

CLINTON TOWNSHIP SCHOOL DISTRICT
COUNTY OF HUNTERDON
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2020

CLINTON TOWNSHIP SCHOOL DISTRICT
COUNTY OF HUNTERDON
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2020
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December 16, 2020

The Honorable President and Members
of the Board of Education
Clinton Township School District
County of Hunterdon, NJ

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 Township of Clinton School District in the County of Hunterdon for the fiscal year ended June 30, 2020, and have issued our report thereon dated December 16, 2020.

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 letter does not affect our report dated December 16, 2020, on the financial statements of the Board.

We will review the status of the comments and suggestions during our next audit engagement. We have already discussed these comments and suggestions with various management personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

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

Nisivoccia LLP
NISIVOCCIA LLP

Heidi A. Wohlleb

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Licensed Public School Accountant #2140
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CLINTON TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2020

Scope of Audit

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

Administrative Practices and Procedures

Insurance

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

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Michael Falkowski	Interim School Business Administrator/Board Secretary	\$ 230,000

Finding:

Due to an oversight, the Treasurer of School Monies who was appointed in February 2020 was not bonded. However, as a surety bond was obtained for the Treasurer of School Monies for the fiscal year ended June 30, 2021, no formal recommendation is judged to be warranted.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The Board made a proper adjustment to the billings to sending districts for the change in per pupil costs in accordance with N.J.A.C.6A:23A-17.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid on a test basis, during the period under review indicated overall compliance with respect to signatures, certification and supporting documentation.

Payroll Account and Position Control Roster

The net salaries of 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 approved by the Superintendent and were certified by the Board President, the Board Secretary/School Business Administrator and the Superintendent.

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

CLINTON TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Payroll Account and Position Control Roster (Cont'd)

Finding:

Although the required certification (ECERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents and business administrators) to the NJ Department of Treasury was filed, it was not filed by the required due date.

Recommendation:

It is recommended that the required certification (ECERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents and business administrators) to the NJ Department of Treasury is filed by the required due date.

Management's Response:

The District will ensure that the required certification (ECERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents and business administrators) to the NJ Department of Treasury is filed by the required due date.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made on a test basis as of June 30, 2020 for proper classification of orders as reserve for encumbrances and accounts payable.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, we reviewed administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A-23A-16.2(f). As a result of the procedures performed, no errors were found and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Board Secretary's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have the following comments as noted below and on the following page.

Findings:

- 1) During our review of the June 2020 Monthly Transfer Report, we noted that there were transfers from Tuition, Student Transportation and Food Services and transfers to the General Administration and Central Services line items in excess of 10% for which the required County Superintendent approval was not obtained.

CLINTON TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Board Secretary's Records (Cont'd)

Findings: (Cont'd)

- 2) The December Board Secretary and Treasurer's Reports were not filed with the County Superintendent's Office by the required due date.

Recommendations:

It is recommended that:

- 1) County Superintendent approval is obtained for any transfers from line items in excess of 10% and to any line items in excess of 10% for General Administration and Central Services.
- 2) The December Board Secretary and Treasurer's Reports are filed with the County Superintendent's Office by the required due date.

Management's Response:

The District will ensure that County Superintendent approval be obtained for any transfers from line items in excess of 10% and to any line items in excess of 10% for General Administration and Central Services and that the December Board Secretary and Treasurer's Reports are filed with the County Superintendent's Office by the required due date.

Treasurer's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Treasurer's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted under the Board Secretary's records.

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

The E.S.E.A financial exhibits are contained herein within the Special Revenue Section of the District's CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I, Title II and Title III of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for the E.S.E.A. did not indicate any area of noncompliance.

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.

CLINTON TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Other Special Federal and/or State Projects Cont'd)

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.

T.P.A.F. 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.

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The T.P.A.F. Reimbursement to the State for Federal Salary Expenditures was remitted to the State of New Jersey prior to the required deadline of October 1, 2020. The reimbursement form was reviewed and no exceptions were noted.

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 is qualified pursuant to subsection b. of section 9 of P.L. 1971, c. 198 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 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.A. 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: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 therefore, except as is provided otherwise in this chapter or specifically by any other law"

CLINTON TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

School Purchasing Programs (Cont'd)

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

Effective July 1, 2010 and thereafter the bid thresholds in accordance with N.J.S.A. 18 A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$19,000.

