

**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, 2023**



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**

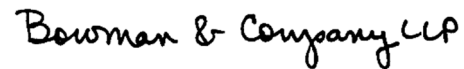
The Honorable President and
Members of the Board of Education
Clementon School District
County of Camden, New Jersey

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, 2023, which were separately issued in the Annual Comprehensive Financial Report dated January 3, 2024.

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, 2023, 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
January 3, 2024

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

SCOPE OF AUDIT

The audit covered the financial transactions of the Board Secretary / School Business Administrator and 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>
Bruno Berenato	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 less than estimated costs. The School District made a proper adjustment to the billings to sending districts for the decrease 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

Sampled claims paid during the fiscal year under audit did not indicate any reportable noncompliance with respect to signatures, certification, or supporting documentation.

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 2022-2023 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.

Pupil Transportation

Our audit procedures included a sample of on-roll status reported in the 2022-23 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, except for noted below. The results of our procedures are presented in the schedule of audited enrollments.

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

Pupil Transportation (Cont'd)

Finding No. 2023-002 (ACFR Finding No. 2023-002)

The School District's reported student count in multiple categories of the October 2022 DRTRS could not be verified to supporting documents.

Recommendation

The School District should implement procedures and maintain adequate workpapers to support student counts reported in each category to ensure students are correctly reported on the DRTRS.

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

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, II and III 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 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 and N.J.S.A. 18A:66-90. The expenditure was inspected subsequent to the reimbursement and no exceptions were noted.

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>

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 2022-23.

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 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.

SCHOOL FOOD SERVICE

The school food service program was not selected as a major federal and / or State program. However, the program expenditures exceeded \$100,000.00 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.

Net cash resources did exceed three months average expenditures.

Finding No. 2023-001 (ACFR Finding No. 2023-001)

The School District's Food Service Fund Net Cash Resources exceeded its three months average expenditures by \$151,759.52.

Recommendation

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

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 14, 2022 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 with exceptions. The information that was included on the workpapers was verified with exceptions. 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. 2023-003 (ACFR Finding No. 2023-003)

The School District's workpapers and corresponding documentation for Resident Low Income and Resident LEP Not Low Income did not agree with the submitted A.S.S.A. report. Several students reported as "low income" and receiving free or reduced price meals lacked appropriate qualifying documentation (Free and Reduced Lunch Application or Direct Certification) and were reported in the incorrect category.

Recommendation

The School District should maintain workpapers and corresponding documents to support the submitted A.S.S.A. report and procedures should be in place to ensure that all eligibility determinations are supported by qualifying documentation (Free and Reduced Lunch Application or Direct Certification).

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 been taken on all prior year findings with the exception of the following, which are repeated in this year's recommendations noted as current year findings 2023-001 and 2023-003:

Finding No. 2022-001 (ACFR Finding No. 2022-001) – current year finding 2023-001

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

Finding No. 2022-004 (ACFR Finding No. 2022-004) – current year finding 2023-003

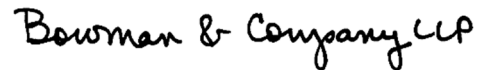
The School District did not follow controls and written procedures in place to ensure that workpapers and corresponding documentation agreed with the submitted A.S.S.A. report and as a result, differences were identified during testing. In addition, the School District did not maintain certain supporting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

There were no Office of Fiscal Accountability and Compliance audit reports issued during the fiscal year ended June 30, 2023.

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



Public School Accountant No. CS 238400

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, 2023

<u>Net Cash Resources:</u>	<u>Food Service</u> <u>B - 4/5</u>	
ACFR	Current Assets	
B-4	Cash & Cash Equivalents	\$ 274,870.01
B-4	Due from Other Governments	
B-4	Due from Other Funds	
B-4	Accounts Receivable	14,321.48
B-4	Investments	
ACFR	Current Liabilities	
B-4	Less Accounts Payable	(1,425.74)
B-4	Less Accruals	
B-4	Less Due to Other Funds	(22,617.64)
B-4	Less Unearned Revenue	
	Net Cash Resources	<u>\$ 265,148.11</u> (A)
 <u>Net Adjusted Total Operating Expense:</u>		
B-5	Total Operating Expenditures	\$ 379,979.98
B-5	Less Depreciation	<u>(2,018.00)</u>
	Adjusted Total Operating Expense	<u>\$ 377,961.98</u> (B)
 <u>Average Monthly Operating Expense:</u>		
	B / 10	<u>\$ 37,796.20</u> (C)
 <u>Three Times Monthly Average:</u>		
	3 X C	<u>\$ 113,388.59</u> (D)

