

CLINTON-GLEN GARDNER SCHOOL DISTRICT
AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS, FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

CLINTON-GLEN GARDNER SCHOOL DISTRICT

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Federal Identification Number 22-6001730



Certified Public Accountants, PC

www.bkc-cpa.com

Independent Auditors' Report

Honorable President and Members
of the Board of Education
Clinton-Glen Gardner School District
County of Hunterdon, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Clinton-Glen Gardner School District in the County of Hunterdon for the year ended June 30, 2019 and have issued our report thereon dated December 12, 2019.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying Table of Contents.

This report is intended for the information of the Clinton-Glen Gardner School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

A handwritten signature in black ink that reads "BKC, CPAs, PC".

BKC, CPAs, PC

A handwritten signature in black ink that reads "MH".

Michael Holk, CPA, PSA

NO. 20CS00265600

December 12, 2019
Flemington, New Jersey

CLINTON-GLEN GARDNER SCHOOL DISTRICT
June 30, 2019

Scope of Audit

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

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the School District or Charter School or Renaissance School Project CAFR. Adequacy of insurance coverage is the responsibility of the Board of Education.

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

Surety bond coverage in force during the period was:

<u>Name of Employee</u>	<u>Position</u>	<u>Amount</u>
Bernadette Wang	Secretary/Business Administrator	175,000
Kathleen Olsen	Treasurer of School Monies	180,000

The Treasurer of School Monies was bonded in a surety bond in accordance with provisions of Title 18A:17-32 within minimum limits of the schedule promulgated by the New Jersey State Board of Education.

Financial Planning, Accounting and Reporting

Examination of Claims

Finding 2019-002

Receiving signatures certifying goods or services were received to the District were at times not evident on payment forms.

Recommendation

Receiving signatures certifying goods or services were received are to be evident on all applicable payment forms.

Payroll Account

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

All payrolls were approved by the Superintendent and were certified by the President of the Board, the Board Secretary/Business Administrator, and the Chief School Administrator.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
June 30, 2019

Payroll Account (continued)

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

Employee Position Control Roster

A review of the Position Control Roster found no inconsistencies between the payroll records, employee benefit records (e.g., pension reports and health benefit coverage reports), the general ledger accounts to where wages are posted (administrative versus instruction), and the Position Control Roster.

Reserve for Encumbrances and Accounts Payable

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

The District should ensure purchase orders are reviewed for proper classification as accounts payable or reserve for encumbrances based upon whether the goods have been received or the services rendered. All orders that will not be liquidated within the suggested time frame of 60 to 90 days of year-end should be canceled or liquidated.

Classification of Expenditures

The coding of expenditures was evaluated for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3.

A review of classification of expenditures during the period under review did not indicate any discrepancies with respect to proper classification.

Board Secretary's Records

Our review of the financial and accounting records maintained by the Board Secretary did not disclose any material exceptions.

Treasurer's Records

Finding 2019-001

As part of our audit procedures it was noted cash reconciliations were not always performed by the Board designated person in a timely manner.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
June 30, 2019

Treasurer's Records (continued)

Recommendation

The Treasurer or Reconciler of Accounts should reconcile their cash records with bank statements and the cash records of the Board Secretary in a timely manner.

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

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

Other Special Federal and/or State Projects

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

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

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

TPAF Reimbursement

Our audit procedures included a test of the bi-weekly reimbursements filed with the Department of Education for District employees who are members of the Teachers' Pension and Annuity Fund. No exceptions were noted.

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's final report(s) for all federal awards for the School District to reimburse the state for the TPAF/FICA payments made by the state on-behalf of the School District for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90-day grant liquidation period required by the Office of Grants Management.

The expenditure was reviewed subsequent to the reimbursement and or state that no exceptions were noted.

Nonpublic State Aid

The District did not receive any Nonpublic State Aid during the Fiscal Year 2019.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
June 30, 2019

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 States:

- “A. When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by Resolution of the Board of Education without public advertising for bids and bidding therefore, except that the Board of Education may adopt a Resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent possesses a qualified purchasing agent certificate pursuant to Subsection B. of Section 9 of P.L.1971, c.198 (C.40A:11-9) the Board of Education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.”
- “B. Commencing in the fifth year after the year in which P.L.1999, c.440 takes effect, and every five years thereafter, the Governor, in consultation with the Department of the Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in Subsection A. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local School Districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made.”

N.J.S.A. 18A-4 States:

“Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by Resolution of the Board of Education to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this chapter or specifically by any other law.”

