4705 64 MHZ/ 64 RAM	✓			According to District Management, this was purchased to replace a damaged unit. Based on the foregoing explanation, as well as the supporting documentation on file, the expenditure appears to be related to the day-to-day operations of a school district.
339	1100021961000	1617	6/15/2005	LRP PUBLICATIONS	\$297.50	\$297.50	Subscription renewal - "The Special Educator"	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

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340	1100022361005	1620	6/15/2005	SHIRLEY OFFICE SUPPLIES	\$1,233.20	\$1,233.20	224 pcs. of binders [to be delivered to GG, Director of Curriculum/ Instruction/ Technology]	✓			According to District Management, this represents binders bought for the Course Library, as well as the Instructor's Guides. Based on the foregoing explanation, as well as the supporting documentation on file, the expenditure appears to be related to the day-to-day operations of a school district.
341	1100022361005	1621	6/15/2005	SHIRLEY OFFICE SUPPLIES	\$5,360.00	\$5,360.00	200 pcs. of D-Ring binders [to be delivered to GG, Director of Curriculum/Instruction/Technology]			✓	According to District Management, this represents binders bought for the Course Library, as well as the Instructor's Guides. Based on the foregoing explanation, as well as the supporting documentation on file, the expenditure appears to be related to the day-to-day operations of a school district. No Competing Quotes, however, are on file.
342	1100021861003	1625	6/15/2005	SHIRLEY OFFICE SUPPLIES	\$977.54	\$977.54	Industrial lanterns; batteries; electric hole punch; pens; tissue; sponges; toner; drum	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
343	1100024061003	1653	6/27/2005	ACCLAIM PROMOTIONS, INC.	\$749.65	\$749.65	47 Plaques for the Superintendent's Honor Roll students	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
344	1100022161005	1677	6/30/2005	PC MALL GOV	\$14,049.00	\$14,049.00	7 Acer Ameri Notebooks; 7 Notebook Protection Total Coverage; 7 travel cases [the Vendor is a high-volume direct marketer which specializes in servicing government and education contracts]			✓	Based on the supporting documentation on file, the transaction appears to be related to the day-to-day operations of a school district. According to District Management, this is covered by a State Contract and is, therefore, exempt from competitive bidding requirements. There is, however, no additional documentation on the intended beneficiaries/users of the notebooks purchased.
345	500024060003SH	0304	8/18/2005	SCHOOL SPECIALTY	\$83.50	\$83.50	Corridor pass [100 pads]	✓			Based on the supporting documentation on file, the transaction appears to be related to the day-to-day operations of a school district.
346	500024060003SH	0306	8/18/2005	SHIRLEY OFFICE SUPPLIES	\$84.16	\$84.16	Various administrative supplies - load trays, card holder, organizers, Rolodex, etc.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
347	500024060003SH	0308	8/18/2005	NATIONAL ASSN. OF SECONDARY	\$131.00	\$131.00	Annual membership dues - National Association of Student Councils and National Honor Society	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

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348	500022260002SM	0327	8/18/2005	NATIONAL SCHOOL PRODUCTS	\$377.74	\$377.74	Various educational CDs - Reading Explorers, Storybook Weaver, Creative Writing Workshop, etc.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
349	500022260002SM	0336	8/18/2005	SCHOOL SPECIALTY	\$1,140.10	\$1,234.08	Various library supplies - DVD/VCD/CD player, pocket tubular magazine/newspaper easel, docubind system, etc.			✓	Based on the supporting documentation on file, the transaction appears to be related to the day-to-day operations of a school district. The PO, however, was not revised to reflect the final amount paid per VDF.	
350	100025160000BU	0344	9/16/2005	SHIRLEY OFFICE SUPPLIES	\$178.00	\$178.00	Laser Jet Cartridge for Business Office	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	
351	500024060002SM	0349	8/30/2005	D & H LASER IMAGES	\$368.00	\$368.00	Room Number Cubes Name Plates Banner - Raising the Bar to Excellence & Logo	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
352	500024060002SM	0351	8/30/2005	U.S. POSTAL SERVICE	\$925.00	\$925.00	23 Rolls of Thirty-Seven Cent Stamps (100 to a roll)			✓	According to District Management, this was purchased at the start of the school year to accommodate the numerous mailings the District must make to parents and professionals. While the foregoing explanation appears to be reasonable, ideally, the thought process involved in determining the amount of stamps to be purchased should have also been documented and attached to the PO package, so that, for management evaluation purposes, there will be a certain level of comfort that the amount purchased had adequate operational basis.	
353	500024060002SM	0352	8/30/2005	MASTER TEACHER	\$374.45	\$374.45	Master Teacher 10 Base Award with Blue Shoe. Engraving on black tape. Ordered qty of 10 during September 2005 and ending in June 2006.	✓			The amount involved does not appear to be excessive notwithstanding the "staff morale" nature of the purchase.	
354	100023063000BU	0353	8/30/2005	PARKER JEWELERS	\$133.00	\$133.00	Chrome Cross Pens - engraved 20 yr - service award presented on 9/6/05. List of recipients formed part of the supporting documentation.			✓	Notwithstanding the supporting documentation on file, due to the "staff morale" nature of the expenditure, it is deemed as a discretionary transaction.	

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355	500024060003SH	0354	8/30/2005	EPLUS TECHNOLOGY, INC.	\$218.79	\$218.79	3 Jumpdrives - 1 GB High-Speed mass storage devices [for use of administrative personnel to store reports, data, evals., etc.]	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
356	500021860003SH	0355	8/30/2005	SCHOOL SPECIALTY	\$329.16	\$329.16	School Speciality supplies purchased for Guidance dept. Folders Pencil Sharpener Pens Files	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
357	500024060003SH	0357	8/30/2005	OCS COMPANY	\$172.00	\$172.00	Salem High School Letterhead Quantity: 4000	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
358	100023063000BU	0361	8/30/2005	BUTLER GARDENS	\$55.00	\$55.00	Sympathy Fruit Basket for MN [District Superintendent] from the Salem Board of Education		✓		Notwithstanding the supporting documentation on file, due to the "staff morale" nature of the expenditure, it is deemed as a discretionary transaction.
359	500022260002SM	0362	8/30/2005	MEDIA, INC.	\$770.00	\$770.00	Supplied videos - All About the Dictionary, Guides to Glossary, Synonyms, Thesaurus, etc	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
360	500022260002SM	0363	8/30/2005	WORLD BOOK SCHOOL & LIBRARY	\$759.00	\$759.00	Set of Encyclopedia 2005 and Gold Global Version	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
					\$415.00	\$415.00	Set of Encyclopedia 2005 and Gold Global Version	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
361	100021960000CS	0369	8/30/2005	SHIRLEY OFFICE SUPPLIES	\$29.99	\$29.99	Print Cartridge Fax HP - for Child Study Team	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
362	100022160000CU	0370	8/30/2005	SHIRLEY OFFICE SUPPLIES	\$141.46	\$141.46	2 bulletin boards; 1 CD	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
363	100023061000BU	0371	8/30/2005	THOMPSON WEST	\$516.00	\$516.00	NJ Admin Code T6 & 6A Sub (7/1/05 to 6/30/06) - Qty 4 NJ STAT 2005 PP - 18A	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
364	100021960000CS	0380	8/30/2005	HAWTHORNE EDUCATIONAL SERVICES	\$77.00	\$77.00	2 Packages of Learning & Behavior Checklists (50)	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

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365	10002196000CS	0381	8/9/2005	PRO-ED	\$41.80	\$41.80	25 Short Form shipped to the attn of the Child Study team	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
366	10002216000CU	0382	8/30/2005	ASCD	\$79.85	\$79.85	9/6/05 Resource Guides (Grades 9-12) 9/6/05 Resource Guides (Grades K-5) 9/6/05 Resource Guides (Grades 5-9)	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
367	500024060002SM	0383	8/30/2005	QUINLAN PUBLISHING CO.	\$154.98	\$154.98	Renewal of subscription to School Law Bulletin (24 issues - one copy biweekly)	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
368	500024060002SM	0384	8/30/2005	HR DIRECT	\$94.18	\$94.18	(2) 2005 Fiscal Absentee Calendar (1) Absentee Calendar Binder	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
369	10002196000CS	0387	8/9/2005	HARCOURT ASSESSMENT, INC.	\$165.74	\$165.74	Record Forms Preschool Record Forms	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
370	10002216000CU	0388	8/30/2005	OFFICE SUPPLIES	\$125.45	\$125.45	Tape Dispenser Stapler Pencil Cup Telephone Stand Memo Holder Covered Business Card File Front Load Tray Legal Size Tray Wastebasket	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
371	500024060003SH	0396	8/31/2005	RYDIN SIGN & DECAL	\$211.79	\$211.79	Student Hangtags - 9/8/05 Blue on White Student Parking 2005-06 Hang Tag Permits	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
372	10002196000CS	0400	8/31/2005	SHIRLEY OFFICE SUPPLIES	\$1,817.49	\$1,817.49	Paper Clip Dispensers Paper Clips Fasteners Folders Push Pins	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
373	100023061000BU	0401	8/31/2005	CALENDARS	\$129.24	\$129.24	Monthly Appointment Book from vendor: Calendars based out of Sidney, NY. Planner Folio 8/31/05	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
374	100025160000BU	0412	8/31/2005	SHIRLEY OFFICE SUPPLIES	\$438.27	\$438.27	Scotch Tape Binders Drawer Organizer Binder Clips Fasteners Expanding Files	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
375	500024060003SH	0423	8/31/2005	U.S. POSTAL SERVICE	\$2,405.00	\$2,405.00	10 boxes of #10 stamped Plain Envelopes; 500 (37 cent stamps); 1000 (23 cent stamps) - Represents purchases of US Mail postage for the ensuing school year (e.g. progress reports, report cards, disciplinary reports, student transcripts, correspondence, etc.)	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
376	100025160000BU	0424	9/8/2005	TWIN DATA CORPORATION	\$129.07	\$129.07	TCP/IP Software for AS/400 mid range computing requirements for school district. Mid Range TCP/IP Software for computer information systems for school district.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
377	100025160000BU	0427	9/26/2005	SIR SPEEDY	\$77.00	\$77.00	1 Box of 1000 Paycheck envelopes	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
378	500024060003SH	0530	9/30/2005	SCHOOL SPECIALTY	\$147.54	\$147.54	Various office supplies - electric sharpener, US flag, nitrile gloves, etc.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
					\$43.95	\$43.95	Poland Spring 5-gallon bottled water	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
					\$39.95	\$39.95	Poland Spring 5-gallon bottled water	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.

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Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
					\$32.46	\$32.46	Poland Spring 5-gallon bottled water	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	
379	500024060003SH	0531	9/30/2005	POLAND SPRING	\$20.97	\$20.97	Poland Spring 5-gallon bottled water	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	
380	100021960000CS	0547	9/30/2005	HAWTHORNE EDUCATIONAL SERVICES	\$283.00	\$278.00	Computer/paper Based Training - Learning Intervention Manual and CD	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
381	100023061000BU	0554	9/30/2005	SUGAR HILL ASSOCIATES	\$1,062.50	\$1,062.50	WinSchool software template update and training - winschool is used to manage student data	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	
382	100023061000BU	0578	9/30/2005	NICOLOSI, MARGARET	\$981.58	\$981.58	Reimbursement for Travel expenses for Margaret Nicolosi Mileage 7/5/05 - 8/24/05 495 at .405 and 9/12/05 - 9/30/05 752 at .485 Tolls \$1.80 Food \$244.00 Telephone \$170.48	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
383	100023063000BU	0596	12/30/2005	SALEM CITY SCHOOL CAFETERIA	\$29.75	\$29.75	Lunch/breakfast, Board meeting snacks, coffee services [This was for a district-wide workshop. The cost was equally absorbed by the various schools.]		✓		Notwithstanding the supporting documentation on file, due to the "staff morale" nature of the expenditure, it is deemed as a discretionary transaction.	
384	500024060001JF	0607	10/21/2005	AMSTERDAM PRINTING &	\$1,286.76	\$1,286.76	School Apparel - 100 Cooler Beach Bags for JFS Staff Summer Vacation and 500 20 oz. Fitness Bottles with School logo on it. The Beach Bags were for staff for Staff Appreciation Week while the bottles were for students for the annual "Field Day".	✓			In view of the student-related component of the transaction, on an overall basis, the expenditure was considered as related to the day-to-day operations of a school district.	
385	500024060003SH	0653	10/21/2005	MAJOR SOUND WORK	\$1,340.00	\$1,340.00	PA system - Yamaha Eight Channel Mixer/amp, Yamaha 15Y Speakers, and Sure SM48 Mic.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	

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386	500024060002SM	0732	11/16/2005	NATIONAL PEN CORP.	\$197.08	\$197.08	Supplies - holiday pens and cards [teacher morale items at Winter Holidays]		✓		According to District Management, these were "teacher morale" items bought for the Winter Holidays. Notwithstanding the supporting documentation on file, as well as the foregoing explanation, due to the "staff morale" nature of the expenditure, it is deemed as a discretionary transaction.	
387	500021860003SH	0757	11/18/2005	SCHOOL COUNSELORS RESOURCES	\$27.95	\$27.95	Occupational Outlook Handbook	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
388	500021860003SH	0758	11/18/2005	COLLEGE BOARD PUBLICATION	\$132.00	\$132.00	3 College Counselling Handbooks	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
389	500024060003SH	0764	11/18/2005	PARKER JEWELERS	\$915.00	\$915.00	15 watches for National Honor Society members - High School [watches were given in recognition of the 2-year members of the National Honor Society]	✓			Based on the supporting documentation on file and the additional explanation of District Management, the items purchased appear to have educational value.	
390	500021860003SH	0784	11/22/2005	SHIRLEY OFFICE SUPPLIES	\$1,271.76	\$1,271.76	Intellifax drum; fax toner; badge holders/inserts; desktop keyboard drawer; colored hanging folders; etc.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	
391	100023061000BU	0794	12/30/2005	SALEM CITY SCHOOL CAFETERIA							Notwithstanding the supporting documentation on file, due to the "staff morale" nature of the expenditure, it is deemed as a discretionary transaction.	Considering that this averages to only about \$4.25 per person, the amount appears to be quite reasonable. Kindly take note that this is for in-service day and the local area cannot possibly
392	100023063000BU	0794	12/30/2005	SALEM CITY SCHOOL CAFETERIA	\$1,486.45	\$1,486.45	Teacher appreciation; sandwiches; cookies; lunch sandwiches		✓			
393	100025160000BU	0795	11/21/2005	SHIRLEY OFFICE SUPPLIES	\$164.98	\$164.98	Desk shelf; hanging folders; 1099 tax forms & envelopes	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	
394	500024060002SM	0799	11/28/2005	SALEM CITY SCHOOL CAFETERIA	\$72.00	\$72.00	Refreshments for School Leadership Council Meeting held on October 19, 2005 [12 people at \$6/ea]	✓			The amount involved does not appear to be excessive notwithstanding the "staff morale" nature of the purchase.	
395	500024060002SM	0800	11/28/2005	QUINLAN PUBLISHING CO.	\$197.93	\$197.93	Renewal of subscriptions to Grants for K-12 Hotline [24 issues]	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	

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396	500024060002SM	0808	11/28/2005	SALEM CITY SCHOOL CAFETERIA	\$764.69	\$764.69	National Teacher Day staff appreciation breakfast and Student Recognition Honor Roll Breakfast.			✓	In view of the student-related components of the transaction, on an overall basis, the expenditure was considered as related to the day-to-day operations of a school district. The supporting PO, however, is not on file.
397	500024060002SM	0809	11/28/2005	SCHOOL SPECIALTY	\$906.00	\$906.00	Administrative Supplies for 12/02/2005	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
398	500024060002SM	0810	11/28/2005	EPLUS TECHNOLOGY, INC.	\$145.86	\$145.86	Expense reimbursement for a 1GB USB Drive on 12/6/2005	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
399	500022260002SM	0812	11/28/2005	FOLLETT LIBRARY RESOURCES	\$339.79	\$339.79	School Books on the Solar System for the Library at Salem Middle School	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
400	100025160000BU	0815	12/12/2005	GGA ASSOCIATES, INC.	\$545.77	\$545.77	Agency Account Checks			✓	The business justification of the transaction [which appears to be the printing cost of new checkbooks] is not readily apparent based on the supporting documentation on file.
401	500021860003SH	0835	11/30/2005	GANNON, LEROY	\$1,036.90	\$1,036.90	Class of 2010 Shirts	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
402	100023061000BU	0880	11/30/2005	NICOLOSI, MARGARET	\$873.24	\$873.24	Reimbursement for various work-related expenses - Cingular bill for 11/05, meals, as well as mileage and toll for for 18 days (10/3/05, 10/5/05, 10/11/05, 10/13/05, 10/17/05, 10/18/05, 10/19/05, 10/20/05, 10/21/05, 11/1/05, 11/9/05, 11/10/05, 11/14/05 11/16/05, 11/17/05, 11/21/05, & 11/23/05) of various work-related travel to and from meetings within NJ.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
403	100025160000BU	0883	12/12/2005	FOX, SUZANNE	\$519.36	\$519.36	Reimbursement for a PDA (at \$519.36), as well as mileage for 10 days (1/18/06, 1/19/06, 1/24/06, 2/28/06, 3/28/06, 3/29/06, 4/03/06, & 4/10/06) of travel to various work-related meetings within NJ - PDA Portion.		✓		The business justification of this Palm PDA reimbursement (at \$519.36) is not readily apparent based on the supporting documentation on file and was, therefore, deemed as a discretionary transaction.
404	100021960000CS	0898	12/15/2005	COTTRELL GRAPHICS &	\$117.80	\$117.70	NJAC Title 6A Chapter 14 Code Books	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

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405	500024060002SM	0910	12/16/2005	SCHOOL SPECIALTY	\$243.39	\$243.39	Various administrative supplies - desk tray, business card holder, organizer, bookend, clipboard, etc.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
406	500021860002SM	0915	12/16/2005	PROJECT WISDOM	\$1,039.50	\$1,039.50	Project Wisdom II & III; Golden Rule Awards [for positive behavior support]	✓			Based on the supporting documentation on file and the additional explanation of District Management, the items purchased appears to have educational value.
407	100023061000BU	0929	12/30/2005	SALEM CITY SCHOOL CAFETERIA	\$46.00	\$46.00	Sandwiches for Principals' meeting [8 at \$5.75/person]		✓		Notwithstanding the supporting documentation on file, due to the "staff morale" nature of the expenditure, it is deemed as a discretionary transaction.
408	100023063000BU	0930	12/30/2005	SALEM CITY SCHOOL CAFETERIA	\$357.25	\$357.25	Board Meeting Snacks		✓		Notwithstanding the supporting documentation on file, due to the "staff morale" nature of the expenditure, it is deemed as a discretionary transaction.
409	100021960000CS	0946	12/30/2005	SHIRLEY OFFICE SUPPLIES	\$409.45	\$409.45	Administration supplies Panasonic Fax Machine, Toner Cartridge, Legal White Pads, Pens, Labels, Etc	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
410	100025160000BU	0947	1/11/2006	SHIRLEY OFFICE SUPPLIES	\$491.78	\$491.78	Administration supplies for Trailer 408 Typewriter, Pencils, Files, Calendars, Electric Whole Punch, Etc	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
411	500022360001CU	0964	1/11/2006	CRYSTAL SPRINGS BOOKS	\$120.95	\$120.95	Books 6 copies of "I Read It, But I Don't Get It"	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
412	100021960000CS	0966	1/11/2006	RIVERSIDE PUBLISHING CO.	\$126.06	\$124.30	Test Records Package Of 50 From Riverside Publishing	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
413	100021960000CS	0980	1/11/2006	RIVERSIDE PUBLISHING CO.	\$154.00	\$154.00	Protocols Woodcock Johnson III, 2 Packages Of Material From Riverside Publishing	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
414	100021960000CS	0981	1/11/2006	AGS -AMERICAN GUIDANCE SERVICE	\$307.99	\$307.99	Vineland II Survey Forms Starter Set From Riverside Publishing	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
415	100021960000CS	0982	1/11/2006	HARCOURT ASSESSMENT, INC.	\$346.50	\$346.50	WISC IV Record Forms and Response Booklet	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
416	100023061000BU	0984	1/11/2006	SALEM CITY SCHOOL CAFETERIA							Notwithstanding the supporting

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417	100023063000BU	0984	1/11/2006	SALEM CITY SCHOOL CAFETERIA	\$371.85	\$371.85	Free Lunch Passes for Teachers and Board Snacks		✓		documentation on file, due to the "staff morale" nature of the expenditure, it is deemed as a discretionary transaction.
418	100023061000BU	1012	1/18/2006	SALEM CITY SCHOOL CAFETERIA							Notwithstanding the supporting documentation on file, due to the "staff morale" nature of the expenditure, it is deemed as a discretionary transaction.
419	100023063000BU	1012	1/18/2006	SALEM CITY SCHOOL CAFETERIA	\$387.45	\$387.45	Free Tickets for Teachers, Wraps & Cookies, Snacks/Drinks		✓		
420	500024060003SH	1013	1/18/2006	EPLUS TECHNOLOGY, INC.	\$261.60	\$261.60	Toner Cartridge 4600 Laser Jet Series	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
421	500024060002SM	1023	1/18/2006	U.S. POSTAL SERVICE			US Postal Service 5 Boxes Stamped Plain Envelopes, 750 .39 Stamps, 2000 .24 Stamps [\$2,785 charged to high school, \$1512 charged to				Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a
422	500024060003SH	1023	1/18/2006	U.S. POSTAL SERVICE	\$4,297.50	\$4,297.50		✓			
423	500022260001JF	1049	1/27/2006	SCHOOL SPECIALTY	\$1,356.25	\$1,356.25	Supplies for John Fenwick Elementary School CD player, AAA Batteries, AA Batteries, C Batteries, ABC Caterpillar Rung, File Cabinet	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
424	500022260001JF	1060	1/27/2006	AUDIO VISUAL AIDS CORP.	\$165.50	\$165.50	Maintenance supplies 25 overhead bulbs	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
425	500024060001JF	1064	1/27/2006	EYE ON EDUCATION	\$333.48	\$333.48	Ten copies of 101 Answers for New Teachers and one copy of Their Mentors and What Great Teachers Do Differently	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
426	500022260001JF	1071	1/27/2006	ELLISON EDUCATIONAL	\$2,635.34	\$2,635.34	Learning Supplies for John Fenwick School Blocks Kits Contained Various Shapes And Objects	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
427	100021960000CS	1073	1/27/2006	SOPRIS WEST, INC.	\$139.63	\$139.63	Administrative Books "Best Behavior", "Ideas for Inclusion-Classroom Teachers Guide", and "Ideas for Inclusion-School Administrator's Guide"	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
428	500022260001JF	1165	2/14/2006	FOLLETT LIBRARY RESOURCES	\$3,997.48	\$3,997.48	304 children's books for the Elementary School - each one with a different title [which indicates that these are intended for library use]. While the PO amount was \$3,997.48, the cost of the individual books was minimal.	✓			Based on the supporting documentation on file and the additional explanation of District Management, the items purchased appears to have educational value.

