

**BOARD OF EDUCATION OF THE
CLEMENTON SCHOOL DISTRICT
COUNTY OF CAMDEN**

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

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**



CLEMENTON SCHOOL DISTRICT
Auditor's Management Report on Administrative
Findings - Financial, Compliance and Performance

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

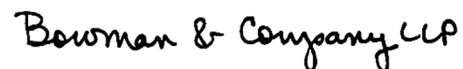
The Honorable President and
Members of the Board of Education
Clementon School District
County of Camden, New Jersey

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 Clementon School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2022, which were separately issued in the Annual Comprehensive Financial Report dated March 15, 2023.

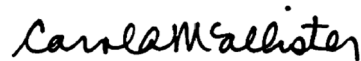
As part of our audit, we also performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is issued in conjunction with the Annual Comprehensive Financial Report of the Board of Education of the Clementon School District, for the fiscal year ended June 30, 2022, and is intended for the information of the School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Public School Accountant No. CS 238400

Voorhees, New Jersey
March 15, 2023

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

SCOPE OF AUDIT

The audit covered the financial transactions of the Board Secretary / School Business Administrator and the Treasurer of School Moneys, 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's Annual Comprehensive Financial Report (ACFR).

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Donna Phillips	Board Secretary / School Business Administrator	\$200,000.00

There is a Public Employees' Faithful Performance Blanket Position Bond with the Burlington County Insurance Pool Joint Insurance Fund covering all other employees with multiple coverage of \$500,000.00.

P.L.2020, c.44

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A.18A:16-13.3 (Chapter 44) submitted for the year under audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by the School District.

The School District data certification was completed by the chief school administrator. The School District Chapter 44 data was submitted timely.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were more than estimated costs. The School District made a proper adjustment to the billings to sending districts for the increase 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

Several purchase orders and supporting documentation could not be located for audit; therefore, audit procedures with respect to signatures, certification, or supporting documentations of claims paid could not be performed as referenced in ***Finding No. 2022-005 (ACFR Finding No. 2022-005)*** as reported in the School Purchasing Programs section of this report.

Payroll Account

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

FINANCIAL PLANNING, ACCOUNTING, AND REPORTING (CONT'D)

Payroll Account (Cont'd)

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

Sampled salary withholdings were promptly remitted to the proper agencies, including health benefit premium withholdings due to the general fund.

Sampled payrolls were delivered to the Board Secretary who then deposited with warrants in separate bank accounts for net payroll and withholdings.

Employee Position Control Roster

A sample of the Employee Position Control Roster indicated that it was in satisfactory condition and was approved by the county office submission with the 2021-2022 budget review checklist.

Encumbrances and Accounts Payable

A sample of outstanding issued purchase orders was made as of June 30 for proper classification of orders as encumbrances and accounts payable. Our sample did not indicate any reportable noncompliance with respect to classification of orders.

Travel

Our procedures performed on travel expenditures during the fiscal year under audit did not indicate any reportable noncompliance.

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 randomly sampled expenditure transactions. We also tested the coding of all expenditures included in our compliance and single audit sampling procedures. In addition, a sample was selected that specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. Our samples did not indicate any reportable noncompliance with respect to classification of expenditures.

Board Secretary's Records

Our audit of the financial and accounting records maintained by the Board Secretary indicated that they were in satisfactory condition.

Treasurer of School Moneys' Records

Our audit of the financial and accounting records maintained by the Board Secretary indicated that they were in satisfactory condition.

Pupil Transportation

Our audit procedures included a sample of on-roll status reported in the 2021-22 District Report of Transported Resident Students (DRTRS). The information that was reported on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the schedule of audited enrollments.

We performed procedures over transportation related contracts and purchases. It appears the School District complied with proper bidding procedures and award of contracts.

FINANCIAL PLANNING, ACCOUNTING, AND REPORTING (CONT'D)

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

The E.S.E.A. financial exhibits are contained within the special revenue section of the ACFR. This section of the ACFR documents the financial position pertaining to the projects under Titles I and Title II of the Every Student Succeeds Act.

The audit of compliance for E.S.E.A. did not indicate any reportable noncompliance.