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is \$19,000 for 2018-19.

In accordance with N.J.S.A. 18A:18A-3A and N.J.A.C. 5:34-5 et. seq., the Board of Education has appointed a “Qualified Purchasing Agent” which allows the Board of Education to increase the bid threshold and to grant the authorization to negotiate contracts below the bid threshold.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
June 30, 2019

School Purchasing Programs (continued)

Contracts and Agreements Requiring Advertisement for Bids (continued)

Our examination of the minutes indicated that contracts were awarded for the following:

Food services management	Various professional services	Ceiling & lighting replacement
Dental insurance	Health care insurance & services	Vestibule door installations
Physical therapy services	Occupational therapy services	Maintenance Services

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

Based on the results of our examination, we did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

Our examination indicated no purchases were made using state contracts:

Purchases were also made through cooperative agreements for the following:

Technology equipment and supplies	Transportation
Electric generation	

Unemployment Compensation Insurance Trust Fund

The Board has adopted the direct reimbursement method and has established an unemployment compensation insurance trust fund.

School Food Service

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
June 30, 2019

School Food Service (continued)

The District utilizes a Food Service Management Company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC Cost Reimbursable or Fixed Price contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will break even. The operating results provision has been met. All vendor discounts, rebates, and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

Net cash resources did not exceed three months average expenditures.

The number of meals claimed for reimbursement was compared to sales and meal count records. Reimbursement claims were submitted/certified in a timely manner.

Applications for free and reduced-price meals were reviewed for completeness and accuracy. The number of free and reduced-price meals claimed as served was compared to the number of valid applications/or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced-price meal and free milk policy was reviewed for uniform administration throughout the school system. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced-price applications were completed and available for review.

The Statement of Revenues, Expenses, and Changes in Fund Net Position (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

The School District did provide the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

Exhibits reflecting Child Nutrition Program operations are included in the section titled Proprietary Funds, Section B of the CAFR.

Student Body Activities

Finding 2019-003

An examination of deposits during the period under review indicated discrepancies with respect to timeliness of deposits (N.J.S.A. 18A:17-34, 18A:17-9.1).

CLINTON-GLEN GARDNER SCHOOL DISTRICT
June 30, 2019

Student Body Activities (continued)

Recommendation

Receipts of checks and cash should be promptly deposited.

Finding 2019-004

Receiving signatures certifying goods or services were received to the District were at times not evident on payment forms.

Recommendation

Receiving signatures certifying goods or services were received are to be evident on all applicable payment forms.

Application for State School Aid

We evaluated the information reported in the October 15, 2018 Application for State School Aid (ASSA) for on-roll, private schools for the handicapped, low-income, and bilingual. We also performed a review of the District procedures related to its completion. The information on the ASSA was compared to the District workpapers. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

The District should consider the accuracy of the listing of low-income eligible students on roll when completing the low-income enrollment section of the report.

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

Pupil Transportation

The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with minor exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

Our procedures included a review of the Schools Development Authority (SDA) grant agreements for consistency with recording revenue, transfer of local funds from the general fund or from the capital reserve account and awarding of contracts for eligible facilities construction. We also performed a review of capital assets related to their existence. No exceptions were noted.

Our review of facilities and capital assets did not disclose any exceptions.

CLINTON-GLEN GARDNER SCHOOL DISTRICT
June 30, 2019

Testing for Lead of All Drinking Water in Educational Facilities

The School District adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

The School District project did submit the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

Follow-up on Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations including findings. Corrective action had been taken on all prior year findings with the exception of finding 2018-002, which is repeated in this year's recommendations noted as current year finding "2019-003."

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Application for State School Aid Summary
Schedule of Audited Enrollments - Enrollment as of October 15, 2018