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429	500022160002CU	1174	2/22/2006	ANTINORI, RONALD	\$52.93	\$52.93	Reimbursement for materials purchased for SMS Science Lab and for tapes of training staff. Purchase of Pencils, board wipes and training materials for Ronald Antinori of District office.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
430	100025160000BU	1175	2/22/2006	SHIRLEY OFFICE SUPPLIES	\$172.36	\$172.36	Ink Stamp Anti Static Wipes Envelopes Binder Clips	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
431	100021960000CS	1176	2/22/2006	IEP RESOURCES PUBLICATIONS	\$129.15	\$129.15	Purchase of 3 text books Better IEPs. Individualized Education Plan text for curriculum	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
432	100021960000CS	1178	2/22/2006	WELLNESS REPRODUCTION S & PUBL.	\$25.93	\$25.93	The Bipolar Workbook	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
433	100021960000CS	1179	2/22/2006	AAPC	\$90.85	\$90.85	101 Activities for Kids in Tight Spaces The New Social Story Book More Team Building Activities for Every Group			✓	Based on the supporting documentation on file, the transaction appears to be education-related. The Vendor Name per accounting records, however, is different with per supporting documents.
434	100021960000CS	1180	2/22/2006	BUREAU FOR AT-RISK RESOURCES	\$44.74	\$44.74	The Bureau for At Risk Youth Conflict Resolution Bingo Dr. Playwell's Game of Self Control	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
					\$55.95	\$55.95	Conflict Resolution Bingo Dr. Playwell's Game of Self Control; The Bureau for At Risk Youth to provide games to assist in students conflict resolution.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
435	100021960000CS	1181	2/22/2006	CHILDSWORK/C HILDSPLAY	\$43.93	\$43.93	One copy of The Counseling Handbook Handbook purchased for counseling of students.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

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436	100021960000CS	1182	2/22/2006	COURAGE TO CHANGE	\$242.33	\$242.33	Emotional Flash Cards Totika Game Treating Youth With DSM-IV disorders Life Skills Circle Game Social Skills Courage to Change vendor supplied text books and card deck to serve as reference and supplement child development for social skills.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
437	100023061000BU	1186	2/22/2006	SHIRLEY OFFICE SUPPLIES	\$604.47	\$604.47	Clasp Envelopes Interior for Letter Folders Paper Clips Jumbo Clips Post It Notes	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
438	100022160000CU	1191	2/22/2006	SHIRLEY OFFICE SUPPLIES	\$517.57	\$517.57	Crate-A-File Perforated Pads Blue Binders Message Board	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
439	100021960000CS	1207	2/22/2006	CHILDSWORK/C HILDSPLAY	\$25.68	\$25.68	1 Hispanic Family Doll	✓			According to District Management, these dolls were purchased as counseling tools. Oftentimes, the Social Worker and/or School Psychologist use play therapy as a counseling mode. Research is available that supports the use of play therapy, especially in young children, who oftentimes have difficulty verbalizing their thoughts. Through the use of the dolls, the children are able to act out scenerios that provide the counselors with relevant information about what is going on in a child's life. Based on the foregoing explanation, as well as the supporting documentation on file, the expenditure appears to be education-related.
440	500024060001JF	1214	2/23/2006	STAMP FULFILLMENT SERVICES	\$874.05	\$874.05	4 Boxes of Regular #10 envelopes	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.

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441	100022160000CU	1218	2/23/2006	SHIRLEY OFFICE SUPPLIES	\$250.86	\$250.86	6 to a Box) 2" Blue Binders	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
442	100021960000CS	1221	2/23/2006	U.S. POSTAL SERVICE	\$985.00	\$985.00	Priority Flat Rate Stamp - (Qty) 10 15 Rolls of 24 cents stamps (100/roll) 15 Rolls 39 cent stamps (100/roll)			✓	According to District Management, this was purchased to accommodate the numerous mailings the District must make to parents and professionals. While the foregoing explanation appears to be reasonable, ideally, the thought process involved in determining the amount of stamps to be purchased should have also been documented and attached to the PO package, so that, for management evaluation purposes, there will be a certain level of comfort that the amount purchased had adequate operational basis.
443	500022260003SH	1271	3/6/2006	PRESENTATION SYSTEMS	\$546.74	\$546.74	Variety Pack (4); 24" dual sided lamination - This purchase of lamination supplies was made by the library. Items for lamination include: honor roll list, classroom posters, artwork, teacher requests, etc.	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
444	100023063000BU	1294	3/20/2006	PAPER DIRECT	\$769.42	\$769.42	Resolution Plaques & Paper (5) Marbled Blue Wall Plaque Kit (5) Piano Wood Plaque Kit (5) Solid Wood Certificate Plaque - Natural Cherry (5) Solid Wood Certificate Plaque N. American Walnut 1 box - Standard Paper - Renaissance 1 box - Standard Paper - Blue Pageantry	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
445	500024060002SM	1316	3/22/2006	U.S. POSTAL SERVICE	\$1,503.00	\$1,503.00	6 boxes of #10 stamped plain envelopes; (200) 24 cent stamps; (500) 39 cent stamps [for mailing parent notification and informational items; 24 cent stamps used for 2nd stamp is more economical than 39 cent stamp]	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.

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Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
446	100023061000BU	1317	3/23/2006	NICOLOSI, MARGARET	\$1,515.18	\$1,515.18	Reimbursement of expenses: Airline, Refreshments/meals Toll phone, tolls, cell phone (December to Present), Mileage	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
447	500022260001JF	1329	3/30/2006	PRESENTATION SYSTEMS	\$3,201.57	\$3,201.57	(40) DI900=EDU Cartridge; (4) ZRN900-SCH Desktop Cold Laminator; (One Free for Every 10 Cartridges Ordered); (10) 14553-01 Rolls for Large Laminator - Supplies for 3 pieces of equipment. A large amount of laminating supplies is being consumed by the Elementary School to comply with curriculum requirements. Supplies must be ordered from company that supplied the equipment.	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
448	1100021961000	1417	6/30/2004	CHILDSWORK/C HILDSPLAY	\$908.45	\$908.45	Boys & Girls Book about Divorce; Story Telling Card Game; The Self-Control Patrol; Workbook; Stop & Relax Ball; Mesh Bag & Therapy Ball			✓	Based on the supporting documentation on file, the transaction appears to be education-related. The supporting PO, however, is not on file.
449	500024060003SH	1457	4/24/2006	BAUVILLE DESKTOP PUBL.SOLUTIO	\$333.36	\$333.36	100 school lanyard key chains "I make the difference Salem high school". Items were purchased as a "staff morale" item for teachers and staff during Teacher Appreciation Week.		✓		According to District Management, these were purchased as a "staff morale" item for teachers and staff during Teacher Appreciation Week. Notwithstanding the supporting documentation on file, as well as the foregoing explanation, due to the "staff morale" nature of the expenditure, it is deemed as a discretionary item.
450	500024060001JF	1468	4/25/2006	ROMANSKY'S VARIETY SALES	\$359.01	\$359.01	Food chips and hotdogs [This was for refreshments for the JFS Annual Spring Fling, held on 5/11/06 attended by approximately 400+ parents and students. It is a community-builder event.]	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure primarily benefited parents and students and, therefore, appears to be related to the day-to-day operations of a school district.
451	500022260003SH	1475	5/8/2006	THOMSON GALE COMPANY	\$1,460.00	\$1,460.00	Online research tool allowing student to research by Authors, U.S. History, Science and Biography.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments	
Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
452	10002516000BU	1482	5/8/2006	MODERN DATA PRODUCTS	\$118.45	\$118.45	Okidata Model 3410 Black Nylon Printer Ribbons	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	
453	10002516000BU	1485	5/9/2006	SHIRLEY OFFICE SUPPLIES								
454	500024060002SM	1485	5/9/2006	SHIRLEY OFFICE SUPPLIES			Signature Stamps Suzanne Fox, Carol Adams, Salem High School Return Address, Salem Middle School Return Address				Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.	
455	500024060003SH	1485	5/9/2006	SHIRLEY OFFICE SUPPLIES	\$240.55	\$240.55		✓				
456	500024060002SM	1488	5/8/2006	EDUCATIONAL EQUIPMENT SERV. CO	\$100.48	\$100.48	200 AA Batteries [for students' calculators and classroom clocks]	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.	
457	100023061000BU	1502	5/8/2006	THOMPSON WEST	\$472.00	\$472.00	Building Maintenance room A55 Salem High School univent service traced wiring and ordered new switch			✓	Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district. The Vendor Name per accounting records, however, differs with per supporting documents.	
458	500024060002SM	1518	5/8/2006	SHIRLEY OFFICE SUPPLIES	\$1,787.53	\$1,787.53	Administration supplies - mahogany desk [replacement for the Vice Principal's desk which was in disrepair and did not have drawers], printer ribbons, correction tape, envelopes, pens, fax cartridges	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.	
459	500024060002SM	1520	5/8/2006	SCHOOL SPECIALTY	\$3,862.26	\$3,862.26	Various administrative supplies - legal pads, labels, cork boards, chairs, first aid kit, etc. [covered by an NJ State Contract].			✓	According to District Management, purchases from this Vendor are covered by a NJ State Contract and are, therefore, exempt from competitive bidding requirements. Based on the supporting documentation on file, the transaction appears to be related to the day-to-day operations of a school district. The supporting PO, however, is not on file.	

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
460	500024060002SM	1524	5/8/2006	EPLUS TECHNOLOGY, INC.	\$437.58	\$437.58	6 Flashdrives - 1GB Lexar USB 2.0 [for use by the Middle School's Administration and Support Staff]	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
461	500024060002SM	1526	5/8/2006	BAUDVILLE DESKTOP PUBL.SOLUTIO	\$639.13	\$639.13	Administrative supplies - "Shaping the Future" pins [staff incentive for Teacher Appreciation]; "Celebrating You" and "Shining Above the Rest" postcards [used as invitation to various student incentive events]	✓			In view of the student-related component of the transaction, on an overall basis, the expenditure was considered as related to the day-to-day operations of a school district.
462	500024060002SM	1528	5/8/2006	D & H DISTRIBUTING CO.	\$414.78	\$414.78	Kodak V550 Camera, Epson Photo Printer, Photo Paper - The Digital Camera and Photo Printer are being used to document student recognition, as well as document written threats, bomb scares, etc. for purposes of sharing with law enforcement.	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
463	100021960000CS	1538	5/9/2006	HARCOURT ASSESSMENT, INC.	\$80.86	\$80.86	WIAT Academic Testing Protocols	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
464	100021960000CS	1539	5/9/2006	NCS PEARSON	\$137.45	\$137.45	Teacher Rating Scales TRS Preschool, TRS Child, TRS Adolescent	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
465	100021960000CS	1540	5/9/2006	HARCOURT ASSESSMENT, INC.	\$1,082.95	\$1,082.95	WISC IV Record forms, WISC IV Response Booklets, Miller Assessment for Preschoolers	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
466	100021960000CS	1541	5/9/2006	RIVERSIDE PUBLISHING CO.	\$276.61	\$276.61	Tests of Achievement form A & B and Stanford-Binet 5 Test	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
467	100023061000BU	1542	5/9/2006	SHIRLEY OFFICE SUPPLIES	\$47.20	\$47.20	Administrative name plates for Board Members CC, JH, LC and AM	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
468	500024060003SH	1601	5/18/2006	HERFF JONES, INC.	\$180.80	\$170.50	Salem High School Graduation Cap and Gown Rentals	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
469	100025160000BU	1604	6/7/2006	SHIRLEY OFFICE SUPPLIES	\$59.90	\$59.90	Signature Stamps JS [Board President]	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.

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Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
470	500022160001CU	1622	5/31/2006	CRYSTAL SPRINGS BOOKS	\$508.75	\$508.75	Books 25 copies of "I Read It, But I Don't Get It"	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
471	100021960000CS	1623	5/31/2006	U.S. POSTAL SERVICE	\$810.75	\$810.75	US Postal Service 10 Rolls of .39 Cent stamps (100 per Roll), 15 Rolls of .24 Cent stamps (100 per Roll), 15 Rolls of Priority Flat Rate Stamps			✓	According to District Management, this was purchased to accommodate the numerous mailings the District must make to parents and professionals. While the foregoing explanation appears to be reasonable, ideally, the thought process involved in determining the amount of stamps to be purchased should have also been documented and attached to the PO package, so that, for management evaluation purposes, there will be a certain level of comfort that the amount purchased had adequate operational basis.	
472	100025160000BU	1626	6/7/2006	SHIRLEY OFFICE SUPPLIES	\$162.76	\$162.76	Office Supplies Binder Rings, Calendars, Stamps (RECD/SENT and CONFIDENTL)	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
473	100023063000BU	1628	6/7/2006	BUTLER GARDENS	\$97.01	\$97.01	Corsages, Boutonnieres, and Cards STA Luncheon 6/13/06		✓		According to District Management this represents the cost of flowers given once a year to Board Members and retirees. Notwithstanding the foregoing explanation, as well as the supporting documentation on file, due to the "staff morale" nature of the expenditure, it is deemed as a discretionary transaction.	
474	100023061000BU	1637	6/7/2006	SALEM CITY SCHOOL CAFETERIA	\$2,185.70	\$2,185.70	Lunch Tickets, Sandwiches, Teacher Appreciation Week, Parent Academy Workshop [\$1,320 spent on Teacher Appreciation Week]		✓		According to District Management, the "staff morale" component of the expenditure represents the combined cost of the Teacher Appreciation Week continental breakfast held by each school. Notwithstanding the supporting documentation on file, due to the significant amount of the "staff morale" component of the expenditure, it is deemed as a discretionary transaction.	
475	100023061000BU	1656	6/13/2006	TREAS., STATE OF NEW JERSEY	\$21.00	\$21.00	3 School Register booklets	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	

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Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
476	500024060002SM	1659	6/14/2006	BUTLER GARDENS	\$561.74	\$561.74	Flowers for NJHS Induction and 8th Grade Graduation		✓		The expenditure appears to be for items which do not have any direct educational value and is, therefore, treated as a discretionary transaction.
477	100022160000CU	1698	6/21/2006	SHIRLEY OFFICE SUPPLIES	\$452.21	\$452.21	Kodak EasyShare Z740 zoom digital camera; hanging file folders; binders; legal paper	✓			According to District Management, the digital camera is for taking the pictures of students who participate in the program which this expenditure pertains to. Based on the foregoing explanation, as well as the supporting documentation on file, the expenditure appears to be related to the day-to-day operations of a school district.
478	100023061000BU	1699	6/22/2006	PARKER JEWELERS	\$300.00	\$300.00	6 chrome pens at \$25/each [for 20-year Service Awardees]; 2 watches at \$75/each [for 30-year Service Awardees]		✓		Notwithstanding the supporting documentation on file, due to the "staff morale" nature of the expenditure, it is deemed as a discretionary transaction.
479	1100024061003	0422	2004-10-13	COACH COMM	\$920.00	\$920.00	12 pcs Kenwood 1100MAH Batteries at \$50/pc; 12 sets microphone and earpiece for Kenwood TK3101 radios.	✓			These are for are "walkie-talkies" used for intra-school communication and extracurricular event coordination. These have been replaced by the Motorola radios for District-wide communication and day-to-day operations, but are still used for large event coordination (football games, interfield communication during heavy sports days – multiple venues, dances, etc.). The batteries are brand-specific NiCad units needed to replace ones that are no longer working. The microphones are combination ear-piece/mics that allow for transmission/reception without going through the radio speakers - which is necessary in emergency situations and during events with high background noise. Based on the available supporting documentation, as well as the foregoing explanation, the transaction appears to be related to the day-to-day operations of a school district.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
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480	1119010032001	0305	9/13/2004	ACADEMY OF NATURAL SCIENCE	\$285.00	\$285.00	1st Grade assembly at John Fenwick School - 3 shows of "Watery World"	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
481	1119010032003	0939	2/1/2005	WALNUT STREET THEATRE			Two (2) "No Easy Road to Freedom" performances by the Touring Outreach Company of the Walnut Street Theater at Salem High School - One (1) performance for 300 Grades 6-8 students, and; one (1) performance for 500 Grades 9-12 students. [This is in relation to the Urban District Black History Month Celebration. Unfortunately, the write-up for the play is no longer available at the website of the Walnut Street Theater. Internet sources, however, indicate that, in all likelihood, the play is about the anti-apartheid struggle in South Africa.]				Based on the supporting documentation on file and the additional explanation of District Management, the items purchased appear to have educational value.
482	1119010032002	0939	2/1/2005	WALNUT STREET THEATRE	\$600.00	\$600.00					
483	1115010032000	1186	3/21/2005	BROOKFIELD ACADEMY	\$598.00	\$442.00	Bedside instruction for 2 students	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
484	1115010032000	1467	5/16/2005	GLOUCESTER COUNTY SPECIAL SERV	\$684.00	\$684.00	Together Shelter Services for JW and LH - runaways whose legal guardians are residents of Salem City	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
485	115010032000BU	0771	11/22/2005	BRIDGETON BOARD OF EDUCATION	\$220.00	\$220.00	Home instruction for C.S.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
486	519010032002SM	0876	11/30/2005	ASTRONOMY TO GO	\$350.00	\$350.00	Guest Speaker on Astronomy - Starlab Planetarium show for Grades 3 & 6 on 12/6/05 at the Salem Middle School	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
487	115010032000BU	1220	2/23/2006	BROOKFIELD ACADEMY	\$806.00	\$806.00	Bedside Instruction for EJ (Student)	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
488	115010032000BU	1281	3/20/2006	PROFESSIONAL EDUCATION SERVICE	\$3,380.00	\$3,380.00	A Step Ahead Partial Care Homebound Instruction for student KS, LD, TC, KW	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

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Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
489	519010032001JF	1327	3/30/2006	CHRISTINA CULTURAL ARTS CENTER	\$600.00	\$600.00	2 - Performances - Storyteller - February 21, 2006 45-50 minute shows each between 9 and 11 a.m. Contractor provides 1 microphone and 1 small table or desk	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
490	115010032000BU	1436	4/21/2006	BRIDGETON BOARD OF EDUCATION	\$616.00	\$616.00	Educational Services Home Instruction for student HK on December 14, 2005- January 11, 2006	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
491	540210060003AT	0309	8/18/2005	COLLEGIATE PACIFIC	\$471.75	\$471.75	Shoulder pad rack; helmet cart; helmet cart storage bag; helmet cart cover	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
492	540210060003AT	0310	8/18/2005	LIFESAVERS	\$251.00	\$251.00	Non-Rechargeable Lithium Battery Pack for Athletic Dept.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
493	540210060003AT	0345	8/29/2005	METUCHEN CENTER - TEAM	\$3,541.44	\$3,541.44	Fall Athletic Supplies [bid date - 6/29/05], which includes: field hockey sock guards, white football socks, football elbow pads, football receiver gloves, soccer practice pinnies, soccer mini well cover goals, and a case of tennis balls for the tennis team	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
494	540210060003AT	0346	8/29/2005	RUDY'S SPORTING GOODS	\$2,040.00	\$2,040.00	Athletic Supplies/Uniforms - 30 baseball jerseys/vests and 30 baseball pants	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
495	540210060003AT	0347	8/29/2005	AL'S SPORTING GOODS	\$4,072.50	\$4,072.50	15 sets of Boys' basketball uniforms w/ shooting shirts. These are Russell uniforms which the District cannot purchase directly from the manufacturer. These must be purchased from the local authorized distributor, which in the District's case is Al's Sporting Goods.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
496	540210060003AT	1020	1/18/2006	SALEM CITY SCHOOL CAFETERIA	\$108.40	\$108.40	Cone Cups for Athletics	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
497	540210060003AT	1074	1/27/2006	AL'S SPORTING GOODS	\$727.50	\$727.50	72 Baseball Flex Caps for the athletics department/teams	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
498	540210060003AT	1455	4/25/2006	NATIONAL TICKET COMPANY	\$607.67	\$607.67	Ticket rolls and two money/ticket boxes used for entry into school sporting events	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
499	1200040045003	1154	3/17/2005	TREAS., STATE OF NJ	\$2,720.00	\$2,720.00	SCC approval application for High School HVAC Project #03050	✓			Based on the supporting documentation on file, the transaction appears to be education-related. No Vendor Invoice on file - but no exception highlight is warranted since the Vendor is also a governmental entity.
500	1200026073000	1243	5/5/2005	LAWN AND GOLF COMPANY	\$8,010.00	\$8,010.00	First Products Model AE-80 Aera-Vator with 80" single roller [required for maintenance of athletic fields]. Cometing Quotes were also received from: [1] First Products, Inc.-\$8,658; [2] Storr Tractor Company-\$9,443	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
501	1200026073000	1271	4/8/2005	HONEYWELL ACS-SERVICE	\$24,800.00	\$24,800.00	Provide and install new rooftop York 20-ton AC, 50 KW electric heat, economizer and relief damper for the C Wing area in the High School	✓			According to District Management, the Vendor is also the same one who supplied the equipment being repaired and is, therefore, the only one capable of servicing the same. As a result, this transaction is exempt from competitive bidding requirements. Based on the foregoing explanation, as well as the supporting documentation on file, the expenditure appears to be related to the day-to-day operations of a school district. In view of the frequency and magnitude of the transactions with this Vendor, the District should explore the possibility of entering into long-term supply agreements with them.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
502	1200026073000	1345	5/6/2005	MONARCH BOILER CONSTRUCTION CO	\$24,400.00	\$24,400.00	Repairs to the High School's water heater. As per PO, the winning bid should be multiplied by 2 to arrive at the total amount of services purchased.	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
503	1200026073000	1386	6/21/2004	UNITED RENTALS, INC.	\$9,900.00	\$9,900.00	Genie Model AWP30; Super Stradle Kit Model AWP30S [for HS Auditorium]. A Competing Quote was also received from Fairborn Equipment Company - \$11,430. The equipment purchased is an aerial work platform required for day-to-day facility maintenance.	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.
504	1200040072200	1397	5/16/2005	BARN BROTHERS, INC.	\$10,311.00	\$10,311.00	Three [3] A-frame garage buildings \$3,437/each [currently being used to store noncurrent office files, as well as office supplies]. Competing bids were also obtained from the following: [1] F. C. Amish Structures - \$4,395/each; [2] Rick's Utility Sheds - \$4,249/each	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.
505	1230110073003	1398	5/5/2005	BUSH REFRIGERATION	\$4,100.00	\$4,100.00	3-Door Cooler - Refrigerator allocated to Vocational Programs	✓			Based on the supporting documentation reviewed, the transaction appears to be education-related.
506	1200026073000	1443	6/30/2004	PHILADELPHIA TURF COMPANY	\$154.61	\$163.90	Units for Study for Primary Writing: A Yearlong Curriculum	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
507	1200040045000	1579	6/30/2004	CONESTOGA BUILDINGS, INC.	\$24,331.00	\$24,331.00	Construction of addition off North Gable end of existing Conestoga Building [Contract #05-4095]. Competing Bids were requested from the following: [1] Fetterville - \$25,205; and [2] Pioneer - did not submit a quote.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operation of a school district.