Other Special Federal and / or State Projects

The School District's other special projects were approved as listed on exhibits K-3 and K-4 located in the ACFR.

Our audit of the federal and state funds on a sample 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 ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned other special projects.

The audit of compliance for other special projects did not indicate any reportable noncompliance.

TPAF Reimbursement

Our audit procedures included a sample of the biweekly reimbursements filed with the Department of Education for School 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 reports 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 and N.J.S.A. 18A:66-90. The expenditure was inspected subsequent to the reimbursement and exceptions were noted.

Finding No. 2022-002 (ACFR Finding No. 2022-002)

The Reimbursement to the State of New Jersey - N.J.S.A. 18A:66-90 (Pension and Social Security – Federally Funded Programs) form was not prepared in accordance with N.J.S.A. 18A:66-90.

Recommendation

That the School District should implement internal control procedures designed to ensure that the preparation of the Reimbursement to the State of New Jersey - N.J.S.A. 18A:66-90 (Pension and Social Security – Federally Funded Programs) form listing all eligible federally funded contractual salaries in completed in accordance with N.J.S.A. 18A:66-90 and retain on file the salary documentation in support of the calculation.

SCHOOL PURCHASING PROGRAMS

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-1 et seq. (Public School Contracts Law), the associated rules and related information on the statute, and the school contracts in general, are available on the following website:
<https://www.state.nj.us/dca/divisions/dlgs/programs/lpcl.html>

SCHOOL PURCHASING PROGRAMS (CONT'D)

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

Current statute is posted on the New Jersey Legislature website at:
<http://www.njleg.state.nj.us/>

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$44,000.00 (with a Qualified Purchasing Agent) and \$32,000.00 (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 \$20,200.00 for 2021-22.

The School District's 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.

Based on the results of our audit, we noted 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.

Finding No. 2022-005 (ACFR Finding No. 2022-005)

The School District did not follow Public School Contracts Law N.J.S.A. 18A:18A-1 for one contract that was awarded for an amount over the bid threshold. Additionally, 4 purchase orders included in the sample for testing and the supporting documentation for each of them were not available for audit.

Recommendation

That the School District implement internal control procedures designed to ensure purchases in excess of the bid threshold are awarded in accordance with Public School Contracts Law; and that all purchase orders and supporting documentation are maintained and available for audit.

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

SCHOOL FOOD SERVICE

Public Health Emergency

In accordance with the Governor's Declaration of Emergency pertaining to the public health emergency all public, charter, non-public schools were ordered to close effective as of March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, school food authorities (SFA) were required to institute alternate procedures to provide meals to free and reduced price eligible students during the period of school closures. Governor Murphy's emergency declaration ended June 4, 2021; however, the United States Department of Agriculture's federal waiver continued through June 30, 2022. Food Service Agencies operated under this federal waiver.

As a result, School Food Authorities (SFAs) were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO). SFAs could also choose to participate in the National School Lunch Program utilizing standard counting and claiming practices.

SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with food service management companies in accordance with 2 CFR 200.320 and N.J.S.A.18A:18A-7. The SFAs were also authorized to submit contract modifications to their existing cost reimbursable or fixed price contracts as necessary to ensure the feeding of all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all students during the emergency.

SCHOOL FOOD SERVICE (CONT'D)

The school food service program was not selected as a major federal and / or state program. However, the program expenditures exceeded \$100,000.00 in federal and / or state support. Accordingly, we inquired of school management, or 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.

The statement of revenues, expenses, and changes in fund net position (ACFR exhibit B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

We also inquired of management about the public health emergency procedures / practices that the SFA instituted to provide meals to all 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. We also inquired if the FSMC received a loan in accordance with the Paycheck Protection Plan (PPP) and whether the funds were used to pay for costs applicable to the Food Service Programs. We also inquired if the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA.

Net cash resources did exceed three months average expenditures.

Finding 2022-001 (ACFR Finding 2022-001)

The School District's Food Service Fund Net Cash Resources exceeded its three months average expenditures by \$110,032.67.

Recommendation

That the School District develop a plan to reduce the Food Service Fund's Net Cash Resources below its three month average expenditures.

CAMP CLEMENTON / COMMUNITY EDUCATION FUND

Our audit of the financial and accounting records for the camp clementon / community education proprietary fund disclosed the following item.