TOTAL IN BOX A	\$ 265,148.11
LESS TOTAL IN BOX D	<u>\$ 113,388.59</u>
NET	<u>\$ 151,759.52</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 14, 2022

	2023-2024 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 Veri- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool																
Full Day Preschool	36		36					35		35						
Half Day Kindergarten																
Full Day Kindergarten	52		52					52		52						
One	42		42					42		42						
Two	61		61					61		61						
Three	56		56					56		56						
Four	58		58					58		58						
Five	54		54					54		54						
Six	45		45					45		45						
Seven	53		53					53		53						
Eight	41		41					41		41						
Nine																
Ten																
Eleven																
Twelve																
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14CR.)																
Subtotal	498	-	498	-	-	-	-	497	-	497	-	-	-	-	-	-
Special Education-Elementary	48		48					7		7			3	3	3	
Special Education-Middle School	23		23					3		3			2	2	2	
Special Education-High School													6	6	6	
Subtotal	71	-	71	-	-	-	-	10	-	10	-	-	11	11	11	-
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	569	-	569	-	-	-	-	507	-	507	-	-	11	11	11	-
Percentage Error																

CLEMENTON SCHOOL DISTRICT
 Application for State School Aid Summary
 Schedule of Audited Enrollments
 Enrollment as of October 14, 2022

	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	30	33	(3)	15	11	4	3	3		2	2	
One	26	29	(3)	13	10	3	4	4		3		3
Two	36	42	(6)	20	18	2	6	6		5	3	2
Three	30	33	(3)	15	11	4	3	3		2	2	
Four	32	34	(2)	17	13	4	2	2		2	1	1
Five	28	31	(3)	15	10	5	3	3		2	1	1
Six	25	27	(2)	12	9	3	2	2		2	1	1
Seven	33	35	(2)	17	12	5	2	2		2	1	1
Eight	21	21		9	6	3						
Nine	17	17		7	7		3	3		2	2	
Ten	16	16		7	7		7	7		4	4	
Eleven	13	13		6	6		2	2		2	2	
Twelve	15	15		7	7		2	2		2	2	
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14CR.)												
Subtotal	322	346	(24)	160	127	33	39	39	-	30	21	9
Special Education-Elementary	31	36	(5)	17	15	2	5	5		4	4	
Special Education-Middle School	18	18		8	7	1						
Special Education-High School	29	29		13	13		3	3		2	2	
Subtotal	78	83	(5)	38	35	3	8	8	-	6	6	-
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
Totals	400	429	(29)	198	162	36	47	47	-	36	27	9
Percentage Error			-7.25%			18.18%			-			25.00%

	Transportation						Reported	Re-Calculated	
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors			
Reg. - Public Schools, Col. 1	243	243		126	108	18	Reg. Avg. (Mileage) = Regular Including Grade PK students (Part A)	4.1	4.0
Reg. - SpEd, Col. 4	9	9		5	20	(15)	Reg. Avg. (Mileage) = Regular Excluding Grade PK students (Part B)	4.1	4.0
Transported - Non-Public, Col. 3	6	6		3	3		Spec. Avg. (Mileage) = Special Ed. with Special Needs	8.5	8.8
Special Needs, Col. 6	15	15		8	7	1			
Totals	273	273	-	142	138	4			
Percentage Error			-			4			

CLEMENTON SCHOOL DISTRICT
 Application for State School Aid Summary
 Schedule of Audited Enrollments
 Enrollment as of October 14, 2022

	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	3	3		2	2	
One	3	3		2	2	
Two	1	1		1	1	
Three	3	3		2	2	
Four						
Five	2	2		2	2	
Six						
Seven						
Eight	2	2		1	1	
Nine	1	1		1	1	
Ten	1	1		1	1	
Eleven						
Twelve						
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14CR.)						
Subtotal	<u>16</u>	<u>16</u>	<u>-</u>	<u>12</u>	<u>12</u>	<u>-</u>
Special Education-Elementary	1	1		1	1	
Special Education-Middle School						
Special Education-High School	1	1		1	1	
Subtotal	<u>2</u>	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</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>18</u>	<u>18</u>	<u>-</u>	<u>14</u>	<u>14</u>	<u>-</u>
Percentage Error			<u>-</u>			<u>-</u>