Transaction Detail							Analysis Performed	Results of Analysis				Salem City School District Comments
Control Number	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	Comments	
508	1200040045003	1642	6/24/2005	DON RODGERS, INC.	\$168,200.00	\$168,200.00	Tennis court mat and resurfacing of existing courts and the addition of 2 tennis courts per Bid Award from Board Memo #2-D-36. The other Competing Bids received were: [1] Greenlane Contractors - \$175,575; [2] Nickolaus Construction, Inc. - \$211,600	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.	
509	200040045000OP	0957	2/13/2006	GRISCOM, GEORGE	\$3,870.00	\$3,870.00	Maintenance Site Prep for Maintenance Building Addition [including rental for Backhoe, Bulldozer, Dump Trucks, etc.]. The District solicited quotes from other contractors [Davis Contracting of Salem, as well as T.E. Warren & Co. of Pennsville], but they never responded.	✓			Based on the supporting documentation on file and the additional explanation of District Management, the items purchased appears to have educational value.	
510	200026073000OP	1143	2/13/2006	CONTROL SCREENING	\$15,160.00	\$15,160.00	4 units of Model 9000 Walkthrough Metal Detectors [\$3,590 each] and 4 units of Model 20 Handheld Metal Detectors [\$100 each] - Competing bids were also received from The Tamis Corporation [\$3,600 each for walkthrough/ \$145 each for handheld] and Security Detection Metal Detectors [\$3,650 each for walkthrough/ \$135 each for handheld]	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.	
511	200040045000OP	1451	4/25/2006	BORRELLI CONSTRUCTION, L.L.C.	\$9,500.00	\$8,400.00	Placement and finishing of cast-in-place concrete floor pad [plus steel bollards - additional order]. A Competing Quote was also received from Miles Construction, Co. - \$9,000.	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.	
512	200040045000OP	1633	6/7/2006	GRISCOM, GEORGE	\$1,924.00	\$1,924.00	Site prep for maintenance building addition and BOE modular buildings	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
					<b>\$1,595,223.50</b>	<b>\$1,580,874.88</b>		<b>506</b>	<b>443</b>	<b>26</b>	<b>37</b>	
								<b>100%</b>	<b>88%</b>	<b>5%</b>	<b>7%</b>	

**Appendix C**  
Salem City  
Statistical Sample Analysis

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments	
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
1	1100026261000	1151	3/16/2005	A & M PRODUCTS	\$255.00	\$255.00	10 Cone Barriers purchased for the Salem High School	✓			According to District Management, the cones are used for blocking of areas for emergency vehicles during sporting events, blocking of construction areas, and indoors to block of areas that are being mopped/waxed for liability and safety. Cones are used as a cost saving mechanism for both indoor and outdoor use. Based on the supporting documentation on file, as well as the foregoing explanation, it appears that the expenditure is related to the day-to-day operations of a school district.	
2	1500029127003SHS	0006	8/30/2005	AETNA	\$312,400.70	\$312,400.70	2005-2006 Health Benefits	✓			Based on the available supporting documentation, the expenditure appears to be related to the day-to-day operations of a school district.	

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*Salem City*  
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Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments	
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
3	1540110050002SMS	1661	6/14/2006	ALLEN, PATRICIA	\$200.00	\$200.00	Patty Allen Accompanist Fee for Spring Concert on 5/15/06	✓			According to District Management, none of the Schools have a piano program - so for the annual concert, they hire a pianist to play with the orchestra. Based on the available supporting documentation, as well as the foregoing explanation, the transaction appears to be education-related.	

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments	
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
4	1140210061003	0146	8/5/2004	ALL-STAR SPORTS CENTER	\$699.98	\$699.98	Replacement equipment for Football, Soccer, and Baseball for the High School  Football: 24 at \$4.25 Black Girdle Pads, 24 at \$.48 Royal Blue Football Belts, 2 at \$.98 Kicking tees, 12 at \$2.25 Football Knee Pads, 72 at \$1.75 16x24 Towels, 12 at \$3.25 Football Thigh Pads, 4 at \$5.00 Football Statistics/Scorebook  Soccer: 2 at \$19.50 Soccer Balls, 2 at \$31.10 Goalie Gloves, 2 at \$19.00 Goalie Shirts,  Baseball: 6 at \$2.75 Scorebooks, 72 at \$2.95 Blue/White Stirrup Socks	✓			This expenditure is for the High School. Based on the supporting documentation on file, the transaction appears to be education-related.	

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
5	1100021661000	0642	11/23/2004	ALPHASMART, INC.	\$236.00	\$236.00	<p>1 Neo by Alpha Smart - Designed specifically for writing/keyboarding</p> <p>At a fraction of the cost of standard laptops, the Alpha Smart Neo is the low-cost, go-anywhere keyboarding and writing tool that integrates seamlessly with your existing computers. Neo is purposely designed with no Internet access, email connections, game-playing controllers, or instant messaging capability, so your students practice their keyboarding and writing.</p>	✓			According to District Management, the 1 Neo unit bought is being used in occupational speech therapy for Individualized Education Program (IEP) students. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.
6	1140210061003	1249	3/31/2005	AL'S SPORTING GOODS	\$520.80	\$520.80	New Women's Basketball Jerseys 24 in Total (6 Small, 13 Large, 4 XL, 1 XXL) - approved by the District Superintendent	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
7	1100026161000	1528	6/30/2004	AMERICAN VAN EQUIPMENT	\$1,266.44	\$1,266.44	Cabinets for the Facilities Chevy Work van to carry parts and tools including 1 Modular Storage System at \$475.20, 2 Shelving Units at \$146.20, 2 Reel Racks at \$75.70, 2 Door Storage Units at \$86.10, and Utility Hook at \$22.50	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.

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Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
8	20223B20059001	0938	2/10/2005	ASCD (Association for Supervision and Curriculum Development)	\$558.00	\$558.00	VP Early Childhood, ASCD Conference Registration for the 2005 annual conference on March 30 to April 4 in Orlando Florida, trip was approved by the State.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
9	1119010061003	1414	6/30/2004	B & H PHOTO VIDEO CO.	\$88.45	\$88.45	4 GBFTK spotlight bulbs for Salem High School auditorium at \$21 per bulb. The auditorium is used for assemblies, plays and guest speakers.	✓			Based on the supporting documentation on file, as well as the foregoing explanation, the expenditure appears to be related to the day-to-day operations of a school district.
10	1100029128000BUS	0598	10/21/2005	BACON, JOHN	\$183,635.75	\$183,635.75	This is a tuition reimbursement of JB, Administrative Staff. The granting of the same, is in accordance with his employment terms. The educational institution and courses attended are all District-approved.	✓			The granting of tuition reimbursement benefits is in accordance with the terms of the recipient's employment terms. Based on the supporting documentation on file, as well as the foregoing explanation, the expenditure appears to be related to the day-to-day operations of a school district.
11	1100029128000	0463	10/11/2004	BELL, ARLENE	\$652.50	\$652.50	This is a tuition reimbursement of AB, Payroll Assistant. The granting of the same, is in accordance with her employment terms. The educational institution and courses attended are all District-approved.	✓			The granting of tuition reimbursement benefits is in accordance with the terms of the recipient's employment terms. Based on the supporting documentation on file, as well as the foregoing explanation, the expenditure appears to be related to the day-to-day operations of a school district.

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Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments	
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
12	1523010061001JFS	1108	2/7/2006	BENCHMARK EDUCATION COMPANY	\$302.50	\$302.50	Readers Theater Sets for levels F-M at the Elementary School			✓	Based on the supporting documentation on file, the transaction appears to be education-related. The available documentation, however, does not include anything which links the expenditure to the existing curriculum.	
13	1100021661000	0207	8/16/2004	BEYOND PLAY	\$324.24	\$318.45	Speech Therapy Tool for Special Needs students at the Elementary School - includes 9 piece transpiration puzzle, snapshot pets puzzle, pocket color cards early actions, early sequences, early objects, 192 laminated photos, a picture's worth, pictures for PECS CD, and embracing play video	✓			The item bought is a Speech Therapy Tool for Special Needs students at the Elementary School. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.	
14	1100026261000OPR	0720	11/9/2005	BILLOWS ELECTRIC SUPPLY CO.	\$1,608.34	\$1,608.34	General Electrical Supplies for facilities inventory of wall plugs, wiring, light bulbs, wire nuts, etc for replacements. The vendor is state contracted.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.	

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15	1100026161000	1631	6/30/2005	BILLOWS ELECTRIC SUPPLY CO.	\$3,547.16	\$3,816.50	Parts of Installation of Air Conditioners for John Fenwick Elementary School and the Middle School including the parts (listed in the PO) and wiring to install the air conditioners for the 2 schools. The vendor is state contracted. Note this PO is not for the purchase of the Air Conditioners.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
16	1530110061003SHS	0215	8/4/2005	BITS'N BYTES AMERICA	\$79.74	\$79.74	2 reams at \$39.87 each of Epson Semi-Glossy Photo Papers for the High School. This is used in the Applied Academics Department in the Graphic Design and Desktop Publishing courses.	✓			According to District Management, the items bought were for the Graphics Design Class. Based on the supporting documentation on file, as well as the foregoing explanation, the expenditure appears to be education-related.
17	1100026261000OPR	1312	3/22/2006	BLUE STAR OF N.J., INC.	\$1,423.00	\$1,423.00	Supplies for facilities at the High School, including 4 Simply Fresh 1/2 lb. odor counteractant at \$249.50 each and 3 Magician sponges at \$141.67 each.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
18	1100026261000OPR	1635	6/7/2006	PHIL DESIERE ELECTRIC MOTOR SERVICE, INC.	\$127.89	\$127.89	Supplies for Facilities at Salem High School including a 1/2 HP Motor for Zone Pump #4.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.

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Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
19	1540210050003ATH	1021	1/18/2006	BORGOTA CASINO	\$189.58	\$189.58	Salem High School Athletic Director, Lodging Reservation for DAANJ [Directors of Athletics Association of New Jersey] Annual Workshop at the Bogotá Hotel in Atlantic City, NJ. Rate was special for the event.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
20	1119010061002	1146	3/15/2005	BRAUER, SHAUN	\$34.61	\$34.61	Reimbursement to the Music Department Head for ear buds used with music classes.	✓			Ear buds are normally used in music classes to isolate sound. Based on the supporting documentation on file, the transaction appears to be education-related.
21	1120910061002	1082	1/31/2005	BRIGHT APPLE	\$480.86	\$480.86	Teaching Tools for the Middle School containing the following materials: Prefixes and Suffices, Level 4 Writing Prompts, timed Math Drills, Math Bingo, Quick Critical Thinking activities, Find the Errors, Two Can Read, the Great Race, spellmaker, Vocabulary Introduction Kit, Writing Aids and Posters, Writer's Companion, 10 Days to Math Mastery, and Learning Wrap Ups	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
22	1521310061003SHS	0216	8/4/2005	BRIGHT APPLE	\$189.68	\$189.68	Teaching Tools for High School Special Students which include the following: Five-Minute Reading Skills, Quizmo Structural Skills, Reading for Detail Game, Language Detective Game, Writing Prompts, Sentence Zone Game, Meeting Writing Standards.	✓			According to District Management, the items bought are for High School Special Students. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.
23	1100026161000	0237	8/24/2004	CAMPBELLS PLUMBING	\$714.60	\$714.60	Plumbing and Heating Supplies for Facilities at Salem High School including copper plumbing, Teflon tape, ball valves, caps, copper fittings, etc.	✓			The items bought appears to be ones normally used for routine plumbing maintenance. Based on the supporting documentation on file, as well as the foregoing explanation, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
24	20223B10061001	1262	3/31/2005	CCV SOFTWARE	\$1,639.85	\$1,639.85	Education Website Subscriptions Part of a Special Revenue Fund: ABC World, Jump Start Advanced Preschool, Sticky Early Learning Activities	✓			According to District Management, the items bought are related to the ECPA Program for elementary school teaching staff as specifically stated in the No Child Left Behind Grant. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.

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Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
25	2023120060000	1259	6/20/2005	CHADWELL, GARY	\$770.00	\$770.00	Teaching Tools for the Salem School District Literacy Program (part of a Special Revenue Fund NCLB Title I Grant) which includes the following: 100 copies of the book "Developing Writing and Thinking Skills Across the Curriculum" at \$7.00 per copy.	✓			According to District Management, the items bought are related to the ECPA Program for Elementary School teaching staff as specifically stated in the No Child Left Behind Grant. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.
26	2023820058001	0648	11/23/2004	CHAMPAGNE, CHRISTINE	\$37.08	\$37.08	Teacher Mileage Reimbursement for Training on Read Aloud at the Department of Education in Sewell, NJ on 10/27/04 As Part of a Special Revenue Fund Grant	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

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27	20432C10060001	1286	4/26/2005	CHANNING L. BETE COMPANY	\$353.10	\$353.10	Books for John Fenwick Elementary School, As Part of a Special Revenue Fund Grant, Comprised of The Following: 'Know What - We Are Fair' (2 at \$1.99 per book) 'We Have Good Character' (2 at \$1.99 per book) 'We Show Respect' (2 at \$1.99 per book) 'Caring Is Important' (2 at \$1.99 per book) 'We are Different' (2 at \$1.99 per book) 'We Have Responsibilities' (2 at \$1.99 per book) 'Good Character for Grader K-3' (1 at \$1.99 per book)	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
28	2043420060003	1125	2/22/2005	CHILDSWOR K/CHILDSPLAY	\$128.63	\$128.63	Books for Salem High School, As Part of a Special Revenue Fund Grant, Comprised of The Following: Teen Relationship (1 at \$44.95 per book) Teenagers & Tough Decisions (1 at \$49.95 per book) Helping Hand Card Game (1 at \$19.95 per book)	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

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29	1140210061003	0483	10/15/2004	CIRCLE SYSTEM GROUP	\$1,647.40	\$1,647.40	New Football Helmets Replacing Old Helmets not meeting safety standards (8 Standard, 4 XL)	✓			According to District Management, helmets have to be replaced once their physical condition can no longer provide the safety level needed. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.
30	1540210050003ATH	0433	9/16/2005	CIRCLE SYSTEM GROUP	\$3,650.10	\$3,649.50	Consolidated PO amount for the year to for the reconditioning of Baseball, Softball, Cheerleading, and Football uniforms: 14 Vestees, 14 Skirts, 12 warm-up pants [cheerleading]; 10 jackets, reconditioning on 10/4, 10/11, 10/18, 10/25, 11/1, 11/8, 11/15 for 47 jerseys, 39 pants [football]; 27 jerseys, 27 pants, 3 chest protectors - harness repair, 9 helmets [5 helmets were rejected as not up to safety standards] for baseball/football	✓			It appears that this is a cost-cutting measure on the part of the District. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.
31	1100029129000BUS	1240	2/28/2006	CITISTREET	\$2,295.00	\$2,295.00	Retirement Pay Plan of Employee EV 76.5 Sick Days at \$30 = \$2,295	✓			Based on the supporting documentation on file, the beneficiary is eligible to receive the benefit. Accordingly, the transaction appears to be related to the day-to-day operations of a school district.

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32	1100029129000BUS	1685	6/19/2006	CITISTREET	\$2,445.00	\$2,445.00	Retirement Pay Plan of Employee AR 81.59 Sick days at \$30.00 = \$2,445	✓			Based on the supporting documentation on file, the beneficiary is eligible to receive the benefit. Accordingly, the transaction appears to be related to the day-to-day operations of a school district.
33	1100029129000BUS	0950	1/6/2006	CITISTREET	\$14,675.33	\$14,675.33	Retirement Pay Plan of Employee CW 149 sick days at \$24.00 = \$3,576.00 60.50 Vacation Days at \$183.46 = \$11,099.33	✓			Based on the supporting documentation on file, the beneficiary is eligible to receive the benefit. Accordingly, the transaction appears to be related to the day-to-day operations of a school district.
34	1119010061001	1224	3/31/2005	CLASSROOM SUPPLY MART	\$190.60	\$190.60	Supplies for John Fenwick Elementary School including: 1 Treasure Chest at \$15.99 2 Glow in Dark Bracelet at \$5.99 2 Smile Bracelet at \$11.49 2 Creature Assortment at \$9.99 2 Porcupine Ball Assortment at \$12.99 2 Ball Assortment at \$19.99 2 Zoo Animal Paratroopers at \$7.99 2 Pullback Car Keychain at \$14.99			✓	By their very nature, most of the items bought appear to have no direct educational value. According to District Management, however, these are behavior/charactered incentives for students who are being rewarded pursuant to 3 programs at John Fenwick Elementary School at that time - "Caught You Being Kind", "Citizen of the Month", & "Consistent Good Behavior"

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35	1519010061001JFS	1145	2/13/2006	CLASSROOM SUPPLY MART	\$276.27	\$294.55	Supplies for John Fenwick Elementary School including: 4 Glow in Dark Bracelet at \$5.99 4 Smile Bracelet at \$11.49 2 Creature Assortment at \$9.99 2 Porcupine Ball Assortment at \$12.99 3 Ball Assortment at \$19.99 4 Zoo Animal Paratroopers at \$7.99 4 Pullback Car Keychain at \$14.99			✓	By their very nature, most of the items bought appear to have no direct educational value. According to District Management, however, these are behavior/charactered incentives for students who are being rewarded pursuant to 3 programs at John Fenwick Elementary School at that time - "Caught You Being Kind", "Citizen of the Month", and "Consistent Good Behavior"
36	20431F20058001	1550	5/31/2005	CLEVENGER, MARYBETH	\$57.79	\$57.79	Expense reimbursement of Employee MBC - Family Friendly Center Mandatory Meeting in Trenton, New Jersey on 5/3/05. Funded by the Family Friendly grant. Mileage: 142.7 Miles at \$0.405/mile	✓			According to District Management, the meeting was attended by the Vice Principal of the Elementary School and expenses were covered as part of the Family Friendly Grant. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.
37	1130110061003	1546	6/30/2004	CMA PUBLICATION S	\$239.95	\$239.95	Supplies for the High School's Floral Design Vocational Program - floral design set.	✓			The Floral Design is part of the Vocational Program offered to students for occupational development. Based on the supporting documentation on file, as well the foregoing explanation, the transaction appears to be education-related.

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38	2023820058000JFS	1241	2/28/2006	COLONY TRAVEL	\$1,864.84	\$1,864.84	Travel reimbursement for Board Members CW, JT, LD, and SC - roundtrip airfare to Las Vegas for the National Reading First conference.	✓			According to District Management, the meeting was for the Reading First National Conference and expenses were covered as part of the Reading First Grant. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.
39	20272C20050000	1735	6/30/2005	CONNOR, HORCE	\$127.90	\$127.90	Expense reimbursement of Employee HC, Director of Special Projects for the Association for Supervision and Curriculum Development (ASCD) Conference in New York City June 27-30, 2005 [Part of the NCLB Title II Grant]  Train 30th St Station Philly to New York Penn - \$106 Mileage 32 Miles at \$.40/Mi. = \$12.80 Tolls \$3.00 Cab \$6.10 ----- Total \$127.90	✓			According to District Management, the meeting attended by the Director of Special Projects was for the Association for Supervision and Curriculum Development (ASCD) Conference in New York and expenses were covered as part of the Title II Grant. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.

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40	2036120050000SPP	1629	6/7/2006	FLBA ADVISOR SUZANNE LANDOLFI	\$1,090.00	\$1,090.00	Future Business Leaders of America (FBLA) conference (State Sponsored) including workshops, campaign elections and testing events for 11 students including registration and hotel stay in Edison, NJ. The FBLA event is funded by the Perkins Grant.	✓			The Edison, NJ venue of the conference made it a practical necessity for the student participants to obtain hotel accommodations and expenses. Such expenditures were covered by the Perkins Grant. Based on the supporting documentation on file, as well, as the foregoing explanation, the transaction appears to be education-related.
41	1100029129000BUS	1691	6/21/2006	CRANE, DONALD	\$350.00	\$7,000.00	Custodial clothing Allowance 2006-2007 (as structured in custodial contract) for 21 custodial employees. This is used for cleaning and maintenance of the uniforms.	✓			The custodial clothing allowance is in accordance with the recipient's employment terms. \$350 a year is paid out to covered employees to cover the cost of cleaning and maintaining of their uniforms [\$350 x 21 employees = \$7,350]. Based on the supporting documentation on file, as well as the foregoing explanation, the expenditure appears to be related to the day-to-day operations of a school district.

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42	1130110061003	0753	12/22/2004	CREATIVE NETWORKING CONCEPTS	\$958.20	\$958.20	Supplies for High School Vocational Program (for students) Epson 7500 Toner Replacements (3 Black at \$55 per toner, 3 Magenta at \$56 per toner, 3 Yellow at \$56 per toner), 4 boxes Paper at \$42 per box, and 6 Lexar USB Drives at \$33.35, and 50 Mouse Pads at \$1.79	✓			According to District Management, the printer is used by art and architectural students. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.
43	1119010061003	1509	6/30/2004	CREDO INTERACTIVE, INC.	\$408.00	\$408.00	Software/operating system upgrade 25 Windows seat licenses from Windows 98 to XP.	✓			According to District Management, XP is a school standard. All computers running older operating systems were upgraded to Windows XP. Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not essential to the day-to-day operation of a school district.
44	2023810061001	0223	9/1/2004	CTB/MCGRAW-HILL COMPANY	\$848.50	\$848.50	McGraw-Hill Clarity Logitudinal for grades K and 1 for John Fenwick Elementary for 187 students School funded by the Reading First Grant.	✓			According to District Management, the McGraw-Hill Clarity Logitudinal testing was required testing for grades K and 1 in 2004. The expenses were covered as part of the Reading First Grant. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.