Finding 2022-003 (ACFR Finding 2022-003)

Supporting documentation, such as billing and cash receipt registers and a list of program attendees, was not available to substantiate revenue billed and collected for the Camp Clementon Community Education Fund. Additionally, the bank reconciliation did not agree to the cash activity in the general ledger.

Recommendation

That the School District should implement internal control procedures designed to ensure that adequate supporting documentation is prepared and maintained for the revenue billed and collected in the Camp Clementon Community Education Fund; and that cash balances per client prepared bank reconciliations should agree to cash per the general ledger.

STUDENT BODY ACTIVITIES

Our audit of the financial and accounting records for student activities indicated that they were in satisfactory condition.

APPLICATION FOR STATE SCHOOL AID

Our audit procedures included a sample of information reported in the October 15, 2021 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low-income, and bilingual. We also performed an inspection of the School District procedures related to its completion. The information on the A.S.S.A. was compared to the School District workpapers without exception. The information that was included on the workpapers was verified with exceptions noted. The results of our procedures are presented in the schedule of audited enrollments.

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

The School District has adequate written procedures for the recording of student enrollment data.

Finding No. 2022-004 (ACFR Finding No. 2022-004)

The School District did not follow controls and written procedures in place to ensure that workpapers and corresponding documentation agreed with the submitted A.S.S.A. report and as a result, differences were identified during testing. In addition, the School District did not maintain certain supporting workpapers, and as a result, certain audit procedures could not be performed with regards to A.S.S.A. testing of the eligibility requirements.

Recommendation

That the School District implement adequate internal controls and written procedures that are designed to ensure the accurate recording and reporting of student enrollment data on the Application for State School Aid (A.S.S.A.) in accordance with the eligibility compliance requirement in the State Aid Public compliance supplement and the instructions provided by the Office of School Finance, Department of Education; and that the School District maintain all workpapers and supporting documentation for the enrollment categories reported on the A.S.S.A.

FACILITIES AND CAPITAL ASSETS

Our audit of the financial and accounting records for facilities and capital assets indicated that they were in satisfactory condition.

MISCELLANEOUS

Continuing Disclosure Agreements

Not applicable – no outstanding bonds.

Testing for Lead of All Drinking Water in Education Facilities

The School District complied with all the requirements of N.J.A.C. 6A:26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

The School District submitted 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'S FINDINGS

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations. Corrective action had not been taken on either of the prior year findings, which are repeated in this year's recommendations noted as current year findings 2022-001 and 2022-004:

Finding No. 2021-001

Condition

The School District's Food Service Fund Net Cash Resources exceeded its three months average expenditures by \$51,744.64.

Recommendation

That the School District develop a plan to reduce the Food Service Fund's Net Cash Resources below its three month average expenditures.

Finding No. 2021-002

Information on the State Program

New Jersey Department of Education, State Aid Public, 7/1/2021 – 6/30/2022

Equalization Aid	G.M.I.S. No. 495-034-5120-078
Special Education Categorical Aid	G.M.I.S. No. 495-034-5120-089
Security Aid	G.M.I.S. No. 495-034-5120-084

Condition

The District's workpapers and corresponding documentation did not agree with the submitted A.S.S.A. report and as a result, differences were identified. In addition, the District failed to maintain certain supporting workpapers, as a result, certain audit procedures could not be performed with regards to A.S.S.A.

Recommendation

That the School District maintain all A.S.S.A.. workpapers and supporting documentation; that the District establish adequate written procedures for the recording and reporting of student enrollment data.

There were no Office of Fiscal Accountability and Compliance audit reports issued during the fiscal year ended June 30, 2022.