As per N.J.S.A. 18A:18A-3, the Board passed a resolution, authorizing the Business Administrator as a qualified purchasing agent and increasing the bid threshold to \$40,000.

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 Attorney's opinion should be sought before a commitment is made.

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

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", 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, as amended.

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

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained.

School Food Service

The school food service program was not selected as a major federal and/or state program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or the appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

Non-program foods were purchased, prepared or offered for sale. The Statement of Revenue, Expenses and Changes in Net Position in the CAFR Schedule B-5 does separate program and non-program revenue and program and non-program cost of goods sold.

CLINTON TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

School Food Service (Cont'd)

We also inquired of management about the emergency COVID-19 procedures/practices that the SFA instituted to provide meals to eligible students, maintenance of all applicable production records, meal counts, noncompetitive procurements, modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations.

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the records of the Student Activities Fund for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted herein.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2019 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low income and bilingual students. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers. The information on the workpapers was verified on a test basis with exceptions as detailed below.

The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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

Finding:

We noted a number of reporting errors related to the counts reported on the A.S.S.A. for on-roll, low income and bilingual students. These counts were not supported by the District's A.S.S.A. workpapers.

Recommendation:

It is recommended that every effort be made to ensure that the number of on-roll, low income and bilingual students reported on the A.S.S.A. is accurate and supported by the District's workpapers.

Management's Response:

Every effort will be made to ensure that the number of students reported on the A.S.S.A. is accurate and supported by the District's workpapers.

CLINTON TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2019-2020 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with exceptions as noted below. The results of our procedures are presented in the Schedule of Audited Enrollments.

Finding:

Our testing of the DRTRS revealed a noted a number of reporting errors related to regular – public school students.

Recommendation:

It is recommended that every effort is made to ensure that the number of students reported on the District Report of Transported Students as regular – public school students is accurate and supported by the District’s on-roll register.

Management’s Response:

Every effort will be made to ensure that the number of students reported on the District Report of Transported Students as regular – public school students is accurate and supported by the District’s on-roll register.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

The District did not have any active SDA projects.

Finding:

The District’s list of current year capital assets additions and current year depreciation expense was not incorporated into the capital assets records maintained by the District during the fiscal year ended June 30, 2020. Also, there is Construction in Progress from a prior year on completed capital projects which should be transferred to depreciable capital assets.

Recommendation:

It is recommended that the District have a formal inventory of the District’s capital assets conducted by an independent appraisal company to ensure the District’s capital assets records are complete and that the construction in progress on completed capital projects is transferred to depreciable capital assets.

CLINTON TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

Facilities and Capital Assets: (Cont'd)

Management's Response:

The District engaged an independent appraisal company to conduct a full formal inventory of the District's capital assets and ensure the construction in progress is transferred to depreciable capital assets. However, due to COVID-19 the appraisal was not able to be conducted prior to the audit.

Testing for Lead of all Drinking Water in Educational Facilities

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

Travel Expenses

Travel regulations require each District to adopt a formal policy and procedure pertaining to travel and expense reimbursement for its employees and board members. The regulations include requirements for the District to establish a maximum travel amount for the year and to ensure that the maximum amount is not exceeded. The regulations also require that all travel must be preapproved by the Board of Education and Superintendent and that a brief report detailing the key issues addressed at the travel event must be submitted after the travel event has occurred. No exceptions were noted in our review of travel expenses.

Management Suggestions:

Governmental Accounting Standards Board (GASB) Statements

Due to COVID-19, the GASB postponed the implementation of GASB Statement No. 84, *Fiduciary Activities*, until the fiscal year ended June 30, 2021. Based on guidance from the NJ Department of Education and GASB, the activity for student activities, payroll agency, unemployment compensation trust, flexible spending trust and private purpose scholarship trust funds will no longer be reported in the Fiduciary Fund financial statements. This activity will now be reported in the General (payroll agency, flexible spending and unemployment compensation) and Special Revenue (student activities and scholarship) Funds.