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45	20238S10061001	1219	3/30/2005	CTB/MCGRAW-HILL COMPANY	\$5,453.77	\$5,453.77	McGraw-Hill 192 TN2/CB-BB Plan 1 tests, 192 Clarity tests, 192 Student Rank Order Report for grades K, 1 & 2 for John Fenwick Elementary School students [funded by the Reading First Grant].	✓			According to District Management, the McGraw-Hill - Terra Nova testing was required testing for grades K, 1, 2, 3 in 2005. The expenses were covered as part of the Reading First Grant. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.
46	111901006100015	0630	11/18/2004	D & H DISTRIBUTING CO.	\$3,125.00	\$3,125.00	Supplies for Salem Middle School consisting 50 TI-73 Explorer Graphing Calculators. Calculators are provided to the students for class use. Calculators have a yearly replacement rate of about 5%.	✓			According to District Management, Calculators are provided to the students for in class use as part of no child left behind. The quantity purchased was based on District experience that about 5% of calculators need to be replaced annually [1,000 x 5% = 50]. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.

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 Statistical Sample Analysis

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
47	2043420060003	1519	5/23/2005	D & H DISTRIBUTING CO.	\$270.14	\$270.14	IT Supplies consisting of 6 Computer Cases. IT Director historically would build computers for the student labs and support staff because of the cost savings.	✓			According to District Management, computers were built by the IT Director for the student labs and support staff as a cost savings mechanism. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.

**Appendix C**  
Salem City  
Statistical Sample Analysis

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
48	6091031060000	6010	11/22/2005	D AND H DISTRIBUTING	\$1,756.23	\$1,756.23	IT Supplies For The Cafeteria POS System Consisting of 5 Netgear Wireless PCI Cards, 3 Wireless access points, Hub, Battery units, and Wires. Part of the Enterprise Fund.	✓			According to District Management, the Point-of-Service [POS] system in the cafeteria was purchased with enterprise revenue generated by the cafeteria [the cafeteria is for profit]. The system operates on wireless networking. It was paid for by the enterprise account and selected because of its ability to regulate students nutritional intake, as well as it provides confidentiality for students with state and federal food aid by crediting online the student's account as opposed to using food stamps. The item covered by the PO just pertains to the networking equipment required for the system. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be related to the day-to-day operations of a school district.
49	1140210089003	0970	2/10/2005	D.A.A.N.J., TONY GADEKA	\$290.00	\$290.00	Directors of Athletics Association of New Jersey Annual Workshop fee and dues - for the High School Athletics Director.	✓			Based on the supporting documentation on file, the Athletics Association of New Jersey Workshop attended by the Athletics Director appears to be education-related.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
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50	1519010061003SHS	0222	8/4/2005	DANCE DISTRIBUTORS	\$1,242.73	\$1,325.58	Replacement Uniforms/Equipment for Vocational Dance Class Non Repairable/Reusable Items including 20 Black Leotards, 15 Tights, 20 Circle Skirts	✓			Based on the supporting documentation on file, the purchase of nonrepairable/nonreusable uniforms/equipment for the Vocational Dance Class appears to be education-related.
51	110002626100015	1675	6/29/2005	DELL MARKETING L.P.	\$9,396.80	\$9,396.80	Laptop Computers for Administration Officers including, DL [Middle School Vice Principal], MB [Middle School Vice Principal], CD [Elementary School Principal], and FW [Operations Director] - covered by a State Contract according to District Management.			✓	According to District Management, computers are replaced every 5 years. The 4 computers purchased from Dell [using a Government Contract] belong to Middle to Lower end models at the time of purchase in 2005. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be related to the day-to-day operations of a school district. The Vendor Invoice, however, is not on file.
52	2036110061000SPP	1229	2/27/2006	DELL MARKETING L.P.	\$14,084.76	\$14,084.76	Purchase of 20 desktop computer systems for student use as part of the Perkins Grant. Inasmuch as the unit price of these desktops are under \$2,000, in accordance with the NJ Chart of Accounts, they were booked as Supplies [covered by a State Contract according to District Management].	✓			Based on the supporting documentation on file, the transaction appears to be related to the day-to-day operations of a school district.  Although the District recorded this in compliance with existing guidelines, it appears, on a going forward basis, it would have made better business sense to book computers as Depreciable Equipment and not as Supplies.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
53	20231P10061000	1715	6/30/2005	DELL MARKETING L.P.	\$155,691.60	\$155,691.60	Purchase of 120 desktop computer systems for student use as part of the Perkins Grant. Inasmuch as the unit price of these desktops are under \$2,000, in accordance with the NJ Chart of Accounts, they were booked as Supplies [covered by a State Contract according to District Management].	✓			Based on the supporting documentation on file, the transaction appears to be related to the day-to-day operations of a school district.  Although the District recorded this in compliance with existing guidelines, it appears, on a going forward basis, it would have made better business sense to book computers as Depreciable Equipment and not as Supplies.
54	1100026261000OPR	1325	3/30/2006	DELMARVA COMMUNICATIONS, INC.	\$694.00	\$644.00	10 NNTN4497AR for CP200 Radios for custodial staff.	✓			According to District Management, radios are used by the custodial staff to communicate for daily functions and as a security measure at night. Based on the supporting documentation on file, as well as the foregoing explanation the transaction appears to be essential to the day-to-day operation of a school district.
55	1100029127000	0004	7/22/2004	DELTA DENTAL PLAN OF NJ	\$10,293.33	\$10,293.33	Dental Bill for 2004-2005	✓			Based on the supporting documentation on file, the transaction for the State contracted Delta Dental Plan appears to be essential to the day-to-day operations of a school district.

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56	2043420020003	0004	7/22/2004	DELTA DENTAL PLAN OF NJ	\$11,143.50	\$11,143.50	Dental Bill for 2004-2005	✓			Based on the supporting documentation on file, the transaction for the State contracted Delta Dental Plan appears to be essential to the day-to-day operations of a school district.
57	2025110056000	0557	10/28/2004	DEVEREUX FOUNDATION	\$19,800.00	\$19,800.00	Devereux is a non-profit organization providing services to the entire US for persons with emotional, developmental & educational disabilities (3 students from the District are attending Devereux). According to District Management, Devereux's services are exempt from competitive bidding.	✓			According to District Management, students required to attend Devereux need a curriculum designed around their special needs (costs are based on the curriculum). Devereux is a non-profit entity and its services are exempt from competitive bidding. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.
58	2025110056000BUS	0089	7/1/2005	DEVEREUX FOUNDATION	\$153,807.00	\$153,807.00	Devereux is a non-profit organization providing services to the entire US for persons with emotional, developmental & educational disabilities (3 students from the District are attending Devereux). According to District Management, Devereux's services are exempt from competitive bidding.	✓			According to District Management, Students required to Devereux have a curriculum designed around the special needs (costs are based on curriculum). Devereux is a non-profit entity and its services are exempt from competitive bidding. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.

**Appendix C**  
Salem City  
Statistical Sample Analysis

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
59	10103B	0127	8/8/2005	DOBZANSKI, BARBARA	\$478.25	\$478.25	2005-06 Child Study Team Petty Cash expenditures for purchases of stamps, mail records, retirement cake and pizza for Employee AR (\$63), coffeemaker (\$14).		✓		Due to the "staff morale" nature of the cake and pizza bought, notwithstanding the supporting documentation on file, the transaction is considered to be in the nature of a discretionary expenditure.
60	2023820058001	1622	6/15/2005	DOLBOW, ADRIANNE	\$100.84	\$100.84	Teacher AD Mileage Reimbursement for NJDOE Workshop in New Brunswick, NJ on 6/15/05  238 Miles are \$0.405/mi. + Tolls = \$100.84	✓			Based on the supporting documentation on file, the transaction for the NJDOE Workshop appears to be education-related.
61	1119010061003	0152	8/5/2004	DOVER PUBLICATIONS	\$860.26	\$860.26	Reading Supplies for Salem High School Curriculum including the following books: #100 Siddhartha at \$2.00 #50 Dr Jekyll & Mr. Hyde at \$1.00 #75 Candide at \$1.50 #75 Frankenstein at \$2.00 #75 Autobiography of Ben Franklin at \$2.00 #50 The Awakening at \$1.50 #75 Beowulf at \$1.50 #50 Dr. Faustus at \$1.50  This does not include discount provided to the school	✓			Based on the supporting documentation on file, the transaction for Reading Supplies for the Salem High School Curriculum appears to be education-related.

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Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
62	1100029128000BUS	0598	10/21/2005	DRAGGON, AMY	\$183,635.75	\$183,635.75	Tuition Reimbursement - Fall/Winter, 2005-06 of Teacher AD [the PO amount listed in the system is the total tuition reimbursement of all teachers for the entire school year and not just for this teacher]. As per agreement between the Salem Board of Education and the Salem Teachers Association [Article XXVI - Professional Development and Educational Improvement], the District will compensate teachers at the rate of 100% of the prevailing rate for tuition expenses incurred on further studies approved by the Superintendent of Schools.	✓			Per the agreement between the Salem Board of Education and the Salem Teachers' Association [Article XXVI Professional Development and Educational Improvement], the Board will compensate teachers at the rate of 100% of the prevailing rate at Rowan College of New Jersey for tuition expenses incurred in further studies approved by the Superintendent of Schools. Based on the supporting documentation on file, the tuition reimbursement appears to be education-related.
63	20223A10080001	0603	11/12/2004	DUFFIELD'S	\$812.00	\$812.00	Pre-Kindergarten Field Trip on October 26th funded by the Early Child Care (ECPA) grant to Duffield's Farm Market for 133 children at \$5.20/child; 16 Adults at \$1.90/person - Admission is free for Teachers/Aides	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

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Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
64	1100029128000	1208	3/30/2005	ECK, KATHLEEN	\$2,604.00	\$2,604.00	<p>SY 2004-05 Tuition Reimbursement for Teacher EK [the PO amount listed in the system is the total tuition reimbursement of all teachers for the entire school year and not just for this teacher].</p> <p>As per agreement between the Salem Board of Education and the Salem Teachers association [Article XXVI - Professional Development and Educational Improvement], the District will compensate teachers at the rate of 100% of the prevailing rate for tuition expenses incurred on further studies approved by the Superintendent of Schools.</p>	✓			Per the agreement between the Salem Board of Education and the Salem Teachers' Association [Article XXVI Professional Development and Educational Improvement], the Board will compensate teachers at the rate of 100% of the prevailing rate at Rowan College of New Jersey for tuition expenses incurred in further studies approved by the Superintendent of Schools. Based on the supporting documentation on file, the tuition reimbursement appears to be education-related.
65	2023820058000JFS	0904	12/16/2005	EDICK, JILL	\$63.97	\$63.97	<p>Mileage Reimbursement of JT [Special Education Teacher] for attending Special Education SELRC Workshops funded by an NCLD Title I grant in Dayton, NJ on 10/26/2005.</p> <p>129 Miles at \$0.485 /mi. + Tolls = \$63.97</p>	✓			Based on the supporting documentation on file, the transaction pertaining to the Special Education SELRC Workshops appears to be education-related.

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Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
66	2023820058000JFS	1648	6/13/2006	EDICK, JILL	\$161.54	\$161.54	Mileage Reimbursement of JT [Special Education Teacher] for attending Special Education SELR Workshops funded by an NCLD Title I grant in Dayton, NJ on 4/26/2006, 4/27/2006 and 6/5/2006  128 Miles are \$0.445 /Mile + Tolls = \$56.96 107 Miles are \$0.445 /Mile + Tolls = \$47.62 128 Miles are \$0.445 /Mile + Tolls = \$56.96	✓			Based on the supporting documentation on file, the transaction pertaining to the Special Education SELRC Workshops appears to be education-related.
67	1119010061002	0791	12/31/2004	EDUCATIONAL EQUIPMENT SERV. CO	\$17.55	\$17.55	Restocking fee for changing 260 AA batteries with 260 AAA batteries. The AA Batteries were misordered and, accordingly, were returned and replaced with AAA batteries. As a result, the Vendor charged the District a restocking fee.		✓		Inasmuch as the expenditure resulted from an ordering error, the same was classified as a discretionary transaction.
68	1119010061001	1552	5/31/2005	EDUCATIONAL RECORD CENTER	\$156.32	\$156.32	Teaching Aids for Salem Middle School Curriculum including the following videos: Carnival of the Animals at \$19.95 The Orchestra at \$19.95 Elmo's Musical Adventure at \$9.98 History of Rock and Roll at \$99.00	✓			Based on the supporting documentation on file, the transaction for teaching aids educational videos appears to be education-related.

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69	20223A10061001	1594	6/9/2005	EDUCATIONAL SERVICES DIVISION	\$5,129.46	\$5,129.46	Teaching Aids #12 Growing Readers Early Literacy Curriculum at \$474.95 Less 10% Discount - Funded by the Early Child Care (ECPA) grant.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
70	1519010061001JFS	1464	4/25/2006	EDUCATORS PUB. SERVICE	\$622.05	\$622.05	Reading Supplies for the 1st and 2nd Grades at John Fenwick Elementary School including 290 copies of the book "Words I Use when I Write" at \$1.95/copy, less 10%	✓			Based on the supporting documentation on file, the transaction for 1st and 2nd grade reading books appears to be education-related.
71	6091031042000	6016	3/21/2006	ELMER SCHULTZ SERVICES	\$265.20	\$265.20	Repairs on the High School Food Warmer including service time and replacement switch.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction for the repair of the food warmer is not related to the day-to-day operations of a school district.
72	2023820060001	0941	1/31/2005	EPLUS TECHNOLOGY, INC.	\$2,193.00	\$2,193.00	17 Laser ML1740 Printers Purchased by Technology [State Contract #A81185]. According to District Management, these were purchased through a "Reading First" grant. [covered by a State Contract according to District Management].	✓			According to District Management, the printers are for Middle School classrooms as per grant stipulations. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.

**Appendix C**  
Salem City  
Statistical Sample Analysis

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
73	1130110061003	0895	1/31/2005	EPLUS TECHNOLOGY, INC.	\$1,050.72	\$1,050.72	Technology Supplies for the Salem High School Vocational Business Program consisting of 1 LaserJet 4250 Printer and Refill Cartridge. The printer is networked for all student printing [covered by a State Contract according to District Management - #A81185].	✓			According to District Management, the printers are for Middle School classrooms as per grant stipulations. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.
74	1100026161000	0273	8/30/2004	ERCO INTERIOR SYSTEMS	\$89.83	\$89.83	Facilities maintenance drop ceiling supplies 18 10FT Bars and 14 insert tiles	✓			According to District Management, drop ceilings are being put into rooms which currently have the exposed concrete. This allows the adding of lighting, as well as soundproofing, in such rooms. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be essential to the day-to-day operations of a school district.

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75	1100026161000	1613	6/14/2005	ERDNER ENTERPRISE S	\$6,150.00	\$6,150.00	15 General Electric 18,000 ETU 220 V Window Air Conditioners at \$410/unit for the High School.	✓			According to District Management, extended summer schooling can be mandatory for some students as per their Individualized Educational Plan [IEP]. As such, the school is required to provided AC for the classrooms. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be related to the day-to-day operations of a school district.
76	1100026161000	1713	6/30/2005	ERDNER ENTERPRISE S	\$13,120.00	\$13,120.00	32 General Electric 18,000 ETU 220 V Window Air Conditioners at \$410/unit for the High School.	✓			According to District Management, extended summer schooling can be mandatory for some students as per their Individualized Educational Plan [IEP]. As such, the school is required to provided AC for the classrooms. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be related to the day-to-day operations of a school district.

**Appendix C**  
Salem City  
Statistical Sample Analysis

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Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
77	1119010061001	1073	1/31/2005	FLAGHOUSE, INC.	\$386.72	\$386.72	Sports Equipment purchase for John Fenwick School Including: 2 Men's Basketballs at \$17.95/ball 2 Women's Basketballs at \$16.95/ball 2 JR's Basketballs at \$15.95/ball 2 Shooter Basketballs at \$13.95/ball 2 Basketball Nets at \$5.47/net 2 Sets of 6 Foam Soccer Balls Total of 12 Balls at \$20/ball 1 Polo Set at \$129 1 White Athletic Paint For Field Lines at \$49.95/case.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
78	20434P20080003	1598	6/9/2005	FLAGHOUSE, INC.	\$1,472.70	\$1,600.90	Punching Bag, Table Hockey, Table Soccer for the High School. The purchase of these items were covered by a School Based Youth Services Grant.	✓			According to District Management, School Based Youth Services stipulates what is to be purchased by the District. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.

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79	202381006000JFS	0096	7/13/2005	FOLLETT LIBRARY RESOURCES	\$1,316.02	\$1,316.02	130 Library Books for John Fenwick Elementary School Funded by NCLB I - Reading First Grant	✓			According to District Management, Books were purchased in accordance with the NCLB I Reading First Grant. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.
80	2023810061001	1432	5/6/2005	FOLLETT LIBRARY RESOURCES	\$1,443.11	\$1,443.11	Reading Books for John Fenwick Middle School Curriculum including the following books funded by NCLB I - Reading First Grant, including: 95 "Tonight on the Titanic at \$8.16 /book 72 "Justin & the Best Biscuits at \$9.86 /book	✓			According to District Management, Books were purchased in accordance with the NCLB I Reading First Grant. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.
81	2043420080003	1639	6/22/2005	FRANKLIN INTER'NAT. INSTITUTE	\$2,349.00	\$2,349.00	Summer Transitional Program/Youth Services Program for July 7 and July 28 2005, 100 total students to the Franklin Institute funded by the School-Based Youth Services Grant.	✓			According to District Management, Books were purchased in accordance with the School Based Youth Services Grant. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.

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82	1100026161000	0610	11/15/2004	FRED HARZ & SON	\$564.20	\$564.20	Maintenance for the Facilities Trucks 4 new tires for the Chevy G-10 Van and 4 new tires for the Ford F-150.	✓			According to District Management, as a "walking" District, the District does not have a large fleet of vehicles and, therefore, does not procure tires in large quantities. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be related to the day-to-day operations of a school district.
83	1100026161000	0274	8/30/2004	FRED HARZ & SON	\$586.62	\$586.62	Maintenance for Handicapped Students Bus 6 - new tires.	✓			According to District Management, as a "walking" District, the District does not have a large fleet of vehicles and, therefore, does not procure tires in large quantities. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be related to the day-to-day operations of a school district.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
84	1100026261000OPR	1268	3/3/2006	GALER & HILLYARD	\$560.88	\$560.88	Supplies for the Facilities 12 1.25 L of Hand Soap/Dispensers. [covered by a State Contract according to District Management]	✓			According to District Management, 1.25 L of foam soap generates 5 L of soap, the foam expands when dispensed reducing the amount of soap being used. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be reasonable in the context of the day-to-day needs of a school district.
85	1100026261000	1385	6/21/2004	GALER & HILLYARD	\$3,917.00	\$3,917.00	Supplies for facilities 2 heavy duty 20" floor cleaning machines \$1,121.00, 2 15 gal. wet/dry vacuum \$597.50, 2 26" front mount squeegees \$235.00 for the high school. [covered by a State Contract according to District Management]	✓			According to District Management, pricing for facilities equipment is fixed per State Contract. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be reasonable in the context of the day-to-day needs of a school district.
86	1100026261000	0978	2/10/2005	GALER & HILLYARD	\$1,162.32	\$1,162.32	Supplies for facilities 144 Bowl Cleaners at \$2.15 /unit, 16 1.25 L Foam Soap at \$42.59, 6 Urinal Screens with block \$26.88 for the high school. [covered by a State Contract according to District Management]	✓			According to District Management, pricing for facilities equipment is fixed per State Contract. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be reasonable in the context of the day-to-day needs of a school district.

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87	20231S10064003SP	0052	7/1/2005	GLENCOE/MC GRAW HILL PUBL. CO.	\$8,575.27	\$8,575.27	McGraw Hill Standardized math text book for the high school, including 125 C2 Part A & B Student Edition, 125 C2 Reference & Practice Book, C2 Teacher Resource Package, Assessment Software, Calculator Software Guide, C2 TeachersWorks CD-ROM funded by the NCLB I grant	✓			According to District Management, these textbooks have been approved by the Board for High School Grade 11, and is funded by an NCLB I Grant. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.
88	1119010064003	0441	10/13/2004	GLOBE FEARON	\$1,458.31	\$1,497.38	Science Text Books for Salem High School Curriculum including the following books: 15 Concepts & Challenges in Physical Science at \$58.95 /book 2 Physical Science Teacher's Edition at \$79.50 /book 4 Earth Science Concepts Teacher's Edition at \$79.50 /book According to District Management, these are replacement books which are normally bought even after classes have started but in smaller quantities.	✓			According to District Management, these were replacement books bought to address the normal increase in classroom population during the school year. Based on the foregoing explanation, as well as the supporting documentation on file, the transaction appears to be education-related.

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89	1119010064003	1054	1/31/2005	GLOBE FEARON	\$4,488.38	\$4,562.25	Science Text Books for Salem High School Curriculum including the following books: 30 Life Science Text at \$58.95 /book 1 Life Science Resource Book at \$203.50 /book 30 Physical Science Text at \$58.95 /book 1 Physical Science Resource Book at \$203.50 /book 1 Earth Science Resource Book at \$203.50 /book According to District Management, these are replacement books which are normally bought even after classes have started but in smaller quantities.	✓			According to District Management, these were replacement books bought to address the normal increase in classroom population during the school year. Based on the foregoing explanation, as well as the supporting documentation on file, the transaction appears to be education-related.
90	1119010061002	0381	9/29/2004	GOPHER SPORT	\$349.39	\$349.39	Purchase of Rainbow Soft Dome Cones, Rainbow Jump Bands, Rainbow Play Balls, Rainbow Mesh Bags, 14" Balloon Balls, and Vinyl Floor Tape for gym class.	✓			According to District Management, this expense is for the State- required gym class activities like dodge ball, jump rope, kickball, etc. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
91	1119010061001	0724	12/22/2004	GPN COMPANY	\$34.95	\$34.95	Educational video for John Fenwick Elementary School "Feelings: Expressing Emotions"	✓			According to District Management, the video is for K-2 kids [to learn expression of emotions]. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.
92	1100026261000OPR	0091	7/7/2005	GRAINGER EQUIPMENT & SUPPLIES	\$243.60	\$243.60	12 36" Traffic Cones at \$17.80/set	✓			According to District Management, the cones are used for blocking of areas for emergency vehicles during sporting events, blocking of construction areas, and indoors to block of areas that are being mopped/waxed for liability and safety. Cones are used as a cost saving mechanism for both indoor and outdoor use. Based on the supporting documentation on file, as well as the foregoing explanation, it appears that the expenditure is related to the day-to-day operations of a school district.