ACKNOWLEDGMENT

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Carol A. McAllister
Public School Accountant No. CS 238400

BOROUGH OF CLEMENTON SCHOOL DISTRICT
 Schedule of Net Cash Resources
 Net Cash Resources Did Exceed Three Months of Expenditures
 Proprietary Funds - Food Service Fund
 For the Fiscal Year Ended June 30, 2022

<u>Net Cash Resources:</u>	<u>Food Service B - 4/5</u>	
ACFR	Current Assets	
B-4	Cash & Cash Equivalents	\$ 186,428.55
B-4	Due from Other Governments	
B-4	Due from Other Funds	
B-4	Accounts Receivable	20,234.64
B-4	Investments	
ACFR	Current Liabilities	
B-4	Less Accounts Payable	(1,812.34)
B-4	Less Accruals	
B-4	Less Due to Other Funds	(3,248.73)
B-4	Less Unearned Revenue	
	Net Cash Resources	<u><u>\$ 201,602.12</u></u> (A)
 <u>Net Adjusted Total Operating Expense:</u>		
B-5	Total Operating Expenditures	\$ 307,246.49
B-5	Less Depreciation	(2,015.00)
	Adjusted Total Operating Expense	<u><u>\$ 305,231.49</u></u> (B)
 <u>Average Monthly Operating Expense:</u>		
	B / 10	<u><u>\$ 30,523.15</u></u> (C)
 <u>Three Times Monthly Average:</u>		
	3 X C	<u><u>\$ 91,569.45</u></u> (D)

TOTAL IN BOX A	\$ 201,602.12
LESS TOTAL IN BOX D	\$ 91,569.45
NET	<u><u>\$ 110,032.67</u></u>

From above:
 A is greater than D, cash exceeds 3 X average monthly operating expenses.
 D is greater than A, cash does not exceed 3 X average monthly operating expenses.

CLEMENTON SCHOOL DISTRICT
 Application for State School Aid Summary
 Schedule of Audited Enrollments
 Enrollment as of October 15, 2021

	2022-2023 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. 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																
Full Day Preschool	35		37		(2)			37		37						
Half Day Kindergarten																
Full Day Kindergarten	48		48					48		48						
One	58		70		(12)			70		70						
Two	50		55		(5)			55		55						
Three	54		59		(5)			59		59						
Four	58		63		(5)			63		63						
Five	41		48		(7)			48		48						
Six	52		62		(10)			62		62						
Seven	37		42		(5)			42		42						
Eight	49		60		(11)			60		60						
Nine																
Ten																
Eleven																
Twelve																
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14CR.)																
Subtotal	482	-	544	-	(62)	-	-	544	-	544	-	-	-	-	-	-
Special Education-Elementary	42		42					6		5		1		2	2	2
Special Education-Middle School	28		30		(2)			4		4				1	1	1
Special Education-High School														7	7	7
Subtotal	70	-	72	-	(2)	-	-	10	-	9	-	1	-	10	10	10
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	552	-	616	-	(64)	-	-	554	-	553	-	1	-	10	10	10
Percentage Error					<u>-10.39%</u>	<u>-</u>						<u>0.18%</u>	<u>-</u>			<u>-</u>

CLEMENTON SCHOOL DISTRICT
 Application for State School Aid Summary
 Schedule of Audited Enrollments
 Enrollment as of October 15, 2021

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Application, Test Score and Register	Sample Errors
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten	24	24		12	8	4	3	3		2	1	1
One	35	35		17	12	5	4	4		3	3	
Two	25	25		12	6	6	1	1		1	1	
Three	24	24		12	7	5	2	2		2	1	1
Four	34	34		17	8	9	3	3		2	1	1
Five	24	24		12	8	4	2	2		2	1	1
Six	31	31		15	10	5	3	3		2	1	1
Seven	21	21		11	6	5	2	2		2	1	1
Eight	23	23		12		12	1	1		1		1
Nine	27	27		14	14		4	4		3	3	
Ten	12	12		6	6		1	1		1	1	
Eleven	13	13		7	7		1	1		1	1	
Twelve	10	10		5	5		3	3		2	2	
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14CR.)												
Subtotal	303	303	-	152	97	55	30	30	-	24	17	7
Special Education-Elementary	29	29		14	10	4	3	3		2	1	1
Special Education-Middle School	24	24		12	2	10	1	1		1		1
Special Education-High School	23	23		11	11							
Subtotal	76	76	-	37	23	14	4	4	-	3	1	2
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
Totals	379	379	-	189	120	69	34	34	-	27	18	9
Percentage Error			-			36.51%			-			33.33%