Effect on Internal Controls due to COVID-19

With the increase in employees working remotely due to COVID-19 especially those in the Business Office it is vital that the District routinely reviews the internal controls in place especially with respect to security of passwords as well as access rights to accounting software and bank information including bank wire transfers and the timely back-up of records.

Grant Reimbursement Requests

We suggest that the I.D.E.A. Basic reimbursement requests are filed on a more regular basis in the future to ensure adequate cash flow in the Special Revenue Fund.

CLINTON TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

Management's Suggestions (Cont'd)

Student Activities

We suggest that the District maintain an analysis of the cash balance by club and activity for each School's student activity bank account.

Purchasing Compliance

It has come to our attention that a number of school districts in New Jersey are being cited by the State Department of Education for the purchasing of goods or services prior to the issuance of an approved purchase order. We are taking this opportunity to reiterate to our clients that a valid, approved purchase order must be prepared prior to obligating the District to a purchase of goods or services to be in compliance with requirements of the State.

Status of Prior Year's Findings/Recommendations

The prior year recommendations with respect to obtaining Country Superintendent approval for transfers over 10% as well as ensuring the number of low income students reported on the A.S.S.A. is accurate have not been corrected and are included in the current year's findings.

CLINTON TOWNSHIP SCHOOL DISTRICT
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 SCHEDULE OF AUDITED ENROLLMENTS
 ENROLLMENT AS OF OCTOBER 15, 2019

	2020-2021 Application for State School Aid						Sample for Verification					
	Reported on A.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool 3 Years Old	8		8				8		8			
Half Day Preschool 4 Years Old	9		9				9		9			
Full Day Kindergarten	101		101				101		101			
One	96		96				96		96			
Two	92		92				92		92			
Three	108		108				108		108			
Four	121		120		1		121		120		1	
Five	116		115		1		116		115		1	
Six	108		105		3		108		105		3	
Seven	139		139				139		139			
Eight	139		134		5		139		134		5	
Subtotal	1,037		1,027		10		1,037		1,027		10	
Special Ed - Elementary	103		103				10		10			
Special Ed - Middle School	81		75		6		5		5			
Subtotal	184		178		6		15		15			
Totals	1,221	-0-	1,205	-0-	16	-0-	1,052	-0-	1,042	-0-	10	-0-
Percentage Error					1.31%	0.00%					0.95%	0.00%

CLINTON TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF AUDITED ENROLLMENT
 APPLICATION FOR STATE SCHOOL AID SUMMARY - RESIDENT LEP LOW INCOME
 ENROLLMENT AS OF OCTOBER 15, 2019

	Private Schools for Disabled				Resident Low Income						
	Reported on ASSA Private Schools	Reported on Private Schools	Sample Verification	Sample Verified	Sample Errors	Reported on ASSA Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten											
Grade One						6	1	-6	1		-1
Grade Two						4	4	-3	1		-1
Grade Three						4	1	-3	1		-1
Grade Four						7	1	-6	1	1	
Grade Five						4	2	-2	1	1	
Grade Six						4	4		1		-1
Grade Seven						5	4	-1	1		-1
Grade Eight						7	8	1	1	1	
Subtotal						45	25	-20	8	3	-5
Special Education:											
Elementary School	1	1				8	8				
Middle School	4	4	1	1		3	5	2			
Subtotal	5	5	1	1	-0-	11	13	2	-0-	-0-	-0-
Totals	5	5	1	1	-0-	56	38	-18	8	3	-5
Percentage Error					0.00%			-32.14%			-62.50%

CLINTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY - RESIDENT LEP NOT LOW INCOME
ENROLLMENT AS OF OCTOBER 15, 2019

	Resident LEP Not Low Income					
	Reported on ASSA as LEP Not Low Income	Reported on Workpapers as LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Full Day Kindergarten	1	1				
Grade One	2	4	2	1	1	
Grade Two	2	2				
Grade Four		1	1			
Grade Five		1	1	1	1	
Grade Seven		2	2	1	1	
Grade Eight		2	2			
Subtotal	<u>5</u>	<u>13</u>	<u>8</u>	<u>3</u>	<u>3</u>	
Totals	<u>5</u>	<u>13</u>	<u>8</u>	<u>3</u>	<u>3</u>	<u>-0-</u>
Percentage Error			<u>160.00%</u>			<u>0.00%</u>

CLINTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY - RESIDENT LEP LOW INCOME
ENROLLMENT AS OF OCTOBER 15, 2019

	Resident LEP Low Income					
	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application, and Register	Sample Errors
Full Day Kindergarten	1		-1			
Grade One	1		-1			
Grade Four	1		-1			
Grade Five	1		-1			
Grade Six	1		-1			
Grade Seven	2		-2			
Grade Eight	1		-1			
Subtotal	<u>8</u>		<u>-8</u>			
Totals	<u><u>8</u></u>	<u><u>-0-</u></u>	<u><u>-8</u></u>			
Percentage Error			<u><u>-100.00%</u></u>			

CLINTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2019

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	840	840		23	14	9
Regular - Special Education	119	119		4	4	
AIL - Non-Public	42	42		3	3	
Special Needs - Public	54	54		2	2	
Special Needs - Private	4	4		1	1	
Totals	1,059	1,059	-0-	33	24	9
Percentage Error			0.00%			27.27%

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	4.5	4.5
Average Mileage - Regular Excluding Grade PK Students	4.6	4.6
Average Mileage - Special Education with Special Needs	5.9	5.9

CLINTON TOWNSHIP SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2020

REGULAR DISTRICT

SECTION 1

2% Calculation of Excess Surplus

2019-2020 Total General Fund Expenditures per the CAFR, Ex. C-1	<u>\$ 30,860,250</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -0-</u> (B1a)
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ -0-</u> (B1b)
Decreased by:	
On-Behalf TPAF Pension and Social Security	<u>\$ 3,996,831</u> (B2a)
Assets Acquired Under Capital Leases	<u>\$ -0-</u> (B2b)
Adjusted 2019-2020 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 26,863,419</u> (B3)
2% of Adjusted 2019-2020 General Fund Expenditures [(B3) times .02]	<u>\$ 537,268</u> (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 537,268</u> (B5)
Increased by: Allowable Adjustments	<u>\$ 521,996</u> (K)
Maximum Unassigned Fund Balance [(B5)+(K)]	<u>\$ 1,059,264</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6/30/2020 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 4,388,248</u> (C)
Decreased by:	
Year End Encumbrances	<u>\$ 313,850</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C2)
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C3)
Other Restricted Fund Balance	<u>\$ 2,816,630</u> (C4)
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ 198,504</u> (C5)
Additional Assigned Fund Balance - Designated for Subsequent Year's Expenditures - July 1, 2020 - August 1, 2020	<u>\$ -0-</u> (C6)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	<u>\$ 1,059,264</u> (U1)

CLINTON TOWNSHIP SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2020

It is recommended that:

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
 - a) The required certification (ECERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents and business administrators) to the NJ Department of Treasury is filed by the required due date.
 - b) County Superintendent approval is obtained for any transfers from line items in excess of 10% and to any line items in excess of 10% for General Administration and Central Services.
 - c) The December Board Secretary and Treasurer's Reports are filed with the County Superintendent's Office by the required due date.
3. School Purchasing Program
None
4. School Food Service
None
5. Student Body Activities
None
6. Application for State School Aid
 - a) Every effort every effort is made to ensure that the number of on-roll, low income and bilingual students reported on the A.S.S.A. is accurate and supported by the District's workpapers.
7. Pupil Transportation
 - a) Every effort is made to ensure that the number of students reported on the District Report of Transported Students as regular – public school students is accurate and supported by the District's on-roll register.
8. Facilities and Capital Assets
 - a) That the District have a formal inventory of the District's capital assets conducted by an independent appraisal company to ensure the District's capital assets records are complete and that the construction in progress on completed capital projects is transferred to depreciable capital assets.

CLINTON TOWNSHIP SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

It is recommended that:

9. Miscellaneous

None

10. Status of Prior Year's Findings/Recommendations

The prior year recommendations with respect to obtaining Country Superintendent approval for transfers over 10% as well as ensuring the number of low income students reported on the A.S.S.A. is accurate have not been corrected and are included in the current year's findings.