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Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments	
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
93	1100026261000	0243	8/24/2004	GRAINGER EQUIPMENT & SUPPLIES	\$872.57	\$872.57	4 8" ventilation fans and 1 wall ventilator for Salem High School Facilities			✓	Based on the supporting documentation on file, the transactions appears to be related to the day-to-day operations of a school district. The available documentation is not, however, adequate to provide operational justification for the transaction [ie. What triggered the purchase of the items? In what specific location of the High School will it be installed?, etc.]	
94	1140210061003	0145	8/5/2004	GREG LARSON SPORTS	\$491.59	\$491.59	Athletic Supplies for the Salem High School Including: 6 Pr Goalkeeper Gloves 5 Bags of Replacement Cleats 100 per bag 6 Pr Lineman Gloves 6 Pr Weight bar clamps 30 Royal Blue Pennies (for scrimmaging) 4 pound & 6 pound Medicine Ball 6 Soccer Scorebooks	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
95	1100029129000BUS	1691	6/21/2006	HARRISON, JIM	\$350.00	\$7,350.00	Custodial clothing Allowance 2006-2007 (as structured in custodial contract) for 21 custodial employees. This is used for cleaning and maintenance of the uniforms.	✓			The custodial clothing allowance is in accordance with the recipient's employment terms. \$350 a year is paid out to covered employees to cover the cost of cleaning and maintaining of their uniforms [\$350 x 21 employees = \$7,350]. Based on the supporting documentation on file, as well as the foregoing explanation, the expenditure appears to be related to the day-to-day operations of a school district.
96	1140210061003	0154	8/5/2004	HENRY SCHEIN/MBM	\$355.52	\$355.52	Supplies for the nurses office in the High School, which included the following: Flexi Wrap, Andover Power Flex, Cotton Tip Applicators, Elastic Bandage, Band Aids, Knuckle Bandage, Ice Bags, Splint, etc.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction pertaining to Nurse Office supplies is not related to the day-to-day operations of a school district.
97	2022320059000JFS	1299	3/20/2006	HOLIDAY INN	\$114.95	\$114.95	Teacher accommodation for one night (3/23/06) at the Holiday Inn in Hazlet, NJ, to attend the "Visitation to Early Childhood Program" (funded by an early childhood grant - ECPA). Overnight stay is necessary due to the distance and the need to be present early in the following morning.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
98	1119010064003	0444	10/13/2004	HOLT RINEHART & WINSTON	\$62.76	\$62.76	Math Text Books for the High School, including the following: 30 Algebra II Textbooks at \$56.65 /book 48 Algebra I Textbooks at \$54.30 /book According to District Management, these are replacement books which are normally bought even after classes have started but in smaller quantities.	✓			According to District Management, these were replacement books bought to address the normal increase in classroom population during the school year. Based on the foregoing explanation, as well as the supporting documentation on file, the transaction appears to be education-related.
99	20231C100600F00	1484	5/18/2005	HOUGHTON MIFFLIN COMPANY	\$5,016.45	\$4,848.39	English Text Books for Salem Middle School Curriculum (part of a Special Revenue Fund NCLB Title I Grant) including the following books: 2 English Book Teacher Edition at \$105.00 /book 75 English Text Books at \$49.98 /book 2 Transparencies and posters at \$124.98 /unit 1 Teachers Resource Package at \$639.93 /unit According to District Management, the books purchased are replacement items which are normally bought even after classes have started but in smaller quantities.	✓			According to District Management, these were replacement books bought to address the normal increase in classroom population during the school year. Based on the foregoing explanation, as well as the supporting documentation on file, the transaction appears to be education-related.

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Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
100	20272C20080000	0699	12/7/2004	HUDOCK, ANNE	\$72.00	NOF	<p>National Council of Teachers of Mathematics (NCTM) Membership Dues for Mathematics Teacher AH.</p> <p>The cost of approved memberships within the teachers' respective disciplines are absorbed by the District as per the agreement between the Salem Board of Education and the Salem Teachers Association [Part of the NCLB Title II Grant].</p>	✓			As per agreement between the Salem Board of Education and the Salem Teachers' Association, approved memberships within a teacher's discipline shall be absorbed by the District. Based on the supporting documentation on file, the expenditure appears to be education-related.
101	1119010061003	0914	2/28/2005	INCOLLINGO' S FOOD RITE	\$263.11	\$263.11	<p>Food supply for the Family &amp; Consumer Science Program ice cream, chips, dips, fruits, juice, etc.</p>	✓			According to District Management, because of the socio-economic level of the District, food is provided at student events (80% of students in the District avail of Federal and State food subsidies). Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
102	1519010061002CUR	1295	3/20/2006	INCOLLINGO'S FOOD RITE	\$128.52	\$128.52	Pi Day Activities - Middle School, 7th & 8th Grades [Friday, March 17, 2006] Bakery purchases consist of: 7 Coconut Custard Pies 7 Pumpkin Pies 7 Apple Pies 9 Lemon Meringue Pies	✓			According to District Management, Pi Day is an educational day at the Middle School where the students learn about the number Pi. The day is celebrated every 3/14 which is similar to the Pi number [i.e. 3.1416]. The students are being given pies as part of the celebration. Originally, the PO was not dated while being processed and was subsequently dated only on 3/20/06. The PO was requested on 3/10/06 and approved by the Board Secretary on 3/13/06. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.
103	1521610061001JFS	0606	10/21/2005	INCOLLINGO'S FOOD RITE	\$115.53	\$115.53	Refreshments for the After-School Cooking Club - Peanuts, Juices, Cake, etc.	✓			According to District Management, part of the Elementary School's disabled program is teaching learning skills to students like how to make a peanut butter and jelly sandwich, a turkey sandwich, etc. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.

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Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
104	1100026261000	1462	5/16/2005	INDUSTRIAL SERVICE & SUPPLY CO	\$562.56	\$562.56	(20) Fire stop Pillows - Prevents the spread of flames and hot gases through openings. (24) 1000 Fire stop 10.3 oz. cartridges	✓			According to District Management the fire prevention pillows are required for the High School. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be related to the day-to-day operations of a school district.
105	1130110050003	1232	3/30/2005	JACK'S WELDING	\$480.00	\$480.00	Repairs of Metal Bench - Aluminum & Steel	✓			According to District Management, the bench is a planting bench for the flower design vocational school which was damaged and has to be rewired and rewelded. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be related to the day-to-day operations of a school district.

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Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
106	20434P20080003	1760	6/30/2005	JETTER, INA	\$97.18	\$97.18	Expense reimbursement for: Certified Mail Receipt, Incentives for SBYSP Youth, Ice, UNO Cards, Pizza, Water & Sodas for SBYSP Trip	✓			According to District Management, this represents expense reimbursement for the School-Based Youth Services Program (SBYSP) Grant including Certified Mail Receipt, Candy/Popsicles Incentives for School-Based Youth Services Program (SBYSP) Students, Bagged Ice, UNO Cards, Pizza, Water & Sodas. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.	
107	1100026261000OPR	0403	8/31/2005	JOSEPH GARTLAND, INC.	\$1,698.00	\$1,698.00	Replacement Vinyl Bags for Janitor Carts (12) White or Beige Terry Half Towels (375)			✓	Based on the supporting documentation on file, the transactions appears to be related to the day-to-day operations of a school district. The available documentation is not, however, adequate to provide operational justification for the transaction [ie. What are the items for? Is this part of a Standard Maintenance Contract?, etc.]	

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Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
108	1100026161000OPR	0165	7/1/2005	KEEN COMPRESSE D GAS CO.	\$47.06	\$47.06	Cylinder charges - rental and maintenance			✓	Based on the supporting documentation on file, the transaction appears to be related to the day-to-day operations of a school district. The available documentation is not, however, adequate to provide operational justification for the transaction [ie. Why must it be rented? Why must it be repaired?, etc.]	
109	1130110061003	0157	8/5/2004	KELCO INDUSTRIES	\$204.42	\$204.42	3 Boxes of Clamp Rings (Box of 100)			✓	Based on the supporting documentation on file, the transactions appears to be related to the day-to-day operations of a school district. The available documentation is not, however, adequate to provide operational justification for the transaction [ie. What are the items for? Who will use it?, etc.].	
110	2043520030000JFS	1139	2/14/2006	KLCSCHOOL PARTNERSHI PS	\$40,436.76	\$40,436.76	KLC School Partnerships - September through December - amount added in manually \$67,217. January through March 2006 - \$40,436.76.	✓			According to District Management, the transaction is for after school programs by a state approved after school provider KLC. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.	

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111	1519010061001JFS	0086	7/7/2005	LAKESHORE LEARNING MATERIALS	NOF	NOF	John Fenwick Elementary School learning activities including 1 Student journal's storage center at \$29.95, 1 Read the Room class pointers at \$19.95, 1 Magnetic Numbers & Counters at \$19.95, 1 All Purpose Teacher Organizer at \$34.95, 1 Calendar Math Activity Program at \$79.50	✓			Based on the supporting documentation on file, the transaction for John Fenwick Elementary School learning activities appears to be education related.
112	2022310061000JFS	0994	1/18/2006	LAKESHORE LEARNING MATERIALS	\$745.05	\$745.05	Various Supplies - Doll Bed, Bedding, Jumbo Colored Pencils, Workbench, Bongo Drums, Puzzle Storage Rack, Storytelling Apron, Giant Stamps, Alphabet Charts purchasing at the beginning of January 2006 funded by the special revenue fund no child left behind.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
113	1519010061002SMS	0291	8/10/2005	LAKESHORE LEARNING MATERIALS	NOF	NOF	Materials for the John Fenwick Elementary School Math Department [Grades 1-3]: Classrooms with Math Card Games Problem-Solving Card Bank Venn Diagram Pocket Chart Graphing Chart Pad Counting Change Activity Wallet Quarter Mile Math Race - CD Rom	✓			Based on the supporting documentation on file, the transaction for the Math Department Grades 1-3 appears to be education-related.
114	1119010061003	0769	12/30/2004	LEARNING ZONEEXPRESS COMPANY	\$160.45	\$160.45	Materials for the the John Fenwick Elementary School Math Department [Grades 1-3]: Kitchen Math Teaching Kit Baking Math Video Kitchen Math PowerPoint Kitchen Posters Kitchen Math CD-ROM	✓			Based on the supporting documentation on file, the transaction for the Math Department Grades 1-3 appears to be education-related.
115	1521210061001JFS	1101	2/7/2006	LINGUI SYSTEMS	\$177.45	\$177.45	Learning Materials for John Fenwick Elementary School [Grades 1-3]: 50 Quick Play Reading Games (+CD) 10 Quick Play Folder Games Early Social Behavior Books Set (8)	✓			Based on the supporting documentation on file, the transaction for learning materials for the Salem Elementary Grades 1-3 appears to be education-related.

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Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
116	1100021660000CST	1427	4/21/2006	LINGUI SYSTEMS	\$109.85	\$109.85	Materials for student-related services not specific to any particular school: Articulation Cards Listening Comprehension Speech Spinners Shipping & Handling	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
117	1119010064002	0726	12/22/2004	LISTENING LIBRARY, INC.	\$75.57	\$75.57	Listening Library - Various Books for use in curriculum for general instruction in the Middle School: A-Z Mysteries Volume 1 Math Volume 4-7 Charlotte's Web Cricket in Times Square	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
118	1519010061002SMS	0350	8/30/2005	LONG'S ELECTRONIC S	\$271.02	\$271.02	JVC DVD Player including shipping	✓			According to District Management, the transaction for 3 DVD players is for educational videos related to the curriculum of the Salem Middle School. These are shared DVD players for the school. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.

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119	1100029129000BUS	1691	6/21/2006	LUSBY, JEROME	\$350.00	\$350.00	Custodial clothing Allowance 2006-2007 (as structured in custodial contract) for 21 custodial employees. This is used for cleaning and maintenance of uniforms.	✓			The custodial clothing allowance is in accordance with the contract of the recipient's employment terms. \$350 a year is paid out the employee for cleaning and maintenance of their uniform. Based on the supporting documentation on file, as well as the foregoing explanation, the expenditure appears to be related to the day-to-day operations of a school district.	

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
120	1100029128000	1208	3/30/2005	LYNN, AMY	\$1,374.00	\$1,374.00	<p>SY 2004-05 Tuition Reimbursement for Teacher AL [the PO amount listed in the system is the total tuition reimbursement of all teachers for the entire school year and not just for this teacher].</p> <p>As per agreement between the Salem Board of Education and the Salem Teachers association [Article XXVI - Professional Development and Educational Improvement], the District will compensate teachers at the rate of 100% of the prevailing rate for tuition expenses incurred on further studies approved by the Superintendent of Schools.</p>	✓			<p>Per the agreement between the Salem Board of Education and the Salem Teachers' Association [Article XXVI Professional Development and Educational Improvement], the Board will compensate teachers at the rate of 100% of the prevailing rate at Rowan College of New Jersey for tuition expenses incurred in further study approved by the Superintendent of Schools. Based on the supporting documentation on file, the tuition reimbursement appears to be education-related.</p>

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Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
121	1115010050000BUS	1189	2/22/2006	MALDONADO, CAROLYN	\$67.64	\$67.64	Mileage Reimbursement relative to the home instruction provided to Student #4607102 for the month of January 2006 (152 miles).	✓			According to District Management, as per State requirement, the District has to provide home instruction for students that qualify for assisted care. The District covers the cost of mileage incurred to and from the home of the student. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.
122	1115010050000	0844	1/22/2005	MALDONADO, CAROLYN	\$224.64	\$224.64	Mileage Reimbursement relative to the Homebound Instruction provided to Student #3307002 for December 1 to 23, 2004 [624 miles].	✓			According to District Management, as per State requirement, the District has to provide home instruction for students that qualify for assisted care. The District covers the cost of mileage incurred to and from the home of the student. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.

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Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
123	11150P	1744	6/30/2005	MALDONADO, CAROLYN	\$72.90	\$72.90	Homebound Mileage Reimbursement for Student #4607102 (100 miles). Total Mileage for each trip (20 miles) 6/1, 6/9, 6/15, 6/22 and 6/29, 2005 with destination points indicated in the Mileage Expense Form.	✓			According to District Management, as per State requirement, the District has to provide home instruction for students that qualify for assisted care. The District covers the cost of mileage incurred to and from the home of the student. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.
124	1115010050000	1651	6/27/2005	MALDONADO, CAROLYN	\$32.40	\$32.40	Homebound Mileage Reimbursement for January 2005 [702 miles] at \$0.45/mi. and February 2005 at 0.45/mi.	✓			According to District Management, as per State requirement, the District has to provide home instruction for students that qualify for assisted care. The District covers the cost of mileage incurred to and from the home of the student. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.