	Transportation						Reported	Re-Calculated
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors		
Reg. - Public Schools, Col. 1	217	217		113	113		4.2	4.3
Reg. - SpEd, Col. 4	8	8		4	4		4.2	4.3
Transported - Non-Public, Col. 3	13	13		7	7		9.0	12.2
Special Needs, Col. 6	12	12		6	6			
Totals	250	250	-	130	130	-		
Percentage Error			-			-		

Reg. Avg. (Mileage) = Regular Including Grade PK students (Part A)
 Reg. Avg. (Mileage) = Regular Excluding Grade PK students (Part B)
 Spec. Avg. (Mileage) = Special Ed. with Special Needs

CLEMENTON SCHOOL DISTRICT
 Application for State School Aid Summary
 Schedule of Audited Enrollments
 Enrollment as of October 15, 2021

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low <u>Income</u>	Reported on Workpapers as NOT Low <u>Income</u>	<u>Errors</u>	Sample Selected from <u>Workpapers</u>	Verified to Test Score <u>and Register</u>	Sample <u>Errors</u>
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten	6	5	1	5	5	
One	2	2		2	2	
Two	3	3		3	3	
Three	1		1			
Four	3	3		3	3	
Five						
Six						
Seven	1	1		1	1	
Eight	1		1			
Nine	3	3		3	3	
Ten				1	1	
Eleven						
Twelve						
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14CR.)						
Subtotal	<u>20</u>	<u>17</u>	<u>3</u>	<u>18</u>	<u>18</u>	<u>-</u>
Special Education-Elementary	1	1		1	1	
Special Education-Middle School						
Special Education-High School	2	2		2	2	
Subtotal	<u>3</u>	<u>3</u>	<u>-</u>	<u>3</u>	<u>3</u>	<u>-</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>23</u>	<u>20</u>	<u>3</u>	<u>21</u>	<u>21</u>	<u>-</u>
Percentage Error			<u>13.04%</u>			<u>-</u>

CLEMENTON SCHOOL DISTRICT
 Application for State School Aid Summary
 Schedule of Audited Enrollments
 Enrollment as of October 15, 2021

Military Connected Students			
Reported on A.S.S.A. as Military Connected <u>Students</u>	<u>Sample for Verification</u>	<u>Sample Verified</u>	<u>Sample Errors</u>
NOT APPLICABLE			
-	-	-	-

EXCESS SURPLUS CALCULATION

REGULAR DISTRICT / CHARTER SCHOOL / RENAISSANCE SCHOOL PROJECT

SECTION 1

4% Calculation of Excess Surplus

2021-22 Total General Fund Expenditures Reported on ACFR Exhibit C-1	\$ 13,707,712.78 (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	_____ (B1a)
Transfer from Capital Reserve to Capital Projects Fund	_____ (B1b)
Transfer from General Fund to SRF for PreK-Regular	_____ (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	_____ (B1d)
Decreased by:	
On-Behalf TPAF Pension & Social Security	1,943,423.08 (B2a)
Assets Acquired Under Capital Leases	_____ (B2b)
Adjusted 2021-22 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ 11,764,289.70 (B3)
4% of Adjusted 2021-22 General Fund Expenditures [(B3) times .04]	\$ 470,571.59 (B4)
Enter Greater of (B4) or \$250,000	470,571.59 (B5)
Increased by: Allowable Adjustment *	6,432.00 (K)
Maximum Unassigned Fund Balance [(B5) + (K)]	\$ 477,003.59 (M)

SECTION 2

Total General Fund - Fund Balances at June 30, 2022 (Per ACFR Budgetary Comparison Schedule, Ex. C-1)	\$ 4,224,915.59 (C)
Decreased by:	
Year-End Encumbrances	6,835.30 (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	_____ (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	613,817.00 (C3)
Other Restricted Fund Balances ****	1,963,952.04 (C4)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	_____ (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ 1,640,311.25 (U1)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER -0-	\$ 1,163,307.66 (E)
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Recapitulation of Excess Surplus as of June 30, 2022

Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 613,817.00 (C3)
Restricted - Excess Surplus *** [(E)]	1,163,307.66 (E)
Total Excess Surplus [(C3)+(E)]	\$ 1,777,124.66 (D)

EXCESS SURPLUS CALCULATION (CONT'D)

REGULAR DISTRICT / CHARTER SCHOOL / RENAISSANCE SCHOOL PROJECT

Footnotes:

* Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:

(H) Federal Impact Aid. The passage of P.L.2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve – General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);

(I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);

(J1) Extraordinary Aid;

(J2) Additional Nonpublic School Transportation Aid;

(J3) Recognized current year School Bus Advertising Revenue; and

(J4) Family Crisis Transportation Aid.

