**GROTON BOARD OF EDUCATION**
**SPECIAL MEETING**
**DECEMBER 3, 2025 @ 6:00 P.M.**
**CENTRAL OFFICE, ROOM 11/HYBRID**

**MEMBERS PRESENT:** Beverly Washington – Chairperson, Adrian Johnson – Vice Chairperson, Andrea Ackerman (phoned in), Sean Corcoran (remote), Mitch Shinbrot, Ian Thomas, Jay Weitlauf (remote), Jennifer White, Michael Whitney (remote)

**ALSO PRESENT:** Susan Austin, Rita Parciak, Laurie LePine, Joe Centofanti

I. CALL TO ORDER – Mrs. Washington, Chairperson, called the meeting to order at 6:00 p.m.

II. OPERATIONAL REVIEW PRESENTATION (Attachment #1)

Mr. Joe Centofanti gave an overview of PowerPoint presentation of the Operational Review.

III. Adjournment

MOTION: Shinbrot, Johnson: The meeting was adjourned at 7:05 p.m.
PASSED – UNANIMOUSLY

Attachment #1

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# Groton Public Schools Operational Review

## Presentation of the Results to the Groton Board of Education

**Joseph Centofanti, CPA, CFE, FCPA, CFF, CGFM**

December 3, 2025

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# Overview

# Overview of Project

- Scope
- Periods reviewed
- Scope limitations
- Results and recommendations

# Scope

- 6 major areas reviewed:
  - Charter and policy compliance
  - Accounting procedures and internal controls
  - Review of expenditures
  - Review of budget amounts and expenditures
  - Expenditure reclassification from budget to grants
  - Review of budgetary practices

# Periods Reviewed

The periods reviewed were:

- July 1, 2022 through June 30, 2023
- July 1, 2023 through June 30, 2024

# Scope Limitations

- Certain information was not available or not provided
- Recommendations are based upon completeness of information provided
- Certain information was provided after the draft was completed and has not been included in the report



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# Results and Recommendations

# Recommendations

- Recommendations are provided with best practices as the benchmark

- Recommendations include 2 types:

  a. Internal control related.  These should be addressed immediately

  b. Operational/efficiency or best practices

# Recommendations (new slide)

- Recommendations are labeled with a specific reference number (PUR-1) to allow for status tracking
- Tracking can be accomplished developing a chart showing recommendation reference number, description, type, projected implementation date and status
- Recommendations can be updated to include a reference to identify the recommendation type:
  - IC – Internal control related
  - BP – Best practice/efficiency

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# Review of Charter, Statutes and Board Policies

# Review of Charter, Statutes and Board Policies

Results of Analysis **(Exhibit 1):**

- Budget transfers were not approved by the Board of Education in accordance with State Statutes and Board Policy
- Recommendations include (4):
  - Properly approving budget transfers in accordance with the Board Policy and State Statutes
  - Review of agreements to determine proper classification as lease or notes payable

# Budget Transfers (new slide)

- Statute 10-222 requires transfers between the 9 functions be approved by the Board of Education (salaries, benefits, etc as listed on Schedule 1)
- Current Board policy is more restrictive (more than the 9 functions) than State Statutes
- Board should receive a monthly report from the software system subtotaled by function in order that the Board can review the budget status
- Transfers should be requested by administration when the need is identified and should include any applicable supporting documentation (quotes, invoices, etc)

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# Review of Accounting Procedures and Internal Controls

# Purchasing

Results of Analysis **(Exhibit 2):**

- The results of our testing was that for both fiscal years 2023 and 2024 for 8 of the purchases tested, we were not provided adequate documentation to demonstrate the purchases were properly bid

- For 2 purchases selected for testing the documentation was not provided before the completion of the draft report

# Purchasing

Recommendations include (4):

- Retention of bid documentation in a central location
- Establishment of a centralized purchasing function
- Implementation of an electronic purchase order system
- Use of a bid waiver form to properly document approved bid waivers
- Compliance with Board bid policy

# Payroll Recommendations (10)

- Restriction of payroll clerk access rights to employee rates (segregation of duties)
- Proper approval before payroll is processed
- Production and review of payroll change report
- Consolidation of school lunch program payroll under the District tax ID number
- Multiple other efficiency related recommendations

# Human Resources Recommendations (2)

- Be responsible for entering employee payrates (see payroll – segregation of duties)

- Be responsible for workers' compensation claim management and processing

# Accounts Payable Recommendations (7)

- Restriction of accounts payable clerks access rights to be able to add new vendors (segregation of duties)
- Restriction of accounts payable clerks access rights to be able to add voids and reissue checks (segregation of duties)
- Proper approval and use of the purchase order process by the Building and Grounds Department
- Multiple efficiency related recommendations

# Cash Receipt Recommendations (3)

- School lunch program: Revenues are recorded based upon the amount deposited vs the register reports