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Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
125	20223B20059001	1363	5/3/2005	MASON, KATHRYN	NOF	NOF	Mileage Reimbursement for John Fenwick Elementary School for teacher KM travel on 4/11-4/12/05 for the Positive Support Training for Challenging Behaviors at Mercer County College in Windsor, NJ. 352 total miles at .405 cents/mile.  Funded by the early childhood development grant (ECPA)	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
126	1100029128000	1208	3/30/2005	MCBRIDE, MARGARET	\$1,374.00	\$1,374.00	<p>2004-05 Tuition Reimbursement for Teacher MM [the PO amount listed in the system is the total tuition reimbursement of all teachers for the entire school year and not just for this teacher].</p> <p>As per agreement between the Salem Board of Education and the Salem Teachers association [Article XXVI - Professional Development and Educational Improvement], the District will compensate teachers at the rate of 100% of the prevailing rate for tuition expenses incurred on further studies approved by the Superintendent of Schools.</p>	✓			Per the agreement between the Salem Board of Education and the Salem Teachers Association [Article XXVI Professional Development and Educational Improvement], the Board will compensate teachers at the rate of 100% of the prevailing rate at Rowan College of New Jersey for tuition expenses incurred in further study approved by the Superintendent of Schools. Based on the supporting documentation on file, the tuition reimbursement appears to be education-related.
127	20232P100600C02	1498	6/30/2004	MCGRAW-HILL BOOK COMPANY	\$3,219.59	\$3,219.59	<p>Math Games - 16 Everyday Mathematics Game Kits [Grades 4-6], including shipping and handling (10%). These are for the Middle School Math Department as part of the special revenue fund of the No Child Left Behind grant.</p>	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
128	20231S10064001SP	0055	7/1/2005	MCGRAW-HILL BOOK COMPANY	\$80,875.93	\$80,875.93	Math Textbooks purchased at yearend - Everyday Mathematics 2nd Edition 2004-05 [Pre-K to Grade 6] with Interactive CD-ROM (part of a Special Revenue Fund NCLB Title I Grant) Student Material Sets (K-Grade 6) Home and Study Links Online Games (K-Grade 6) Manipulative Kits (K-Grade 6) According to District Management, textbooks are exempt from competitive bidding requirements.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
129	1140210061003	0156	8/5/2004	METUCHEN CENTER - TEAM	\$3,078.62	\$3,078.62	For the High School - 18 footballs, 100 practice pants, 100 mouth pieces, 6 receiver gloves, 6 blocking shields, 4 agility bags, punting practice net, 10 cases of tennis balls, 144 white tube socks [these are just samples of the higher-priced items, out of the 25 items purchased . Certain items like mouth guards are not reusable. Others like footballs are purchased every 5 years.			✓	According to District Management, certain items like mouth guards are none reusable others like foot balls are purchased every 5 years. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related. The Vendor Invoice, however, is not on file.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
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130	6091031030000	6019	5/23/2006	METZ & ASSOCIATES, LTD.	\$30,031.71	\$63,820.39	<p>2006 Monthly Management Dining Services from Metz &amp; Associates:  <u>Purchases:</u> Food, Paper, Supplies &amp; others - \$33,332.45  <u>Labor Charges:</u> Management Payroll &amp; Benefits, Base Payroll [hourly], Payroll Taxes [hourly], Benefits, Accrued Vacation/Sick Pay plus Benefits, Contract Labor &amp; others - \$27,070.50  <u>Other Charges -</u> Management/Administrative Costs, Per Meal Catering Charge, Depreciation, Amortization, General Insurance - \$3,417.44</p> <p>Metz is the food service provider for the District. Competitive bidding for food services is required every 5 years. The percentage of District students who qualify and avail of free and/or reduced breakfast, lunch and snacks is 85% or more in the Elementary and Middle Schools, and more</p>	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
131	6091031060000	6019	5/23/2006	METZ & ASSOCIATES, LTD.	\$33,332.45	\$63,820.39	<p>2006 Monthly Management Dining Services from Metz &amp; Associates.</p> <p><u>Purchases:</u> Food, Paper, Supplies &amp; others - \$33,332.45</p> <p><u>Labor Charges:</u> Management Payroll &amp; Benefits, Base Payroll (hourly), Payroll Taxes (hourly), Benefits, Accrued Vacation/Sick Pay plus Benefits, Contract Labor &amp; others - \$27,070.50</p> <p><u>Other Charges:</u> Management/Administrative Costs, Per Meal Catering Charge, Depreciation, Amortization, General Insurance - \$3,417.44</p> <p>Metz is the food service provider for the District. Competitive bidding for food services is required every 5 years. The percentage of District students who qualify and avail of free and/or reduced breakfast, lunch and snacks is 85% or more in the Elementary and</p>	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
132	6091031020000	5017	5/2/2005	METZ & ASSOCIATES, LTD.	\$81,298.80	\$81,298.80	2005 Monthly Management Dining Services from Metz & Associates. <u>Purchases:</u> Food, Paper, Supplies & others - \$45,034.76 <u>Labor Charges:</u> Management Payroll & Benefits, Base Payroll (hourly), Payroll Taxes (hourly), Benefits, Accrued Vacation/Sick Pay plus Benefits, Contract Labor & others - \$32,146.57 <u>Other Charges:</u> Management/Administrative Costs, Per Meal Catering Charge, Depreciation, Amortization, General Insurance - \$4,117.47  Metz is the food service provider for the District. Competitive bidding for food services is required every 5 years. This documentation is on file in the business office. The participation of district qualifies for free and reduced breakfast, lunch and snack at 85% or more in our elementary and middle	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
133	6091031030000	6004	10/31/2005	METZ & ASSOCIATES, LTD.	\$14,904.75	\$14,904.75	<p>2005 Monthly Management Dining Services from Metz &amp; Associates.  <u>Purchases:</u> Food, Paper, Supplies &amp; others - \$6,943.90  <u>Labor Charges:</u> Management Payroll &amp; Benefits, Base Payroll (hourly), Payroll Taxes (hourly), Benefits, Accrued Vacation/Sick Pay plus Benefits, Contract Labor &amp; others - \$7,854.30  <u>Other Charges:</u> Management/Administrative Costs, Per Meal Catering Charge, Depreciation, Amortization, General Insurance - \$106.55</p> <p>Metz is the food service provider for our district. Competitive bidding is required every 5 years. This documentation is on file in the business office. The participation of district qualifies for free and reduced breakfast, lunch and snack at 85% or more in our elementary and middle</p>	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
134	6091031020000	5006	12/31/2004	METZ & ASSOCIATES, LTD.	\$76,787.91	\$76,787.91	<p>December 2004 Monthly Management Dining Services from Metz &amp; Associates.  <u>Purchases:</u> Food, Paper, Supplies &amp; others - \$44,014.70  <u>Labor Charges:</u> Management Payroll &amp; Benefits, Base Payroll (hourly), Payroll Taxes (hourly), Benefits, Accrued Vacation/Sick Pay plus Benefits, Contract Labor &amp; others - \$30,225.61  <u>Other Charges:</u> Management/Administrative Costs, Per Meal Catering Charge, Depreciation, Amortization, General Insurance - \$2,547.60</p> <p>Metz is the food service provider for the District. Competitive bidding for food services is required every 5 years. The percentage of District students who qualify and avail of free and/or reduced breakfast, lunch and snacks is 85% or more in the Elementary and</p>	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
135	60910310600F00	6013	1/18/2006	METZ & ASSOCIATES, LTD.	\$78,436.88	\$78,436.88	<p>December 2005 Monthly Management Dining Services from Metz &amp; Associates.  <u>Purchases:</u> Food, Paper, Supplies &amp; others - \$42,391.58  <u>Labor Charges:</u> Management Payroll &amp; Benefits, Base Payroll (hourly), Payroll Taxes (hourly), Benefits, Accrued Vacation/Sick Pay plus Benefits, Contract Labor &amp; others - \$32,523.31  <u>Other Charges:</u> ManagementAdministrative Costs, Per Meal Catering Charge, Depreciation, Amortization, General Insurance - \$3,521.99</p> <p>Metz is the food service provider for the District. Competitive bidding for food services is required every 5 years. The percentage of District students who qualify and avail of free and/or reduced breakfast, lunch and snacks is 85% or more in the Elementary and</p>	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
136	6091031020000	5012	2/28/2005	METZ & ASSOCIATES, LTD.	\$72,371.28	\$72,371.28	February 2005 Monthly Management Dining Services from Metz & Associates. <u>Purchases:</u> Food, Paper, Supplies & others - \$39,091.26 <u>Labor Charges:</u> Management Payroll & Benefits, Base Payroll (hourly), Payroll Taxes (hourly), Benefits, Accrued Vacation/Sick Pay plus Benefits, Contract Labor, Other - \$26,709.51 <u>Other Charges:</u> Management/Administrative Costs, Per Meal Catering Charge, Depreciation, Amortization, General Insurance - \$6,570.61  Metz is the food service provider for the District. Competitive bidding for food services is required every 5 years. The percentage of District students who qualify and avail of free and/or reduced breakfast, lunch and snacks is 85% or more in the Elementary and	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
137	6091031060000	6014	2/14/2006	METZ & ASSOCIATES, LTD.	\$78,403.01	\$78,403.01	2006, Monthly Management Dining Services from Metz & Associates. <u>Purchases:</u> Food, Paper, Supplies & others - \$43,374.85 <u>Labor Charges:</u> Management Payroll & Benefits, Base Payroll (hourly), Payroll Taxes (hourly), Benefits, Accrued Vacation/Sick Pay plus Benefits, Contract Labor & others - \$31,447.75 <u>Other Charges:</u> Management/Administrative Costs, Per Meal Catering Charge, Depreciation, Amortization, General Insurance - \$3,580.41  Metz is the food service provider for the District. Competitive bidding for food services is required every 5 years. The percentage of District students who qualify and avail of free and/or reduced breakfast, lunch and snacks is 85% or more in the Elementary and Middle Schools, and more	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
138	6091031030000	5022	6/30/2005	METZ & ASSOCIATES, LTD.	\$56,521.13	\$56,521.13	<p>2005 Monthly Management Dining Services from Metz &amp; Associates.</p> <p><u>Purchases:</u> Food, Paper, Supplies &amp; others - \$24,652.85</p> <p><u>Labor Charges:</u> Management Payroll &amp; Benefits, Base Payroll (hourly), Payroll Taxes (hourly), Benefits, Accrued Vacation/Sick Pay plus Benefits, Contract Labor &amp; others - \$29,179.09</p> <p><u>Other Charges:</u> Mgmt/Administrative Costs, Per Meal Catering Charge, Depreciation, Amortization, General Insurance - \$2,689.19</p> <p>Metz is the food service provider for the District. Competitive bidding for food services is required every 5 years. The percentage of District students who qualify and avail of free and/or reduced breakfast, lunch and snacks is 85% or more in the Elementary and Middle Schools, and more</p>	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
139	6091031050000	6017	3/30/2006	METZ & ASSOCIATES, LTD.	\$95,008.09	\$95,008.09	2006, Monthly Management Dining Services from Metz & Associates. <u>Purchases:</u> Food, Paper, Supplies & others - \$53,947.72 <u>Labor Charges:</u> Management Payroll & Benefits, Base Payroll (hourly), Payroll Taxes (hourly), Benefits, Accrued Vacation/Sick Pay plus Benefits, Contract Labor & others - \$37,281.58 <u>Other Charges:</u> Management/Administrative Costs, Per Meal Catering Charge, Depreciation, Amortization, General Insurance - \$3,778.79  Metz is the food service provider for the District. Competitive bidding for food services is required every 5 years. The percentage of District students who qualify and avail of free and/or reduced breakfast, lunch and snacks is 85% or more in the Elementary and	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
140	6091031030000	6011	12/16/2005	METZ & ASSOCIATES, LTD.	\$68,313.45	\$68,313.45	<p>November 2005 Monthly Management Dining Services from Metz &amp; Associates.  <u>Purchases:</u> Food, Paper, Supplies &amp; others - \$38,141.21  <u>Labor Charges:</u> Management Payroll &amp; Benefits, Base Payroll (hourly), Payroll Taxes (hourly), Benefits, Accrued Vacation/Sick Pay plus Benefits, Contract Labor &amp; others - \$26,675.62  <u>Other Charges:</u> Management/Administrative Costs, Per Meal Catering Charge, Depreciation, Amortization, General Insurance - \$3,496.62</p> <p>Metz is the food service provider for the District. Competitive bidding for food services is required every 5 years. The percentage of District students who qualify and avail of free and/or reduced breakfast, lunch and snacks is 85% or more in the Elementary and</p>	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
141	6091031060000	6009	10/31/2005	METZ & ASSOCIATES, LTD.	\$77,492.70	\$77,492.70	<p>October 2005 Monthly Management Dining Services from Metz &amp; Associates.  <u>Purchases:</u> Food, Paper, Supplies &amp; others - \$42,992.31  <u>Labor Charges:</u> Management Payroll &amp; Benefits, Base Payroll (hourly), Payroll Taxes (hourly), Benefits, Accrued Vacation/Sick Pay plus Benefits, Contract Labor &amp; others - \$30,926.49  <u>Other Charges:</u> Management/Administrative Costs, Per Meal Catering Charge, Depreciation, Amortization, General Insurance - \$30,926.49</p> <p>Metz is the food service provider for the District. Competitive bidding for food services is required every 5 years. The percentage of District students who qualify and avail of free and/or reduced breakfast, lunch and snacks is 85% or more in the Elementary and</p>	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
142	6091031020000	5004	11/11/2004	METZ & ASSOCIATES, LTD.	\$85,900.74	\$85,900.74	<p>2004 Monthly Management Dining Services from Metz &amp; Associates.</p> <p><u>Purchases:</u> Food, Paper, Supplies &amp; others - \$51,176.30</p> <p><u>Labor Charges:</u> Management Payroll &amp; Benefits, Base Payroll (hourly), Payroll Taxes (hourly), Benefits, Accrued Vacation/Sick Pay plus Benefits, Contract Labor &amp; others - \$31,015.74</p> <p><u>Other Charges:</u> Management/Administrative Costs, Per Meal Catering Charge, Depreciation, Amortization, General Insurance - \$3,708.69</p> <p>Metz is the food service provider for the District. Competitive bidding for food services is required every 5 years. The percentage of District students who qualify and avail of free and/or reduced breakfast, lunch and snacks is 85% or more in the Elementary and Middle Schools, and more</p>	✓			Based on the supporting documentation on file and the additional explanation of District Management, the expenditure appears to be related to the day-to-day operations of a school district.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
143	1130110061003	0203	8/16/2004	MODERN SCHOOL SUPPLIES	\$4,920.40	\$4,920.40	Architectural Vocational Program tools including: AutoCAD, glue, cardboard, stencils, plot paper, tracing paper, exato knives, house building kit, foam board [a total of 97 different items were purchased].	✓			According to District Management, The school provides various vocational programs for the students including architecture, design, flower design, etc all of which are approved by the state. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.
144	20238P10061001	1716	6/30/2005	MONDO PUBLISHING	\$235.84	\$235.84	Creatures of the Night - 6 pack & cassette Grizzly Bears - 6 pack & cassette What makes a bird a bird - 6 pack & cassette Look at the Moon - 6 pack & cassette	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
145	1519010061001JFS	1569	5/16/2006	MOORE MEDICAL CORP.	\$226.81	\$226.81	Supplies for John Fenwick Elementary School Nurses' Office, including: Gloves, Gauze Sponges, Irrigating Eye Wash, Band-Aid, etc.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
146	1100029128000BUS	0598	10/21/2005	MULHERN, APRIL	\$3,576.00	\$3,576.00	<p>Tuition Reimbursement for teacher to attend courses at Walden University. PO, Statement of Accounts, Vendor Invoice, and Statement of Charge are on file. Documentation indicates the teacher attended certain courses and received course credits and "A" grades. Courses registered and attended include: "Strategies for Literacy", "Effective Teaching Styles", and "Habits of Mind: Thinking"</p> <p>As per agreement between the Salem Board of Education and the Salem Teachers association [Article XXVI - Professional Development and Educational Improvement], the District will compensate teachers at the rate of 100% of the prevailing rate for tuition expenses incurred on further studies approved by the Superintendent of Schools.</p>	✓			<p>Per the agreement between the Salem Board of Education and the Salem Teachers association [Article XXVI Professional Development and Educational Improvement], the board will compensate teachers at the rate of 100% of the prevailing rate at Rowan College of New Jersey for tuition expenses incurred in further study approved by the Superintendent of Schools. Based on the supporting documentation on file, the tuition reimbursement appears to be education-related.</p>

**Appendix C**  
Salem City  
Statistical Sample Analysis

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
147	1519010061002SMS	0124	7/20/2005	MULHORN, JOHN	\$120.00	\$120.00	One of several independently-processed POs numbered as "124" [2005-06 Middle School Petty Cash]. Disbursements pertain to US Postal Service expenses, Student Lunch, Wal-Mart, Superfresh, Incollingo's - items for Principal's office.	✓			According to District Management, Petty Cash for 2005-06 consists of postage expenses, calendars, fax cartages, student award pizza lunch for Middle School students (lunch was for students and \$25 in cost). Based on the supporting documentation on file, as well as the foregoing explanation, the expenditure appears to be related to the day-to-day operations of a school district.
148	1119010061003	1055	1/31/2005	NASCO COMPANY	\$407.36	\$407.36	Nordic Ware 2 Burner Griddle King Ecko 12 cup muffin pan Chicago Cutlery Classic Chef 20 pc knife set Box Weave Kitchen Towels Box Weave Kitchen Dishcloths Microwave Cart			✓	Based on the supporting documentation on file, the transactions appears to be related to the day-to-day operations of a school district. The available documentation is not, however, adequate to provide operational justification for the transaction [ie. Who are the intended users/beneficiaries of the items? What class or curriculum do these pertain to?, etc.]

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
149	20434P20080003	1773	6/30/2005	NATIONAL AQUARIUM /BALTIMORE	\$461.50	\$461.50	30 Student Admissions - High School Based Youth Services Program - August 11, 2005 at 9:15 AM 4 Adult Admissions - for 8 staff [4 free] 1 deposit Funded by the School-Based Youth Services Grant	✓			According to District Management, the transaction was for the Salem High School summer program that is part School Based Youth Services Grant. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.
150	1540110060002SMS	1157	2/14/2006	NATIONAL JUNIOR HONOR SOCIETY	\$187.75	\$187.75	Membership Pins (25) - National Junior Honor Society Clutch Pins	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
151	1119010061001	1476	6/30/2004	NATIONAL SCHOOL PRODUCTS	\$1,806.42	\$1,806.42	Picture Phonics (k-1) Lab of 5 Let's Go Read! (Textbooks) Math Games (PreK-2) Graphic Org Wipe Off Report	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
152	2023120050000	1628	6/16/2005	NEW YORK MARRIOTT MARQUIS	\$1,520.00	\$1,520.00	June 16, 2005 ASCD Conference part of a Special Revenue Fund NCLB Title I Grant			✓	The supporting PO and Vendor Invoice are not on file. Accordingly, the operational or educational justification for the expenditure cannot be established.
153	20231C20050000	1628	6/16/2005	NEW YORK MARRIOTT MARQUIS	\$527.34	\$527.34	June 16, 2005 ASCD Conference part of a Special Revenue Fund NCLB Title I Grant			✓	The supporting PO and Vendor Invoice are not on file. Accordingly, the operational or educational justification for the expenditure cannot be established.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
154	20272C20058000	1734	6/30/2005	NICOLOSI, MARGARET	\$776.07	\$776.07	Expense reimbursement of Employee MN, Superintendent - for the Supervision and Curriculum Development (ASCD) Conference in New York City June 27-30, 2005 [Part of the NCLB Title II Grant]  Expense reimbursement of the Superintendent - parking, mileage, and phone.	✓			According to District Management, the meeting attended by the Superintendent was for the Association for Supervision and Curriculum Development (ASCD) Conference in New York and expenses were covered as part of the Title II Grant. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.
155	20272P20050000	1558	6/30/2004	NJSC	\$150.00	\$150.00	Registration for 2 members of the High School teaching staff who attended the New Jersey Science Convention on October 12 & 13, 2004 at the Garden State Exhibit Center [Part of the NCLB Title II Grant].	✓			According to District Management, the meeting attended by the 2 science teachers was for the New Jersey Science Convention Conference in New York and expenses were covered as part of the Title II Grant. Based on the supporting documentation on file, as well as the foregoing explanation, the transaction appears to be education-related.
156	20223B20020001	0005	7/28/2004	NJSHBP	\$ 69,302.93	\$ 69,302.93	July 2004 prescription health benefits premium	✓			Based on the supporting documentation on file, the transaction appears to be related to the day-to-day operations of a school district.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments	
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
157	2023220020003	0005	7/28/2004	NJSHBP	\$148.60	\$148.60	July 2004 prescription health benefits premium	✓			Based on the supporting documentation on file, the transaction appears to be related to the day-to-day operations of a school district.	
158	1540210080003ATH	0066	7/1/2005	NJSIAA	\$850.00	\$850.00	New Jersey State Interscholastic Athletic Association [Robbinsville, NJ] 2005-06 Annual Dues. These fees are mandatory for school district members [for their students to be able to continue participating in the competitions organized by the Association].			✓	Mandatory fees for Salem City School District as per athletic regulations of the State of New Jersey. Based on the foregoing explanation and the available supporting documentation, the transaction appears to be education-related. The supporting Vendor Invoice, however, is not on file.	
159	1519010061002SMS	1523	5/8/2006	NOVEL UNITS	\$77.51	\$77.51	General Supplies - "Pictures of Hollis Woods" is a paperback book that is being used in the curriculum, 8 copies of the same were purchased. (Teacher Guide, Student Packet, Paperbacks)	✓			Based on the supporting documentation on file, the transaction appears to be education-related as the items are paperback books for the students.	

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
160	1100029129000BUS	1691	6/21/2006	PARSLEY, JOHN	\$350.00	\$350.00	The custodial clothing allowance is in accordance with the recipient's employment terms. The amount [\$350 yearly] is intended to cover the employees' cost for cleaning and maintaining their uniforms.	✓			The custodial clothing allowance is in accordance with the terms of the recipient's employment terms. \$350 a year is paid out the employee for cleaning and maintenance of there uniform. Based on the supporting documentation on file, as well as the foregoing explanation, the expenditure appears to be related to the day-to-day operations of a school district and is deemed reasonable.
161	1100029129000	0052	7/1/2004	PARSLEY, JOHN	\$350.00	\$350.00	Custodial Clothing (Allowance for 2004-05): According to Payment records and the supporting Voucher Declaration Form, the same was certified as "received" by the Claimant on 7/13/2004.	✓			The custodial clothing allowance is in accordance with the terms of the recipient's employment terms. \$350 a year is paid out the employee for cleaning and maintenance of there uniform. Based on the supporting documentation on file, as well as the foregoing explanation, the expenditure appears to be related to the day-to-day operations of a school district and is deemed reasonable.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments	
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
162	1100029129000BUS	0099	7/14/2005	PARSLEY, JOHN	\$350.00	\$350.00	Custodial Clothing (Allowance for 2004-05) According to Payment record and Voucher Declaration Form indicated claimant's certification and declaration was issued on 7/14/2004.	✓			The custodial clothing allowance is in accordance with the terms of the recipient's employment terms. \$350 a year is paid out the employee for cleaning and maintenance of there uniform. Based on the supporting documentation on file, as well as the foregoing explanation, the expenditure appears to be related to the day-to-day operations of a school district and is deemed reasonable.	
163	1121310061003	1566	6/30/2004	PCI EDUC. PUBL. LIFE SKILLS	\$317.79	\$317.79	Various Textbooks - Reading Comprehension Binder 1-2, Ready, Set, English. Activities Make Math Fun, Teaching Math to LD, Study Skills I-II, Spelling Smart. These books were purchased towards the end of the current school year to ensure that the books will be received just prior to the opening of the next school year [and were actually received by the High School on August 13, 2004].	✓			Based on the supporting documentation on file, the transaction appears to be education-related. These books were purchased towards the end of the school year and the actual books were shipped to Salem High School on August 13, 2004.	

**Appendix C**  
Salem City  
Statistical Sample Analysis

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
164	1100029129000BUS	1470	4/25/2006	PENN MUTUAL LIFE INSURANCE	\$2,500.00	\$2,500.00	Life Insurance Policy for Superintendent - Product P Cornerstone - VUL III. This benefit is for the account of the District as per terms of employment. The premium for 12 months is \$2500 and the base specified amount is \$50,000.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
165	1119010061003	1540	6/9/2005	PERMA-BOUND	\$2,607.30	\$2,607.30	Summer Reading Program - purchased on June 21, 2005 175 copies of Catherine, Called Birdy 125 copies of Girl with a Pearl Earring 30 copies of Ivanhoe	✓			According to District Management, these were replacement books bought to address the normal increase in classroom population during the school year. Based on the foregoing explanation, as well as the supporting documentation on file, the transaction appears to be education-related.

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Salem City  
Statistical Sample Analysis

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
166	20231P200600P00	1527	6/30/2004	PITTSBORO TOWNSHIP BOE	\$1,342.09	\$3,631.80	Pittsgrove Township Board of Education 100 cartons of 8/12 x 11" white paper 20 lb 1 carton 8/12 x 11" white three hole paper 20 lb 2 carton 8/12 x 11" pink paper 1 carton 8/12 x 11" white parchment paper 4 dozen grading pens 12 packages of #2 Pencils (6 dozen per pack) 5 rolls of rainbow Kraft paper 25 cartons of Xerox 3.5 HD IBM Formatted Disks	✓			According to District Management, Pittsgrove is its largest vendor of photocopying paper and accounts for about 90% of the District's purchase of the same. Based on the foregoing explanation, as well as the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
167	20431F10080001	1402	5/6/2005	PLAYDROME	\$210.00	\$210.00	Family Friendly Center Trip to Playdrome Bowling Alley Bowling for 43 students (including shoes, and transportation) on Monday, 4/25/2005.		✓		Based on the supporting documentation on file, the transaction appears to be a discretionary expenditure.
168	20431F10080001	0751	12/22/2004	PLAYDROME	\$205.00	\$205.00	Family Friendly Center Trip - Bowling for 41 students (Including shoes and transportation) on Monday, 12/6/04.		✓		Based on the supporting documentation on file, the transaction appears to be a discretionary expenditure.
169	20431F10080001	0964	2/10/2005	PLAYDROME	\$215.00	\$215.00	Family Friendly Center Trip to Playdrome Bowling Alley Bowling for 43 students (including shoes, and transportation) on Monday, January 31, 2005.		✓		Based on the supporting documentation on file, the transaction appears to be a discretionary expenditure.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
170	2023810060000JFS	1499	5/8/2006	POSITIVE PROMOTION S	\$1,870.28	\$1,870.28	"Succeed Together" family packs, family banners, book bags, buttons, t-shirts [32 small], t-shirts [52 x-large]; water bottles; "I love to read" bracelets for the John Fenwick school funded by the Reading First grant.	✓			According to District Management, these were promotional items used by John Fenwick Elementary School which were funded by a Reading First Grant. The program is used to promote successful reading. Based on the foregoing explanation, as well as the available supporting documentation, the transaction appears to be education-related.
171	1519010061003SHS	0837	11/30/2005	PRENTICE-HALL INC.	\$115.96	\$115.96	La Catrina Workbook - 10 Pack (Spanish Workbooks) for Salem High School, Spanish class.	✓			According to District Management, these were replacement books bought to address the normal increase in classroom population during the school year. Based on the foregoing explanation, as well as the supporting documentation on file, the transaction appears to be education-related.
172	1519010064003CUR	0087	9/30/2005	PRENTICE-HALL INC.	\$1,471.65	\$1,471.65	Readers Companion - Grades 7-12 [20 copies for each grade level]; Adapted Reader's Companion - Grades 7-12 [20 copies for each grade level]; English Learner's Companion - Grades 7-12 [20 copies for each grade level]; - for a total of 160 copies	✓			According to District Management, these were replacement books bought to address the normal increase in classroom population during the school year. Based on the foregoing explanation, as well as the supporting documentation on file, the transaction appears to be education-related.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments	
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
173	1119010061003	1312	4/26/2005	PRESENTATI ON SYSTEMS	\$510.74	\$510.74	24-inch Dual Side Lamination (2)			✓	Based on the available supporting documentation, the expenditure appears to be related to the day-to-day operations of a school district. The operational relevance of the items bought cannot be established, however, based on the supports on file. (e.g. What is the lamination equipment being used for?)	
174	1519010034001JFS	0951	1/11/2006	PRESENTATI ON SYSTEMS	\$499.00	\$499.00	One-Year Maintenance Agreement for Pro Image 3000 which is a Poster Printer [Serial #92205436]. Standard Plus package as per contract. Extension of the maintenance agreement before 1/13/2006 entitles the District to an extra year at no cost which would cover them till 1/13/2008. Maintenance for 1 year is \$499.			✓	Based on the available supporting documentation, the expenditure appears to be related to the day-to-day operations of a school district. The operational relevance of the items bought cannot be established, however, based on the supports on file. [e.g. Why does the school need a poster printer?]	
175	1140210061003	1339	4/27/2005	PROMAXOMA , MFG., INC.	\$11,230.52	\$11,230.52	Weight Room Equipment: Adjustable Bench, Leg Press, Neck Machines, Dumbbells, Shoulder Press (price includes shipping & installation). The weight sets were purchased for the High School.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	

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Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments	
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
176	1500021360001JFS	1270	3/6/2006	RITE AID PHARMACY	\$854.94	\$854.94	Prescriptions to be filled from Rite-Aid Pharmacy - 3 Adult Epi-Pens Dual Pack; 3 Junior Epi-Pens Dual Pack.	✓			According to District Management, these prescription medications are kept on-site just in case there will be incidents of severe life-threatening allergies due to bee stings and other allergens. Based on the foregoing explanation, as well as the available supporting documentation, the expenditure appears to be related to the day-to-day operations of a school district.	
177	20238P20030001	1379	6/21/2004	ROWAN UNIVERSITY	\$2,800.00	\$2,800.00	Training of Early Childhood Supervisor in May 2004 at Rowan University. Session involves observation of teaching of writing in K-3 classrooms in the John Fenwick Elementary School (27 classrooms total). The \$2,800 cost covers observations covered by both consultants, travel, introductory meeting/consultation and a planning meeting conducted upon the completion of observations.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
178	1119010061002	1449	5/16/2005	S & S DISCOUNT SPORTS	\$923.14	\$923.14	Egg & Spoon Set; Hardwood Hockey Set; Hockey Puck; Potato Sacks; 12 pack award medals		✓		The educational relevance, as well as the beneficiaries/users of the items bought cannot be established based on the available supporting documentation. Accordingly, this transaction was deemed as a discretionary expenditure.
179	1519010061001JFS	0901	12/16/2005	S & S PRINTING COMPANY	\$195.00	\$195.00	50 Kindergarten Report Cards; 50 Grade 1 Report Cards; 50 Grade 2 Report Cards.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
180	1140210050003	1136	3/15/2005	SALEM CITY PUBLIC SCHOOLS	\$1,593.00	\$1,593.00	February 2005 Reimbursement: Officials, Security & Abbott Facility Rental; Expenses for Salem High School Athletic Department - Clinics, Dues, Dinners/Banquets, Entry Fees, Basketball Officials, Membership Fee, Miscellaneous, etc. Payee per PO is "Salem High School Athletic Account, Athletic Director".			✓	According to District Management, these represent athletic expenses which were disbursed directly from the Athletic Fund. Based on the foregoing explanation, as well as the available supporting documentation, the transaction appears to be education-related. The educational relevance, as well as the beneficiaries/users of the items bought cannot be established, however, based on the supports on file. The supporting Vendor Invoices are also not on file.
181	1540210080003ATH	1382	3/30/2006	SALEM CITY SCHOOL CAFETERIA	\$337.50	\$337.50	Food Service for Quad Scrimmage 3/25/2006 Breakfast for visiting Baseball Team		✓		Notwithstanding the supporting documentation on file, due to the "staff morale" nature of the expenditure, it was considered as a discretionary transaction.

