

SUSSEX TECHNICAL SCHOOL DISTRICT
COUNTY OF SUSSEX
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SUSSEX COUNTY TECHNICAL SCHOOL
COUNTY OF SUSSEX
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
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December 2, 2015

The Honorable President and Members
 of the Board of Education
 Sussex County Technical School District
 County of Sussex, 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 Sussex County Technical School in the County of Sussex for the fiscal year ended June 30, 2015, and have issued our report thereon dated December 2, 2015.

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 2, 2015, on the financial statements of the Board.

We will review the status of the comments 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 Sussex County Technical School Board of Education's 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



Francis J. Jones, Jr.
 Licensed Public School Accountant #1154
 Certified Public Accountant

SUSSEX COUNTY TECHNICAL SCHOOL
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, 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

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>
Eileen Kithcart	Treasurer of School Monies	\$ 200,000
David B. Blake	Interim School Business Administrator	200,000

A surety bond was not obtained for the interim School Business Administrator or the School Business Manager, who is also involved in the collection and disbursement of District funds. The duties of the Business Administrator have evolved over the last few decades into a position that is responsible for the collection, disbursement and investment of the District's funds. At the time of the passage of the statute delineating the duties of the Treasurer, the aforementioned duties were to be the responsibility of the Treasurer. Also, the statute established the requirement for the amount of the Treasurer's bond did not contemplate the evolution of the Business Administrator's position. It is suggested the District obtain surety bond coverage for the interim School Business Administrator and the School Business Manager.

Tuition Charges

A comparison of tuition charges and actual receipts and receivables was made. It appears, from our testing, that tuition charges appear to be valid revenues of the District.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid on a test basis, during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Finding:

During our review of purchase orders, we noted instances where purchase orders lack the receipt of goods signature.

Recommendation:

It is recommended that extra care be taken to ensure that the receipt of goods signature is obtained for all purchase orders.

SUSSEX COUNTY TECHNICAL SCHOOL
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
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Financial Planning, Accounting and Reporting (Cont'd)

Examination of Claims (Cont'd)

Management's Response:

The receipt of goods signature will be obtained for all vouchers.

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.

Payrolls were approved by the Superintendent but were not certified by the President of the Board, the Board Secretary/School Business Administrator and the Superintendent. See finding below.

Salary withholdings were promptly remitted to the proper agencies, including health benefit withholdings due to the General Fund.

Findings:

- 1.) The District filed the required certification (E-CERT-1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendent, and business administrator) to the NJ Department of Treasury after the March 15 due date. However, since the District has subsequently file the E-CERT-1 form and has implemented procedures to ensure it is filed in a timely manner in fiscal year 2016, a formal recommendation is not deemed necessary.
- 2.) Even though payroll batches were approved by the governing body as documented in the minutes, payrolls were not formally certified by the President of the Board, the Board Secretary/School Business Administrator and the Superintendent in accordance with New Jersey Department of Education regulations.
- 3.) During our review of the District's payroll records, we noted that the retroactive pay for custodial and certain other employees was not calculated properly. However, since the District's management is aware of this and is in the process of correcting the miscalculation through a subsequent payroll, a formal recommendation is not judged to be warranted.

Recommendation:

It is recommended that all payrolls be formally certified by the President of the Board, the Board Secretary/School Business Administrator and the Superintendent.

Management's Response:

The District has implemented procedures to ensure that payrolls are formally certified in the future.

Reserve for Encumbrances and Accounts Payable

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

SUSSEX COUNTY TECHNICAL SCHOOL
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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. Overall compliance was noted.

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 no comments.

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 herein.

No Child Left Behind (N.C.L.B.)

The N.C.L.B. 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 and Title II of the No Child Left Behind Act.

The study of compliance for N.C.L.B. did not indicate any areas of noncompliance.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Exhibit E-1 located in the CAFR.

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

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

New Jersey Department of Education Consolidated Monitoring

Finding:

A review was completed by the State of New Jersey Department of Education, Office of Fiscal Accountability and Compliance for the N.C.L.B., I.D.E.A. Basic and Carl D. Perkins grant programs for the period July 1, 2012 through February 28, 2014. The District received the consolidating monitoring report in August 2014 and has developed and implemented a corrective action plan. We have performed testing of fiscal related findings and did not note any exceptions. The State has conducted a remote follow-up review but has not released a formal letter as of the date of this letter.