CLEMENTON SCHOOL DISTRICT
Application for State School Aid Summary
Schedule of Audited Enrollments
Enrollment as of October 14, 2022

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

EXCESS SURPLUS CALCULATION

REGULAR DISTRICT / N/A TO CHARTER SCHOOL / RENAISSANCE SCHOOL PROJECT

SECTION 1

2% Calculation of Excess Surplus

2022-23 Total General Fund Expenditures Reported on ACFR Exhibit C-1	\$ 15,189,698.52 (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	2,190,566.94 (B2a)
Assets Acquired Under Capital Leases	_____ (B2b)
Adjusted 2022-23 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ 12,999,131.58 (B3)
2% of Adjusted 2022-23 General Fund Expenditures [(B3) times .02]	\$ 259,982.63 (B4)
Enter Greater of (B4) or \$250,000	259,982.63 (B5)
Increased by: Allowable Adjustment *	219,231.00 (K)
Maximum Unassigned Fund Balance [(B5) + (K)]	\$ 479,213.63 (M)

SECTION 2

Total General Fund - Fund Balances at June 30, 2023 (Per ACFR Budgetary Comparison Schedule, Ex. C-1)	\$ 5,357,038.29 (C)
Decreased by:	
Year-End Encumbrances	196,028.80 (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	_____ (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	1,163,308.00 (C3)
Other Restricted Fund Balances ****	2,330,631.86 (C4)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	187,856.00 (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ 1,479,213.63 (U1)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER -0-	\$ 1,000,000.00 (E)
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Recapitulation of Excess Surplus as of June 30, 2023

Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 1,163,308.00 (C3)
Restricted - Excess Surplus *** [(E)]	1,000,000.00 (E)
Total Excess Surplus [(C3)+(E)]	\$ 2,163,308.00 (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) Supplemental Stabilization Aid received April 2023 & Maintenance of Equity Aid received July 2023

Detail of Allowable Adjustments

Federal Impact Aid	\$ - (H)
Sale & Lease-back	<u> (I)</u>
Extraordinary Aid	<u>215,679.00 (J1)</u>
Additional Nonpublic School Transportation Aid	<u>3,552.00 (J2)</u>
Current Year School Bus Advertising Revenue Recognized	<u> (J3)</u>
Family Crisis Transportation Aid	<u> (J4)</u>
Supplemental Stabilization Aid received April 2023 & Maintenance of Equity Aid received July 2023	<u> (J5)</u>
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]	 <u>\$ 219,231.00 (K)</u>

** This amount represents the June 30, 2023 Excess Surplus (C3 above) and must be included in the Audit Summary Line 90031.

*** Amounts must agree to the June 30, 2023 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	<u> </u>
Capital reserve	<u>907,726.15</u>
Maintenance reserve	<u>509,080.00</u>
Emergency reserve	<u>170,415.59</u>
Tuition reserve	<u> </u>
School bus advertising 50% fuel offset reserve - current year	<u> </u>
School bus advertising 50% fuel offset reserve - prior year	<u> </u>
Impact Aid General Fund Reserve (Sections 8002 and 8003)	<u> </u>
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	<u> </u>
Other state/government mandated reserves	<u> </u>
Restricted for Unemployment	<u>168,521.68</u>
[Other Restricted Fund Balance not noted above]****	<u>574,888.44</u>
 Total Other Restricted Fund Balance	 <u>\$ 2,330,631.86 (C4)</u>

CLEMENTON SCHOOL DISTRICT
Audit Recommendations Summary
For the Fiscal Year Ended June 30, 2023

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

The School District should implement procedures and maintain adequate workpapers to support student counts reported in each category to ensure students are correctly reported on the DRTRS.

3. School Purchasing Programs

None

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

The School District should maintain workpapers and corresponding documents to support the submitted A.S.S.A. report and procedures should be in place to ensure that all eligibility determinations are supported by qualifying documentation (Free and Reduced Lunch Application or Direct Certification).

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 taken on all prior year findings, with the exception of the following, 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.

CLEMENTON SCHOOL DISTRICT
Audit Recommendations Summary
For the Fiscal Year Ended June 30, 2023

Recommendations (Cont'd):

9. Follow-Up on Prior Year Findings (Cont'd)

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.