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Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
182	1100026261000OPR	0851	11/30/2005	SALEM CITY SCHOOL CAFETERIA	\$69.75	\$69.75	15 Continental Breakfasts at \$4.65 each - for Salem County Facilities Group Meetings		✓		Notwithstanding the supporting documentation on file, due to the "staff morale" nature of the expenditure, it was considered as a discretionary transaction.
183	1540210080003ATH	0783	11/22/2005	SALEM CITY SCHOOL CAFETERIA	\$134.48	\$134.48	Coaches Meeting Food Services - Cone Cups (25) at \$2.46 each Sandwich Setup (4) at \$ 5.75 each		✓		Notwithstanding the supporting documentation on file, due to the "staff morale" nature of the expenditure, it was considered as a discretionary transaction.
184	20431FP	1534	6/30/2004	SALEM CITY SCHOOL CAFETERIA	\$400.00	\$400.00	Family Friendly Center End-of-the-Year Picnic for Students, Parents and Staff on Friday, June 11, 2004. 160 box lunches at \$2.50 each. ATTENDEE LIST PENDING	✓			According to District Management, the Family Friendly Center is based on the grant from the NJ Department of Human and Social Services. Based on the foregoing explanation, as well as the supporting documentation on file, the transaction appears to be education-related.
185	111901008900115	0645	11/23/2004	SALEM CITY SCHOOL CAFETERIA	\$14.10	\$263.75	Firecrackers Ice Cream, Apples & Dip for the Back-to-School Night Attendance Reward and Fall Festival.	✓			According to District Management, the refreshments serve as reasonable incentive for students that achieve awards and exert effort to attend school regularly. Based on the foregoing explanation, as well as the supporting documentation on file, the transaction appears to be education-related.

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Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
186	2022310061000JFS	1715	6/27/2006	SALEM CITY SCHOOL CAFETERIA	\$1,011.30	\$1,011.30	5/12/2006 - Preschool Moms & Muffins 5/12/2006 - Preschool CA Council Meeting 5/16/2006 - Preschool Family Fun Night 5/18/2006 - 2nd Grade Field Trip 5/24/2006 - School Leadership Council Meeting 6/5/2006 - Field Trip 6/8/2006 - Preschool Advisory Council Meeting 6/8/2006 - Picnic	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
187	2022310061000JFS	0734	11/16/2005	SALEM CITY SCHOOL CAFETERIA	\$684.00	\$684.00	Preschool First Day of School Holiday on 9/7/2005 Open House Refreshments on 9/20/2005 Routines & Procedures Committee Meeting - Breakfast & Lunch on 9/29/2005 - School Leadership Council Meeting on 9/29/2005	✓			Based on the supporting documentation on file, the transaction appears to be education-related. The expense was incurred but was, however, reclassified into a different appropriation code.
188	2043420080000SPP	0927	12/30/2005	SALEM CITY SCHOOL CAFETERIA	\$225.00	\$225.00	Food Service Refreshments - Violence Prevention Week Assemblies, Apple Cider & Spice Wafers			✓	Based on the available supporting documentation, the transaction appears to be education-related. The supporting Vendor Invoice and the List of Attendees, however, are not on file.

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Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
189	1519010061001JFS	1409	3/30/2006	SALEM CITY SCHOOL CAFETERIA	\$184.50	\$184.50	Breakfast buffet for 25 - Ministerium Breakfasts on 3/21/06 Food for 12 during the Student Learning Center Meeting on 3/29/06 - Assorted Sandwiches, Macaroni Salad, Chips, Drinks & Desserts			✓	Based on the available supporting documentation, the transaction appears to be education-related. The educational relevance, as well as the beneficiaries/users of the items bought cannot be established, however, based on the supports on file.
190	1519010061001JFS	1537	5/9/2006	SALEM CITY SCHOOL CAFETERIA	\$300.00	\$300.00	50 Children at \$2.50/child 50 Adults at \$3.50/person Vegetable, Fruit Cheese, Cookie Trays, Chip, Pretzels & Drinks	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
191	20223A10080001	1549	5/31/2005	SALEM CITY SCHOOL CAFETERIA	\$575.00	\$667.25	100 Light Dinners consisting of Chicken Wings, Chicken Fingers, Macaroni Salad, 2 Trays of Vegetables & Dip, Chips, Cookies & Drinks for Parent Workshop on 5/17/05; 45 Bag Lunches for Aides & Parents at Ag Day on 5/13/05	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
192	2043420080000SPP	0987	1/18/2006	SALEM CITY SCHOOL CAFETERIA	\$856.62	\$856.62	50 - Iced Tea, Apple Cider & Cookies at \$1.50 each Snack Foods for School Base Apple Cider and Spice Wafers			✓	Based on the available supporting documentation, the educational relevance, as well as the beneficiaries/users of the items bought cannot be determined.

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193	1519010034002CUR	0179	8/1/2005	SALEM CO. BD. FOR VOC. ED.	\$24,055.50	\$24,055.50	2005-06 Consolidated Services from Salem County Vocational Technical Schools List of Cost & Supplies broken down separately Audio/Visual Aides - \$4,732 Educational Technology Training Center fees - \$1,000 SCHOOLS/Science Kits - \$10, 216 County Hub - \$7,607.50 Schools to Careers - \$500	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
194	1119010061001	0073	7/15/2004	SALEM COUNTY AVA COMMISSION	\$79.90	\$79.90	(1) Solid & Liquids Science Manual - 1st Grade (1) Chemical Tests Science Manual - 3rd Grade			✓	Based on the supporting documentation on file, the transaction appears to be education-related. The supporting Vendor Invoice, however, is not on file.
195	11000P	1526	6/30/2004	SALEM COUNTY TREAS. OFFICE	\$3,226.55	\$3,226.55	NOT DETERMINABLE BASED ON THE AVAILABLE DOCUMENTATION			✓	The supporting PO and Vendor Invoice are not on file. Accordingly, the operational or educational justification for the expenditure cannot be established.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
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196	1140210033003	1664	6/27/2005	SALEM HIGH SCHOOL	\$1,500.00	\$1,500.00	High School Athletic Department - Summer Assignors Fee			✓	According to District Management, different sporting events require professional officials who must be compensated. Based on foregoing explanation and the available supporting documentation, the expenditure appears to be education-related. The supporting Vendor Invoices, however, are not on file.
197	1140210033003	0905	1/31/2005	SALEM HIGH SCHOOL ATHLETIC DEP	\$1,440.70	\$1,440.70	December 2004 reimbursement for the expenses of the High School Athletic Department - Clinics, Dues, Dinners/Banquets, Entry Fees, Basketball Officials, Membership Fee, Miscellaneous, Police, etc.	✓			According to District Management, the Athletic Department has an account with Metz & Associates (official District food service provider) for luncheons/banquets that are attended by students. Based on foregoing explanation and the available supporting documentation, the expenditure appears to be education-related.

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Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
198	1540210050003ATH	0961	1/11/2006	SALEM HIGH SCHOOL ATHLETIC DEP	\$4,307.45	\$4,307.45	High School Athletic Department - November/December Expenses -Clinics, Dues, Entry Fee, Facility Rental, Hockey Officials, Football Officials, Luncheon/Banquets, Misc., Police, Boy's, Girl's Soccer Officials, etc.	✓			According to District Management, the Athletic Department has an account with Metz & Associates (official District food service provider) for luncheons/banquets that are attended by students. Based on foregoing explanation and the available supporting documentation, the expenditure appears to be education-related.
199	1100026261000OPR	0374	8/30/2005	SANITARY SUPPLY SPECIALITIES	\$693.00	\$693.00	20 Cotton Air Freshener refills	✓			According to the Operations Director, it is reasonable for the District to consume a great deal of air fresheners. John Fenwick Elementary School substantially accounts for the majority of air freshener consumption due to the fact that there is a bathroom in each classroom and there are kids who suffer from enuresis (which requires that air fresheners be programmed to dispense continuously). Based on the foregoing explanation, as well as the supporting documentation on file, the transaction appears to be related to the day-to-day operations of a school district.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
200	6091031060000	0319	8/18/2005	SAULS LAWNMOWER CENTER	\$85.90	\$85.90	Replacement parts and labor for weed wacker used by the maintenance crew for school facilities	✓			According to District Management, a new weed wacker will cost around \$140 to \$200 from Home Depot or Target. The cost of repair and labor is justified due to the weed wacker being industrial in nature and used for for the District's multi-acre property. Based on the foregoing explanation, as well as the supporting documentation on file, the transaction appears to be related to the day-to-day operations of a school district.
201	1100026161000	1551	6/30/2004	SAULS LAWNMOWER CENTER	\$126.00	\$126.00	Replacement parts and labor (Carb Gasket kit, primer line, and a coil) for lawnmowers used by the maintenance crew for school facilities	✓			According to District Management, lawnmowers will cost between \$1,500 to \$2,000 at Home Depot or Target. The cost of repairs and labor is justified due to the lawnmower being industrial in nature and used for the multi-acre property of the District. Based on the foregoing explanation, as well as the supporting documentation on file, it appears that the transaction is related to the day-to-day operations of a school district.
202	1119010061003	0256	8/4/2005	SAX ARTS AND CRAFTS	\$382.06	\$382.06	Various supplies for the High School's Academics Department, including color pencils, markers, paint, spray paint, and glitter	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments	
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
203	1119010061003	0260	8/4/2005	SAX ARTS AND CRAFTS	\$214.22	\$3,352.00	Various art supplies for the Fine Arts Department - brush, crayons, bisque plates, pencils, paper, etc.	✓			Based on the supporting documentation on file, the transaction appears to be education-related. The quantity of items bought also seems reasonable (a total of 18 different items were bought for fine arts course students).	
204	1100026161000	1076	1/31/2005	SAX ARTS AND CRAFTS	\$145.23	\$145.23	Various supplies for John Fenwick Elementary School Academics Department, including the art book "World's Greatest Artists", molding clay, and fish print models	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
205	2023820058000JFS	0802	11/28/2005	SCHOLASTIC, INC.	\$2,506.86	\$2,506.86	General Supplies for Literacy Instruction Comprised of 28 titles for K-1 to Grade 5	✓			According to District Management, the books purchased cover several titles – Historical Biography, Nonfiction Biography, Humor, Thrillers, Magic Tree House, Judy Blume, Scooby Doo Mysteries, etc. For certain titles, 4 copies were bought. Based on the foregoing explanation, as well as the supporting documentation on file, the transaction appears to be education-related.	
206	1119010061002	0349	9/24/2004	SCHOOL MART	\$98.80	\$98.80	Various supplies for the High School Academics Department including 30 Sharp Basic 8-Function Calculators	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	

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207	1119010061002	0527	11/2/2004	SCHOOL NURSE SUPPLY CO.	\$153.28	\$153.28	Various supplies for the Nurses' Office at the John Fenwick School - Latex Power Fee latex gloves and alcohol-free wipes	✓			According to District Management, these represents various nurse supplies for John Fenwick Elementary School which were allocated to various appropriation codes. Based on the foregoing explanation, as well as the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
208	1119010061003	1051	1/27/2006	SCHOOL NURSE SUPPLY CO.	\$423.35	\$423.35	Various supplies for the Nurses' Office at the John Fenwick Elementary School - Angel Care Wipes, Anbesol, Kotex Belt less Pads, Heavy Duty Wipes, Medical Sports Medic Kit, Bleach Wipe Surface Cleaner	✓			According to District Management, these represents various nurse supplies for John Fenwick Elementary School which were allocated to various appropriation codes. Based on the foregoing explanation, as well as the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.

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 Statistical Sample Analysis

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
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209	20431F10080001	1260	3/31/2005	SCHOOL NURSE SUPPLY CO.	\$146.80	\$146.80	Various supplies for the Nurses' Office at the John Fenwick Elementary School - Latex Power Free latex gloves and alcohol-free wipes	✓			According to District Management, these represents various nurse supplies for John Fenwick Elementary School which were allocated to various appropriation codes. Based on the foregoing explanation, as well as the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
210	1100026261000OPR	1315	4/26/2005	SCHOOL NURSE SUPPLY CO.	\$90.75	\$90.75	Supplies for the Nurses' Office at the John Fenwick Elementary School - 55 Bleach Clean-up Kits	✓			According to District Management, these represents various nurse supplies for John Fenwick Elementary School which were allocated to various appropriation codes. Based on the foregoing explanation, as well as the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.

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211	1100026261000OPR	0069	7/1/2005	SCHOOL SPECIALTY	\$1,174.08	\$17,716.35	General Supply Order - for the John Fenwick Elementary School: Pens, Highlighters, Glue sticks, Crayons, Hanging Folders, Report Card Envelopes, Stencils, Pencil Sharpeners. Most of the items purchased [about 400] are only in quantities of 1 or 2. The few items purchased in large quantities are: 30 Elmer's glue sticks at \$0.78/stick; 50 boxes of crayons at \$0.53/box.			✓	Based on the supporting documentation on file, the transaction appears to be education-related. There is , however, no evidence on file that competing quotes were obtained for this transaction.
212	1519010061002SMS	0069	7/1/2005	SCHOOL SPECIALTY	\$17,716.35	\$17,716.35	General Supply Order - for the John Fenwick Elementary School: Pens, Highlighters, Glue sticks, Crayons, Hanging Folders, Report Card Envelopes, Stencils, Pencil Sharpeners. Most of the items purchased [about 400] are only in quantities of 1 or 2. The few items purchased in large quantities are: 30 Elmer's glue sticks at \$0.78/stick; 50 boxes of crayons at \$0.53/box.			✓	Based on the supporting documentation on file, the transaction appears to be education-related. There is , however, no evidence on file that competing quotes were obtained for this transaction.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
213	1130110061003	0187	8/16/2004	SCHOOL SPECIALTY	\$0.00	\$5,628.18	Various School Supplies - 15 person rhythm set, white dolls, African American dolls, play food, cookware, dish set, cooking fun interactive. Letter size clipboards.			✓	Based on the available supporting documentation, the transaction appears to be education-related. The educational relevance [specially the dolls], as well as the beneficiaries/users of the items bought cannot be established, however, based on the supports on file. The Vendor Invoice is also not on file. The purchase was completed but no appropriation code allocation was made.
214	1121510061001	0187	8/16/2004	SCHOOL SPECIALTY	\$798.00	\$5,628.18	Various School Supplies - 15 person rhythm set, white dolls, African American dolls, play food, cookware, dish set, cooking fun interactive. Letter size clipboards.			✓	Based on the available supporting documentation, the transaction appears to be education-related. The educational relevance [specially the dolls], as well as the beneficiaries/users of the items bought cannot be established, however, based on the supports on file. The purchase was completed but no appropriation code allocation was made.
215	1500021360001JFS	0188	8/16/2004	SCHOOL SPECIALTY	\$6,737.70	\$6,737.70	Various School Supplies: Jumbo Clay cutters, Junior Rolling Pins, Assorted Stem Pipe Cleaners, Bright Pompoms, Colored Rice, Alphabet Bingo	✓			Based on the supporting documentation on file, the transaction appears to be education-related. The purchase was made but no allocation was made to the appropriation code.

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Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments	
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
216	1100021361001	0397	9/29/2004	SCHOOL SPECIALTY	\$145.90	\$145.90	Various School Supplies; Expo Eraser, Expo Colors, Magnetic Letters, Index cards., Post-It Aquatic, Fun Phonics	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
217	111901006100115	0401	9/29/2004	SCHOOL SPECIALTY	\$248.60	\$248.60	Various School Supplies; Good Work Star Erasers, Expo Cleaner, Staple Remover, Magnet Man, Crayola Dough, Ring Binder Pouch, Bic White Out, Guided Reading Beach ball, Math Award	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
218	20223A10061001	0402	9/29/2004	SCHOOL SPECIALTY	\$1,062.95	\$1,062.95	Various School Supplies: Classroom Select Tape, Tape Dispenser, Clear Packaging Tape, Masking Tape, Double Sided Tape, Paper Clips, Easel on Wheels, Write on wipe off clocks	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
219	111901006100115	0507	9/29/2005	SCHOOL SPECIALTY	\$180.39	\$299.46	Various school supplies [State Contract #T-0114/ A86118] - magnetic marker board, scissors & rack, crayons shape pocket chart, mix & match alphabet, Judy Discovery digital clock, Crayola school glue, etc.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	

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Statistical Sample Analysis

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
220	1500021360001JFS	0507	9/29/2005	SCHOOL SPECIALTY	\$180.39	\$299.46	Various school supplies [State Contract #T-0114/A86118] - magnetic marker board, scissors & rack, crayons shape pocket chart, mix & match alphabet, Judy Discovery digital clock, Crayola school glue, etc.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
221	1120410061001	0899	1/31/2005	SCHOOL SPECIALTY	\$247.71	\$247.71	Various School Supplies: 2" white vinyl binders, clipboards, pop-up notes dispenser, yellow post it notes, flourescent highlighters	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
222	1123010061002	1031	2/8/2005	SCHOOL SPECIALTY	\$1,989.06	\$1,989.06	Various Supplies: Coat Rack, Hanging Folders, Clock, Calculators, (A-Z) Tab Indexes, Desk Tray, Metal Letter Rack, Book Ends, Language Reference Set.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

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Statistical Sample Analysis

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
223	1119010061002	1050	1/27/2006	SCHOOL SPECIALTY	\$184.60	\$2,363.46	Various Supplies: Mini Chest 4-Drawer Unit, Electronic Pencil Sharpener, Indoor/Outdoor Horseshoes, Double Pedestal Desk, 18 inch stools, 3-Drawer File Cabinet for nurse's office at John Fenwick School.	✓			According to District Management, in accordance with State policy, since the individual cost of these items are all below \$2,000, they are not capitalizable, and were accordingly charged to Fund 15 and Object Code 610. Inasmuch as there is no separate line item for Furniture within the aforementioned Fund and Object Code, the items were treated as General Supplies. Based on the foregoing explanation, as well as the supporting documentation on file, the transaction appears to be related to the day-to-day operations of a school district.
224	20431F10061001	1065	1/31/2005	SCHOOL SPECIALTY	\$933.57	\$933.57	Various Supplies: Pocket Chart, Schedule Chart, Alpha Bean Bag, Reading Puzzles, Number Cutters, Alphabet Cutters, Super Dough Red, Social Studies File Folder Game	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

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Statistical Sample Analysis

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
225	1123010061002	1090	1/31/2005	SCHOOL SPECIALTY	\$1,276.52	\$1,276.52	Books and Various School Supplies: Dry Erase Markers, Staples, Sharpener, Sticky Clips, Paper, Index Cards, etc.	✓			According to District Management, the books consisted of the Trophy Chapter Book Collection ("Ballad of the Civil War", "Donavan's Word Jar", "Dolphin Named Bob", "One Day in the Prairie", etc.) which were bought for the Salem Middle School. Based on the foregoing explanation, as well as the supporting documentation on file, the transaction appears to be education-related.
226	1119010061002	1092	1/31/2005	SCHOOL SPECIALTY	\$313.25	\$313.25	Various School Supplies: Phonics Kit, Phonics Rules, High Interest Reading, Write a Super Sentence, Literacy Centers Pocket Chart	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
227	1119010061001	1206	3/30/2005	SCHOOL SPECIALTY	\$908.90	\$908.90	Various Supplies: Kidney Adjustable Table, Chairs, Sentence Strips Storage Box, Language Arts, Writing Skills Chart, Post it self stick paper, skill booster series	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
228	2043420060003	1341	6/14/2004	SCHOOL SPECIALTY	\$34,177.00	\$34,177.00	Replacement of Chalk Boards in the Middle School	✓			According to District Management, this is covered by a State Contract and is, therefore, exempt from competitive bidding procedures. Based on the foregoing explanation, as well as the supporting documentation on file, the transaction appears to be related to the day-to-day operations of a school district.
229	1100026161000	1389	5/5/2005	SCHOOL SPECIALTY	\$7,512.30	\$7,512.30	Entry Desk used for storing files, with Book Baskets, Chrome Frame, Letter File with Lock, Welded Bookcase, Pocket Chart Plus, Dictionaries.	✓			According to District Management, the purchase quantity is not excessive because many other items were purchased from the same Vendor under this PO. Based on the foregoing explanation, as well as the supporting documentation on file, the transaction appears to be education-related.
230	1100026161000	1390	5/5/2005	SCHOOL SPECIALTY	\$6,331.65	\$6,331.65	Various Supplies: 3 Shelf Bookcase, Right Pedestal Desk w/ Bookcase, Ocean Life Floor Puzzle, Playing Cards, Fractions Pizza Party Game, Flash Cards, Activity Table. Multiple items purchased under state contract in addition to supplies.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments	
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
231	1100026161000	1421	6/30/2004	SCHOOL SPECIALTY	\$7,981.60	\$9,666.40	Various School Supplies: Student Desks, Folder & Tray, Activity Table 60 inches, Trapezoid Table, Book Browser Cart, etc.			✓	Based on the supporting documentation on file, the transaction appears to be related to the day-to-day operations of a school district. The operational relevance of the expenditures cannot be established, however, based on the supports on file. (e.g. Who will be the beneficiaries/users of these items?).	
232	1100026262000OPR	1462	4/25/2006	SCHOOL SPECIALTY	\$821.46	\$1,189.62	Various School Supplies: Skip A Line Tablet, Manila Paper, Graph Paper, Red/Blue Storybook Paper, etc.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
233	1121310061003	1475	5/17/2005	SCHOOL SPECIALTY	\$7.50	\$7.50	Various School Supplies: Activity Table, Pencil Sharpener, Navy Blue, 2-Shelf Bookcase, Basic Skills reading puzzles, Alphabet Dice, Dry Erase Markers, Overhead Table	✓			Based on the supporting documentation on file, the transaction appears to be education-related. The purchase was completed but the district did not allocate it to the appropriation code.	
234	1519010061002SMS	1477	6/30/2004	SCHOOL SPECIALTY	\$15,459.41	\$15,459.41	Various school supplies - Pocket poly folders, human torso model, paint pens, cubby set, glue stick crayon, file folders, wall chart, mini clock, electric sharpener, crayons, markers, etc.			✓	Based on the available supporting documentation, the transaction appears to be education-related. The supporting PO, however, is not on file.	