- School rental: Formalize recordkeeping for billings and collections for amount paid in advance

# Financial Reporting Recommendations (2)

- Financial reporting to the Board of Education should include actual financial reports from the financial software

- Financial reporting should include all funds that the District is responsible for such as the school lunch program, nonlasping fund and the Department of Defense funds

# Journal Entries

- Results of Analysis **(Exhibit 3):**

  The results of our review of journal entries noted that the documentation for proper approvals, adequate supporting documentation and use of District form was not consistent

- Recommendations include (3):

  - Consistent use of journal entry form to document entry and approvals
  - Proper documentation be attached to journal entry form

# Other Observations (4)

- Monthly and timely preparation of bank reconciliations (significant internal control)

- Need to develop detailed written policies and procedures to train new employees

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# Review of Financial Records and Reports

# Health Insurance

Results of Analysis **(Exhibit 4):**

Budget for medical claim cost were under budget by $644,647 and $372,917 for fiscal years 2023 and 2024, respectively

Recommendations include (3):

- Detailed information (by employee) should be developed to support the Education budgeted amount
- Budget line should be labeled contribution to medical internal service fund vs other costs and funded at the budget amount
- Separate revenue and expense accounts by contributing fund should be established to allow analysis and monitoring

# General Fund Payroll

Results of Analysis **(Exhibit 5):**

- 17 of 38 salary lines were overspent for both fiscal year 2023 and 2024, but total salaries were under budget
- Certain lines were significantly under/overspent for both fiscal years
- Recommendations include (2):
- Update budget lines as necessary during the year to allow budget monitoring and position control
- Update subsequent budget amounts based upon prior year actual amounts

# Special Education Costs

Results of Analysis **(Exhibits 6A and 6B):**

- State excess cost report for special education costs decreased by $287,930 from fiscal year 2023 to 2024
- Positive budget variances were noted for both years, with 2024's variance being $1,037,818
- Several special education budget lines have significant variances consistent for both fiscal years
- Recommendation: Adjust subsequent budget amounts based upon prior year actual amounts

# Property Costs Analysis

Results of Analysis **(Exhibit 8):**

- For both fiscal years, 9 or 10 lines were overspent with the total budget being overspent by $67,922 and $143,946 for 2023 and 2024, respectively
- The largest amount overspent for both years was the repairs to grounds line
- It appears that certain property costs were charged to the other purchased services budget line which should be charged to the building protection-fire budget line

# Property Costs Analysis

Recommendations include (2):

- Recommendation to adjust subsequent budget amounts based upon prior year actual amounts and known expected repairs and maintenance costs

- Costs related to buildings should be charged to the correct budget line to have the complete costs for property costs

# School Lunch Program

Results of Analysis:

- At June 30, 2024, fund balance was $1,433,466
- Program is paying for all employee benefits except for pension costs
- Currently, the School Lunch program is operating like a separate entity, including having a separate Tax ID number for payroll. The program also does not follow the same policies and procedures and internal controls as other District activities

# School Lunch Program

Recommendations include (4):

- Checks should be mailed to the vendor and not returned to School Lunch program (segregation of duties)
- The School Lunch program should follow the policies and procedures of the District including the use of purchase orders
- The School Lunch program payroll should be processed under the District Tax ID number to eliminate unnecessary reporting and staff time (efficiency)

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# Review of Budget Appropriations and Actual Expenditures

# Budget vs Actual Analysis

Results of Analysis **(Exhibit 9):**

- As a result of performing other procedures, we noted $15,672.17 and $41,591.50 for fiscal years 2023 and 2024 respectively, that appear to be charged to an incorrect account

- Recommendation: The District should develop and provide departments detailed information regarding where items are budgeted and should be charged

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# Review of Transfers to Grant Funds

# Transfers to Grant Fund Analysis

Results of Analysis **(Exhibit 10):**

- The analysis determined that the transfer of costs to the various grant funds totaled $1,416,525 and $949,959 for fiscal years 2023 and 2024, respectively
- The majority of the costs transferred to the DOD grants fund were for technology costs. The largest cost being computer software at $474,954 and $573,064 for fiscal years 2023 and 2024, respectively.
- Recommendation: The use of the DOD grants funds should be included as part of the District budget process



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# Review of Budget Development Support

# Review of Budget Development Support

Results of Analysis **(Exhibit 11):**

- We were provided only with the Excel file used to develop the budget presentation and certain schedules/calculations included on the file
- We were not provided any supporting information for the data used to perform the calculations
- We noted that for certain budget lines, the support provided did not agree to the final budget
- The most significant budget lines that did not agree were salaries for hourly employees, substitutes and health insurance

# Review of Budget Development Support

Recommendations include (4):

- Develop and implement formal policies and procedures for budget format, responsibilities, required supporting documentation and retention of support
- Supporting documentation should be developed and retained for all budget lines
- Development of policies and procedures to manage salary line changes

# Questions

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