	2019 - 2020 Application for State Aid						Sample for Verification						Private Schools for Disabled			
	Reported on ASSA On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on ASSA as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half day preschool age 3	2	-	2	-	-	-	1	-	1	-	-	-	-	-	-	-
Full day preschool age 3	-	-	-	-	-	-	5	-	5	-	-	-	-	-	-	-
Half day preschool age 4	10	-	10	-	-	-	-	-	-	-	-	-	-	-	-	-
Full day preschool age 4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half day kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full day kindergarten	38	-	38	-	-	-	19	-	19	-	-	-	-	-	-	-
One	28	-	28	-	-	-	14	-	14	-	-	-	-	-	-	-
Two	45	-	45	-	-	-	23	-	23	-	-	-	-	-	-	-
Three	37	-	37	-	-	-	19	-	19	-	-	-	-	-	-	-
Four	36	-	36	-	-	-	18	-	18	-	-	-	-	-	-	-
Five	43	-	43	-	-	-	22	-	22	-	-	-	-	-	-	-
Six	34	-	34	-	-	-	17	-	17	-	-	-	-	-	-	-
Seven	40	-	40	-	-	-	20	-	20	-	-	-	-	-	-	-
Eight	46	-	46	-	-	-	23	-	23	-	-	-	-	-	-	-
Nine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eleven	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Twelve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Post - graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult HS (15+CR)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult HS (1-14CR)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>359</u>	<u>-</u>	<u>359</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>181</u>	<u>-</u>	<u>181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special education - elementary	42	-	42	-	-	-	21	-	21	-	-	-	-	-	-	-
Special education - middle	26	-	26	-	-	-	13	-	13	-	-	-	-	-	-	-
Special education - high school	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>68</u>	<u>-</u>	<u>68</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34</u>	<u>-</u>	<u>34</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County vocational - regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
County vocational - f/t post sec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	<u>427</u>	<u>-</u>	<u>427</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>215</u>	<u>-</u>	<u>215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Percentage error					<u>0.00%</u>	<u>0.00%</u>					<u>0.00%</u>	<u>0.00%</u>				<u>0.00%</u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Application for State School Aid Summary
Schedule of Audited Enrollments - Enrollment as of October 15, 2018 (continued)

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application & Register	Sample Errors	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score & Register	Sample Errors
Half day preschool age 3	1	1	-	1	1	-	-	-	-	-	-	-
Full day preschool age 3	-	-	-	-	-	-	-	-	-	-	-	-
Half day preschool age 4	-	-	-	-	-	-	-	-	-	-	-	-
Full day preschool age 4	-	-	-	-	-	-	-	-	-	-	-	-
Half day kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full day kindergarten	5	5	-	5	5	-	1	1	-	1	1	-
One	2	2	-	2	2	-	1	1	-	1	1	-
Two	4	4	-	4	4	-	2	2	-	2	2	-
Three	5	5	-	5	5	-	-	-	-	-	-	-
Four	2	2	-	2	2	-	-	-	-	-	-	-
Five	5	5	-	5	5	-	-	-	-	-	-	-
Six	2	2	-	2	2	-	-	-	-	-	-	-
Seven	4	4	-	4	4	-	-	-	-	-	-	-
Eight	4	4	-	4	4	-	-	-	-	-	-	-
Nine	-	-	-	-	-	-	-	-	-	-	-	-
Ten	-	-	-	-	-	-	-	-	-	-	-	-
Eleven	-	-	-	-	-	-	-	-	-	-	-	-
Twelve	-	-	-	-	-	-	-	-	-	-	-	-
Post - graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult HS (15+CR)	-	-	-	-	-	-	-	-	-	-	-	-
Adult HS (1-14CR)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>34</u>	<u>34</u>	<u>-</u>	<u>34</u>	<u>34</u>	<u>-</u>	<u>4</u>	<u>4</u>	<u>-</u>	<u>4</u>	<u>4</u>	<u>-</u>
Special education - elementary	8	8	-	8	8	-	-	-	-	-	-	-
Special education - middle	6	6	-	6	6	-	-	-	-	-	-	-
Special education - high school	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>14</u>	<u>14</u>	<u>-</u>	<u>14</u>	<u>14</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County vocational - regular	-	-	-	-	-	-	-	-	-	-	-	-
County vocational - f/t post sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	<u>48</u>	<u>48</u>	<u>-</u>	<u>48</u>	<u>48</u>	<u>-</u>	<u>4</u>	<u>4</u>	<u>-</u>	<u>4</u>	<u>4</u>	<u>-</u>
Percentage			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Application for State School Aid Summary
Schedule of Audited Enrollments - Enrollment as of October 15, 2018 (continued)

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA as Not Low Income	Reported on Workpapers as Not Low Income	Errors	Sample Selected from Workpapers	Verified to Application & Register	Sample Errors
Two	1	1	-	1	1	-
Four	1	1	-	1	1	-
	<u>2</u>	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>
Percentage			<u>0.00%</u>			<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Sample Errors
Regular & special education without special needs in-district						
Public	106	106	-	72	77	(5)
Non-public	6	6	-	4	4	-
Aid-in-lieu non-public	6	6	-	4	4	-
Special education public	27	27	-	18	12	6
Special education with special needs & out of district special education without special needs						
Public with special needs	4	4	-	3	3	-
	<u>149</u>	<u>149</u>	<u>-</u>	<u>101</u>	<u>100</u>	<u>1</u>
Percentage			<u>0.00%</u>			<u>0.99%</u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Excess Surplus Calculation