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
235	20238SP	1482	5/18/2005	SCHOOL SPECIALTY	\$8,566.80	\$8,566.80	Storage Cabinet - Mobile. Adjustable Shelves, 3 Point Locking System, Putty, Height Includes Casters.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not essential to the day-to-day operations of a school district.
236	2022320032100JFS	1518	6/30/2004	SCHOOL SPECIALTY	\$141.80	\$141.80	Various School Supplies: Three Bear Family Pattern & Play Set, Math Safari, Headphones for Math Safari. Addition Fun K-2, Subtraction Fun 1-2. Skills for Success - Teach & Test Grades 1-3.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
237	2023120050000SPP	1532	6/30/2004	SCHOOL SPECIALTY	\$9,314.16	\$9,046.93	Various school supplies - bean bags, pens, Post-it, pop-up notes, wall calendar, envelopes, frames, by-pass trimmers, markers, laser paper, electric pencil sharpener, comprehension book, solar calculator, stopwatch,	✓			According to District Management, the Federal Grant allows for the bean bags to be purchased for the purpose of improving the hand-eye coordination of students at John Fenwick Elementary School. Based on the foregoing explanation and the supporting documentation on file, the transaction appears to be education-related.
238	20223A10061001	1535	6/30/2004	SCHOOL SPECIALTY	\$674.96	\$674.96	Various School Supplies: Tic Tac Toe, Checkers, Bingo, Dominos, Electric Battleship, Barrel of Monkeys, Candy Land, Go Fish Cards that are used to better educate and fine students memory, motor and sensory areas.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

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Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
239	1121310061003	1559	5/31/2005	SCHOOL SPECIALTY	\$836.04	\$836.04	Special Education supplies for the High School - electric sharpener, pencil, thesaurus, color sampler, picture frame, mask-making kit, US history map set, etc.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
240	1100026261000	1573	6/9/2005	SCHOOL SPECIALTY	\$562.68	\$562.68	Various Supplies: Dry Erase Boards, Pattern Blocks, Geometric Forms, Math Resource Library, Probability Kit, Basic Math Skills.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
241	2022320059000JFS	6008	10/31/2005	SCHOOL SPECIALTY	\$4,328.92	\$4,328.92	Mobile Table with Bench Unit [powder-coated frame] for the Middle School	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
242	1519010061002SMS	1204	3/30/2005	SCHOOL TOOLS COMPANY	\$678.86	\$678.86	Various supplies for the High School Academics Department including Reading 2 & 3 Books, CD, CD Player, Reading Comp Board Games, 2 & 3 Level Math Drills, and Creative Writing Book.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
243	1119010061001	0190	8/16/2004	SCOTT FORESMAN	\$1,992.25	\$2,000.38	PreK Math Curriculum Package for John Fenwick Elementary School	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments	
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
244	1119010061002	0641	11/23/2004	SCOTT FORESMAN	\$317.24	\$317.24	New Jersey State Specific Package For Grade Six Teacher Curriculum	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
245	20223A10061001	1094	1/31/2005	SCOTT FORESMAN	\$12,600.00	\$12,600.00	Early Reading Intervention 10 Units - Special Education Curriculum Package for John Fenwick Elementary School. This is for 1 class in the School.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
246	10103B	1486	5/18/2005	SCOTT FORESMAN	\$9,753.22	\$9,729.83	120 copies Practice Workbooks; 125 copies Spelling Workbooks; 120 copies Grammar Books; 10 copies Reading Books; 3 CDs Grade 6; 9 CDs Grade 4; 40 copies Phonics Workbooks - Grade 4; 75 copies Grammar Workbooks - Grade 4; 80 copies Spelling Books; 80 copies Practice Workbooks, etc. for the John Fenwick school.			✓	Based on the available supporting documentation, the transaction appears to be education-related. The timing of the purchase, however, appears to be unusual [i.e. bought towards the end of the School Year]. The supporting Vendor Invoice is also not on file.	
247	1119010061002	1046	2/28/2005	SERV-U-ELECTRIC CO.	\$209.40	\$209.40	Various electrical supplies for facilities maintenance in the Salem High School.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.	

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248	1530110050003SHS	1683	6/30/2005	SERV-U-ELECTRIC CO.	\$33.97	\$33.97	8" x 8" x 12" through w/ends			✓	Based on the available supporting documentation, the expenditure appears to be related to the day-to-day operations of a school district. The supporting Vendor Invoice, however, is not on file.
249	1119010061001	0224	8/16/2004	SHERWIN WILLIAMS CO	\$534.78	\$534.78	Paint supplies for facilities maintenance in the High School.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
250	1100026262001	0691	10/28/2005	SHIRLEY OFFICE SUPPLIES	\$2,396.36	\$2,396.36	Various supplies for the High School Science Academics Department including two 72"x48" Marker Boards and a 66" All Purpose Cabinet.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
251	1119010061001	1479	5/18/2005	SHIRLEY OFFICE SUPPLIES	\$2,277.94	\$2,277.94	Various supplies for the High School - including Fax machine, toner cartridge, paper shredder, digital camera. According to District Management, these were purchased through the School-Based Youth Services Grant.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.

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252	2022320060000JFS	1480	5/18/2005	SHIRLEY OFFICE SUPPLIES	\$3,539.50	\$3,539.50	Various supplies for the High School including panels, Hanging Shelves, Chairs, Folding Tables, etc.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
253	1519010061001JFS	1625	6/15/2005	SHIRLEY OFFICE SUPPLIES	\$977.54	\$1,059.37	Industrial lantern; electric hole punch; tissues; toner; drum, etc.			✓	Based on the available supporting documentation, the expenditure appears to be related to the day-to-day operations of a school district. The supporting Vendor Invoice, however, is not on file.
254	1119010064002	1551	5/31/2005	SKATE 2000	\$175.00	\$175.00	Field Trip/ After School Program Family Friendly Center - One Hour Ice Skating + Rentals		✓		Based on the supporting documentation on file, the transaction appears to be in the nature of a discretionary expenditure.
255	1519010061001JFS	0660	11/30/2004	SKILL PATH SEMINARS	\$398.00	\$398.00	Registration for Curriculum Improvement for SC and LD for the Coaching and Teambuilding Skills/Supervisors Seminar on 12/7/2004 at King of Prussia, PA. The amount consists solely of registration fees and is normally incurred to address the training and professional development needs of teachers in the District.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

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Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
256	1100026261000	1187	3/21/2005	SMICK LUMBER	\$1,042.27	\$1,042.27	Facility supplies for the High School's maintenance including drill bits, door stops, molding, trim, sheet rock, etc.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
257	20223A20059001	1703	6/30/2005	SMICK LUMBER	\$2,908.96	\$2,908.96	Construction materials as per materials estimate #22948 for the renovation to room B-18 in the Middle School.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
258	1523010061001JFS	0522	11/2/2004	SOPRIS WEST, INC.	\$770.00	\$770.00	Various supplies for the Salem High School academics department including kindergarten, 1st, 2nd, 3rd grade scoring booklets and benchmark student.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
259	1123010061002	0828	1/12/2005	SOUTH JERSEY FARMERS EXCHANGE	\$2,544.00	\$2,544.00	Facility supplies for the Salem High School maintenance including 96 bags of Magnesium Chloride, a type of salt commonly used as an anti-icer.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
260	1119010061002	0292	11/30/2004	SOUTH JERSEY GAS COMPANY	\$9,639.56	\$9,639.56	Gas bill for the entire District - they have considered a budget plan for gas expenses. According to the School Business Administrator, the District purchases gas from a consortium.			✓	Based on the available supporting documentation, the expenditure appears to be related to the day-to-day operations of a school district. The supporting PO, however, is not on file.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
261	1100026261000	1350	6/17/2004	SPORTIME ELEMENTARY	\$499.37	\$499.37	Various supplies for John Fenwick Elementary School including Aerobics video, Line Dancing Video and CD, Air Adapter, Poly Bones, Good Health Poster, Timer, pop up target, swing a hoop, fun ride, ultra foam ball. Ties into the Physical Education curriculum.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
262	2023820058000JFS	0778	11/22/2005	SUBURBAN PROPANE	\$6,608.57	\$6,608.57	Gas bill for the entire District - SY 2005-06. According to the School Business Administrator, the District purchases gas from a consortium.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
263	1121310064003	0126	7/20/2005	SUZANNE R. FOX	\$1,240.44	\$859.38	2005-06 Administrative office petty cash with receipts (travel, lunch meetings, etc)			✓	Based on the available supporting documentation, the transaction appears to be related to the day-to-day operations of a school district. The operational relevance of the expenditures cannot be established, however, based on the supports on file.
264	20223A20059001	1510	5/8/2006	TEACHERS COLLEGE PRESS	\$86.21	\$86.21	1 Early Childhood Environment Rating Scale [ECERS] Revised Edition; 1 ECERS Video Observations Revised Edition; 1 ECERS Video Guide & Training Workbook	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

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265	1123010061001	0888	1/31/2005	TEACHER'S DISCOVERY	\$4,071.65	\$4,071.65	Various paperback books for the Middle School [110 pcs/title] - "Pigman"; "Where the Red Fern Grows"; "Island of Blue Dolphin"; "Cay"; "Giver"; "Nothing but the Truth"	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
266	20272C20050000	1367	5/3/2005	TEACHER'S DISCOVERY	\$143.37	\$143.37	Various books for the High School [1 pc/title] - "Events in American History"; "Internet Assignment Book"; "Applying the Bill of Rights"; "Challenging Projects"; "Tips for Social Studies Teachers"; "Social Studies Journals"	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
267	2023810060000JFS	0827	11/30/2005	TEACHER'S MEDIA COMPANY	\$268.58	\$268.58	Various references for the Middle School [1 pc/title] - "World War I Value Pack"; "Motion, Forces, Energy & Electricity"; "Rules of Motion and Forces" DVD; "Machines in Motion: Discovery School"	✓			Based on the supporting documentation on file, the transaction appears to be education-related.

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268	1100029128000BUS	0704	10/28/2005	TEACHING STRATEGIES, INC.	\$301.56	\$301.73	15 pcs "Power of Observation"			✓	Based on the available supporting documentation, the transaction appears to be education-related. The educational relevance, as well as the beneficiaries/users of the items bought cannot be established, however, based on the supports on file.
269	1120410061002	1410	3/30/2006	TREAS., STATE OF NEW JERSEY	\$345.00	\$345.00	Registration fee of 2 Delegates and 1 Advisor/Chaperone to the 7th NJ Food and Natural Resources State Convention.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
270	1121510061001	1214	3/30/2005	TREAS., STATE OF NJ	\$150.00	\$150.00	NOT DETERMINABLE - NO AVAILABLE SUPPORTING DOCUMENTATION			✓	The supporting PO and Vendor Invoice are not on file. Accordingly, the operational or educational justification for the expenditure cannot be established.
271	2043420060003	1533	6/30/2004	TREAS., STATE OF NJ	\$137,507.68	\$137,507.68	Reimbursement to the State of New Jersey [NJSA 18A:66-90] - Pension and Social Security [Federally-funded programs], SY 2003-04	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.

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Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments	
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
272	20272P	1750	6/30/2005	TREAS., STATE OF NJ	\$131,770.15	\$131,770.15	Reimbursement to the State of New Jersey [NJSA 18A:66-90] - Pension and Social Security [Federally-funded programs], SY 2004-05	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.	
273	2023810061001	0879	11/30/2005	TRI-COUNTY COMMUNITY ACTION	\$43,988.00	\$10,997.00	Disbursements based upon submitted reports from the Tri-County Head Start. According to District Management, this is an NJ State-approved provider and, therefore, exempt from competitive bidding requirements. This program provides education for 3 and 4 year-old children. It is a requirement under the Abbott System that children should receive this education.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	

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Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments	
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
274	20231P10061000	0572	11/3/2004	TRIUMPH LEARNING	\$708.24	\$708.24	Various books for the High School - 20 "New Views in Mathematics" Ed; 3 "New Views in Mathematics" Black Master. This was ordered in advance for a group of students, hence the reason the transaction was made in November.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
275	1119010061001	1413	6/30/2004	UNIQUE PHOTO	\$888.61	\$888.61	250 pcs Panasonic Mini DV tapes; 99 pcs Panasonic VHS tapes			✓	Based on the available supporting documentation, the transaction appears to be related to the day-to-day operations of a school district. The operational relevance of the items bought cannot be established, however, based on the supports on file.	
276	2022310061000JFS	0309	9/13/2004	UNIVERSAL WHOLESALE DISTR	\$546.89	\$546.89	2 deck faucets [ADA handles]; 2 grab bars [satin stainless]. According to District Management, these are used in the Early Childhood Center [for children aged 3 and 4]. Since it says ADA (American with Disabilities Act), this product is used to support disabled children.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.	

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277	1119010061001	0858	1/22/2005	UNIVERSAL WHOLESALE DISTR	\$500.07	\$500.07	12 toilet seats; 12 P traps; 6 closet deep wax seal; 12 closet bolts; 6 angle stops. According to District Management, this school is already more than 50 years old and, accordingly, requires constant repair.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
278	1519010061003SHS	1412	6/30/2004	V.C.A.	\$7,549.00	\$7,549.00	2 DV recorders; 2 DV cameras with XLR inputs; other minor related items. According to District Management, these security cameras were part of the building security system.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
279	1100026161000	1130	3/9/2005	VERDICON/UNITED HORTICULTURAL	\$3,580.00	\$3,580.00	400 bags Diamond Pro infield pro conditioner - for lining all ball fields. Per NJSIAA safety rules, all fields must be lined properly.	✓			Based on the supporting documentation on file, nothing was noted that could raise the possibility that the transaction is not related to the day-to-day operations of a school district.
280	1519010061003SHS	0667	10/28/2005	WAL-MART STORE #01-2041	\$200.00	\$200.00	4 pcs \$50 gift certificates			✓	By their very nature, the items bought appear to have no direct educational value. According to District Management, however, these items were purchased as part of the Behavior modification plan of the Behavior Disability class.

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Statistical Sample Analysis

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
281	1119010061002	0939	2/1/2005	WALNUT STREET THEATRE	\$600.00	\$300.00	Performance on February 22, 2005 of the Touring Outreach Company at the High School - "No Easy Road to Freedom"			✓	Based on the available supporting documentation, the expenditure appears to be related to the day-to-day operations of a school district. The supporting Vendor Invoice, however, is not on file.
282	1520410061001JFS	0111	8/5/2004	WARD'S NATURAL SCIENCE EST,INC	\$7,954.26	\$7,954.26	Various school laboratory supplies - silver nitrate; "Scientific Graphs and How to Make Them" VHS; "Phases of Matter" video; "Mixtures & Solutions" video; "Thermo chemistry" VHS; "Atomic Structure" VHS; ethyl alcohol; ammonium dichromate; dual timer/clock; strontium chloride; Emergency Face and Eyewash Station; One Bite Out of Crime Lab Activity; DNA Electrophoresis Lab System; Analysis of Documents Lab Activity; Animal Kingdom Survey Set II; grass frogs; owl pellets; etc.			✓	Based on the available supporting documentation, the transaction appears to be education-related. The supporting PO, however, is not on file.

Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
283	20238S10061001	0434	9/16/2005	WEEKLY READER CORPORATION	\$164.40	\$164.40	15 subscriptions to "Current Health 2" magazine [Middle School and High School magazine]			✓	Based on the supporting documentation, the transaction appears to be education-related. The educational relevance of the items bought cannot be established, however, based on the supports on file.
284	1100026261000	1253	3/30/2006	WEEKLY READER CORPORATION	\$695.50	\$695.50	130 pcs "Weekly Reader K" [Kindergarten-level Elementary School magazine]	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
285	1100026261000	1433	5/6/2005	WEEKLY READER CORPORATION	\$1,538.95	\$1,538.95	163 pcs "Weekly Reader P" [pre-Kindergarten] ; 130 pcs "Weekly Reader K" [Kindergarten] - Elementary School magazines	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
286	1119010061003	0598	10/21/2005	WEINERT, AMY	\$1,872.00	\$44,269.50	Tuition reimbursement - Fall/winter, 2005-06. The granting of the same, is in accordance with his employment terms. The educational institution and courses attended are all District-approved.			✓	Based on the supports on file, the expenditure appears to be education-related. The existing supporting documentation, however, does not contain enough information to provide operational justification for the transaction [e.g.. Basis for selection, proof of attendance/completion, grades, etc.]. The supporting Vendor Invoice is not also on file.

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Transaction Detail							Analysis Performed	Results of Analysis			Salem City School District Comments
Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive	
287	1523010061001JFS	1561	6/30/2004	WEISER EDUCATIONA L, IN.	\$760.87	\$760.87	Various High School references - 1 pc "African Myths"; 1 pc "Classic Myths"; 2 pcs "The Shadow Man"; 2 pcs "Don't Blame the Children"; 2 pcs "To Slay the Dragon Kit".	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
288	1123010061002	0560	10/28/2004	WELLESLEY INN-CLIFTON	\$323.73	\$323.73	3 hotel rooms for 1 night - Union City School District site visit [participants: Principal and Vice Principal of the John Elementary Fenwick School] Stayed in hotel room due to distance from Salem City (Union City)	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
289	2022320060000JFS	0360	8/30/2005	WHITZELL, CHRISTIE	\$259.16	\$259.16	"Reading First" conference travel expenses [1 held in New Orleans; 1 held in Atlantic City]	✓			According to District Management, these travels were for the Reading First National Conference and the resulting expenses were covered by the Reading First Grant. Based on the foregoing explanation, as well as the supporting documentation on file, the transaction appears to be education-related.

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Control No.	Account Number	Purchase Order Number	Purchase Order Date	Vendor Name	Amount Paid Against PO	Original PO Amount	Obtained Transaction Description from Documentation (What? When? Who? Where? Why?)	Appears Reasonable	Discretionary	Inconclusive		Comments
290	1119010061003	0582	9/30/2005	WHITZELL, CHRISTIE	\$49.47	\$49.47	September 2005 mileage reimbursement [102 miles at \$0.485/mi.] for former District Literacy Supervisor.	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
291	20432C10030002	1126	2/7/2006	WHITZELL, CHRISTIE	\$29.24	\$104.00	Reimbursement for materials for Parent Connection table at conference [storage bags & table cover]	✓			Based on the supporting documentation on file, the transaction appears to be education-related.	
292	1130110061003	1518	5/23/2005	WHITZELL, CHRISTIE	\$561.68	\$561.68	Reimbursement - Aster Hotel in New Orleans to attend "Reading First" Conference [4 nights at \$125.17 = \$500.68]; Reimbursement - 2 books purchased from Literacy Warehouse [\$61]			✓	Based on the available supporting documentation, the transaction appears to be education-related. The educational relevance of the expenditure cannot be established, however, based on the supports on file. The supporting Vendor Invoice is also not on file.	
293	2043420060003	0295	9/29/2004	WILLIAMS AUTO PARTS	\$553.44	\$553.44	Gas can; battery; alternator; de-icer; SES6 screw; Finesse; rubbing compound			✓	Based on the available supporting documentation, the transaction appears to be related to the day-to-day operations of a school district. The operational relevance of the items bought, as well as their users/beneficiaries cannot be established, however, based on the supports on file. The supporting PO is also not on file.	

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294	11000P	1199	2/22/2006	WOODSTOWN ELECTRONICS	\$249.48	\$248.99	LG C1500 cell phone and adaptor. This is the only cellphone of the District and it was issued to the Director of Operations who is on call on a 24/7 basis.	✓			Based on the available supporting documentation, the transaction appears to be related to the day-to-day operations of a school district.
295	1119010061001	0239	8/24/2004	WOODSTOWN FARM SUPPLY CO.	\$457.08	\$457.08	Various gardening supplies - 4 large plastic pots; 2 green wire; 10 garden hoes; 20 garden trowels; 10 ratchet pruners; 2 garden hoses.	✓			According to District Management, the items bought constitute landscaping supplies. Landscaping is being handled in-house in the District. Based on the foregoing explanation, as well as the supporting documentation on file, the transaction appears to be related to the day-to-day operations of a school district.
296	1119010061002	0593	11/12/2004	WOODSTOWN PILESGROVE	\$13,516.20	\$12,028.54	Fees for tuition and other services rendered for a Student who is a homeless child, including any additional supplies required.	✓			Based on the available supporting documentation, the transaction appears to be education-related.
297	1530110061003SHS	1408	6/30/2004	WOOSTER PRODUCTS, INC.	\$5,262.84	\$5,262.84	Aluminum stair threads floor edging for the dance program required for student safety in the High School.	✓			Based on the available supporting documentation, the transaction appears to be related to the day-to-day operations of a school district.

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298	2023120060000	0874	1/31/2005	WRIGHT GROUP	\$315.22	\$638.00	2 pcs "Take-Twos: Sports"; 2 pcs "Take-Twos: Animals"			✓	Based on the available supporting documentation, the transaction appears to be education-related. The educational relevance of the expenditure cannot be established, however, based on the supports on file.
299	1100026161000	0733	11/16/2005	WRIGHT, KAREN	\$68.87	\$68.87	Reimbursement - Mileage incurred for attendance at CPIS/Social Worker Meeting at NJDOE in Trenton for Office of Early Childhood [142 miles at \$0.485/mi.].	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
300	20238P20058001	1184	3/21/2005	WRIGHT, KAREN	\$70.56	\$70.56	Reimbursement - Mileage incurred for attendance at "Transition from Pre-School to Kindergarten Setting Workshop" in Sewell, NJ [54 mi at \$0.36]; M mileage incurred for "Department of Education Training for Community Parent Involvement Specialist Workshop" in Trenton, NJ [142 miles at \$0.36/mi.].	✓			Based on the supporting documentation on file, the transaction appears to be education-related.
					<b>\$2,889,572.40</b>	<b>\$3,012,488.50</b>					
								<b>246</b>	<b>10</b>	<b>44</b>	
								<b>82%</b>	<b>3%</b>	<b>15%</b>	