(J5) Maintenance of Equity Aid and State Military Impact Aid received in July 2022

Detail of Allowable Adjustments

Federal Impact Aid	\$ - (H)
Sale & Lease-back	_____ (I)
Extraordinary Aid	_____ (J1)
Additional Nonpublic School Transportation Aid	_____ 6,432.00 (J2)
Current Year School Bus Advertising Revenue Recognized	_____ (J3)
Family Crisis Transportation Aid	_____ (J4)
Maintenance of Equity Aid and State Military Impact Aid received in July 2022	_____ (J5)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]	\$ 6,432.00 (K)

** This amount represents the Excess Surplus (C3 above) generated during June 30, 2021 and must be included in the Audit Summary Line 90031. This amount was to be appropriated in the 2021-2022 general fund budget.

*** Amounts must agree to the June 30, 2022 ACFR and must agree to Audit Summary Line 90030.

**** Amount for Other Restricted Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by another type of government, such as the judicial branch of government, must have departmental approval. District requests should be submitted to the Office of School Finance prior to September 30.

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$ -
Sale/lease-back reserve	_____
Capital reserve	_____ 587,029.00
Maintenance reserve	_____ 480,984.01
Emergency reserve	_____ 167,797.94
Tuition reserve	_____
School bus advertising 50% fuel offset reserve - current year	_____
School bus advertising 50% fuel offset reserve - prior year	_____
Impact Aid General Fund Reserve (Sections 8002 and 8003)	_____
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	_____
Other state/government mandated reserves	_____
Restricted for Unemployment	_____ 144,455.99
[Other Restricted Fund Balance not noted above]****	_____ 583,685.10
Total Other Restricted Fund Balance	\$ 1,963,952.04 (C4)

CLEMENTON SCHOOL DISTRICT
Audit Recommendations Summary
For the Fiscal Year Ended June 30, 2022

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

That the School District should implement internal control procedures designed to ensure that the preparation of the Reimbursement to the State of New Jersey - N.J.S.A. 18A:66-90 (Pension and Social Security – Federally Funded Programs) form listing all eligible federally funded contractual salaries in completed in accordance with N.J.S.A. 18A:66-90 and retain on file the salary documentation in support of the calculation.

That the School District should implement internal control procedures designed to ensure that adequate supporting documentation is prepared and maintained for the revenue billed and collected in the Camp Clementon Community Education Fund; and that cash balances per client prepared bank reconciliations should agree to cash per the general ledger.

3. School Purchasing Programs

That the School District implement internal control procedures designed to ensure purchases in excess of the bid threshold are awarded in accordance with Public School Contracts Law; and that all purchase orders and supporting documentation are maintained and available for audit.

4. School Food Service

That the School District develop a plan to reduce the Food Service Fund's Net Cash Resources below its three month average expenditures.

5. Student Body Activities

None

6. Application for State School Aid

That the School District implement adequate internal controls and written procedures that are designed to ensure the accurate recording and reporting of student enrollment data on the Application for State School Aid (A.S.S.A.) in accordance with the eligibility compliance requirement in the State Aid Public compliance supplement and the instructions provided by the Office of School Finance, Department of Education; and that the School District maintain all workpapers and supporting documentation for the enrollment categories reported on the A.S.S.A.

7. Facilities and Capital Assets

None

8. Miscellaneous

None

9. Follow-Up on Prior Year Findings

A review was performed on the prior year recommendations and corrective action was not taken on either of the prior year findings, which are repeated in this year's recommendations:

That the School District develop a plan to reduce the Food Service Fund's Net Cash Resources below its three month average expenditures.

That the School District maintain all A.S.S.A. workpapers and supporting documentation; that the District's establish adequate written procedures for the recording and reporting of student enrollment data.