SECTION 1

2% Calculation of Excess Surplus

2018-19 Total general fund expenditures per the CAFR, Exhibit C-1	\$ 9,781,967 (B)	
Increased by:		
Transfer from capital outlay to capital projects fund	-	(B1b)
Transfer from capital reserve to capital projects fund	-	(B1c)
Transfer from capital reserve to debt service fund	50,000	(B1d)
Decreased by:		
On-Behalf TPAF Pension & Social Security	1,333,020	(B2a)
Assets acquired under capital leases	<u>69,000</u>	(B2b)
Adjusted 2018-2019 general fund expenditures [(B)+(B1s)-(B2s)]	<u>\$ 8,429,947</u>	(B3)
2% of adjusted 2018-2019 general fund expenditures [(B3) Times .02]	\$ 168,599	(B4)
Enter greater of (B4) or \$250,000	250,000	(B5)
Increased by: allowable adjustment	<u>200,687</u>	(K)
Maximum unreserved/undesignated fund balance [(B5)+(K)]		<u>\$ 450,687 (M)</u>

SECTION 2

Total general fund-fund balances @ June 30, 2019 (Per CAFR Budgetary comparison schedule C-1)	\$ 1,593,860 (C)	
Decreased by:		
Year-end encumbrances	145,428	(C1)
Legally restricted - designated for subsequent year's expenditures	-	(C2)
Legally restricted - excess surplus - designated for subsequent year's expenditures	-	(C3)
Other restricted fund balances	904,677	(C4)
Assigned fund balance - designated for subsequent year's expenditures	<u>93,068</u>	(C5)
Total unreserved/undesignated Fund balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		<u>\$ 450,687 (U)</u>

CLINTON-GLEN GARDNER SCHOOL DISTRICT
Excess Surplus Calculation (continued)

SECTION 3

Restricted fund balance - excess surplus [(U)-(M)] if negative enter -0- \$ - (E)

Recapitulation of Excess Surplus as of June 30, 2019

Restricted excess surplus - designated for subsequent year's expenditures \$ - (C3)
 Restricted excess surplus - (E)

Total [(C3) + (E)] \$ - (D)

Detail of Allowable Adjustments

Impact aid	\$	-	(H)
Sale and lease back		-	(I)
Extraordinary aid		197,207	(J1)
Additional nonpublic transportation aid		<u>3,480</u>	(J2)

Total adjustments \$ 200,687 (K)

Detail of Other Restricted Fund Balance

Approved unspent separate proposal	\$	-	
Unspent capital outlay SGLA		-	
Sale/Lease - back reserve		-	
Capital reserve		476,788	
Maintenance reserve		427,385	
Emergency reserve		504	
Other reserves		-	
Other state/government mandated reserve		<u> </u>	

Total other restricted fund balance \$ 904,677 (C4)

BKC, CPAs, PC

BKC, CPAs, PC

MU

Michael Holk, CPA, PSA

NO. 20CS00265600

CLINTON-GLEN GARDNER SCHOOL DISTRICT
June 30, 2019

Acknowledgment

Should any questions arise as to our comments, please do not hesitate to call us.

We desire to express our appreciation for the assistance and courtesies rendered by the school officials and employees during the course of the examination.



BKC, CPAs, PC



Michael Holk, CPA, PSA

No. 20CS00265600

CLINTON-GLEN GARDNER SCHOOL DISTRICT
June 30, 2019

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

2019-001

The Treasurer or Reconciler of Accounts should reconcile their cash records with bank statements and the cash records of the Board Secretary and in a timely manner.

2019-002

Receiving signatures certifying goods or services were received are to be evident on all applicable payment forms.

3. School Purchasing Programs

None

4. School Food Service

None

5. Student Body Activities

2019-003

Receipts of checks and cash should be promptly deposited.

2019-004

Receiving signatures certifying goods or services were received are to be evident on all applicable payment forms.

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

CLINTON-GLEN GARDNER SCHOOL DISTRICT
June 30, 2019

9. Miscellaneous

None

Status of Prior Year Audit Findings/Recommendations

A review was performed on the prior year recommendations and corrective action was taken on all prior year findings with the exception of the following.

2018-002 Receipts of checks and cash should be promptly deposited.