SUSSEX COUNTY TECHNICAL SCHOOL
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
 (Continued)

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

Final Expenditure Reports

Finding:

During our review of the 2013-2014 final expenditure reports for the N.C.L.B., I.D.E.A. Basic and Carl D. Perkins grant programs submitted during fiscal year 2014-2015, we noted that the total expenditure reported on the final expenditure reports were overstated. The overstatements were mainly due to the revision of the T.P.A.F. FICA reimbursement payable to the State or the cancellation of encumbrances. This resulted in balances due to the grantor at year end.

Recommendation:

It is recommended that the total expenditure reported on the grant final expenditure reports be reviewed for accuracy before they are submitted.

Management's Response:

Every effort will be made to ensure that grant final expenditure reports are correct.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly 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, 2015. The reimbursement form was reviewed and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A18A-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.

SUSSEX COUNTY TECHNICAL SCHOOL
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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(Continued)

School Purchasing Programs (Cont'd)

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

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. 18A18A-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. 18A18A-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"

Effective July 1, 2010 and thereafter the bid thresholds in accordance with *N.J.S.A.* 18A:18A-2 and 18A:18A-3(a) are \$36,000 (with a Qualified Purchasing Agent) and \$26,000 (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 \$18,300.

As per N.J.S.A. 18A:18A-3, the Board passed a resolution at its July 22, 2010 meeting, authorizing the Business Administrator as a qualified purchasing agent and increasing the bid threshold to \$36,000.

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. No exceptions were 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. 18A18A-4.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A18A-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 financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts and eligibility applications were reviewed on a test basis. Food Service accounting records maintained by the District's central administration office were reconciled with the records maintained by the food service contractor.

SUSSEX COUNTY TECHNICAL SCHOOL
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

School Food Service (Cont'd)

The number of meals claimed for reimbursement was compared to sales and to meal count records on a test basis. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications on file, times the number of operating days, on a school-by-school basis.

The free and reduced price meal policy was reviewed for uniform administration throughout the school district. The required verification procedures for free and reduced price applications were completed and available for review.

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

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the nonprofit status of the School Food Service Fund. Net cash resources did not exceed three months average expenditures.

Cash receipts and bank records were reviewed for timely deposit.

The District deposited and expended program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will break even. The operating results provision has been met.

Time sheets and payroll records provided to the District from the Food Service contractor were reviewed on a test basis.

Federal Food Distribution Program commodities were received and a separate inventory was maintained on a first-in, first-out basis.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled "Enterprise Funds", Section G of the CAFR.

The District has a Type 2 SOC1 report (Service Organization Controls Report) of the food service management company on file as required by state requirements.

Finding:

During our review of the operating statements provided by the Food Service Management Company ("FSMC"), we noted that the amount of revenue reported by the FSMC does not reconcile with the District's accounting records in all instances. However, as the discrepancies are not material, a formal recommendation is not deemed necessary. However, it is suggested that monthly operating statements from the FSMC be reconciled with the District's accounting records on a monthly basis.

SUSSEX COUNTY TECHNICAL SCHOOL
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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, 2014 Application for State School Aid (A.S.S.A.) for on-roll and low income 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 with minor exceptions. The information that was included on the workpapers was verified on a test basis with minor exceptions.

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

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

Pupil Transportation

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.

Travel Expense and Reimbursement Policy

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 require the District to establish a maximum travel for the year and to ensure that the maximum is not exceeded. The regulations also require that all travel be preapproved by the Board of Education and that the approval must be itemized by event, event total cost, and individuals attending.

Finding:

During our review of travel related expenses, we noted that supporting documentation such the required brief reports were not obtained in certain instances. Also, we noted certain instances where prior approval was not obtained from the governing body for non-regular business travel.

Recommendation:

It is recommended that travel regulations be followed in all cases.

Management's Response:

The Administration will take extra care to ensure that travel regulations are followed.

SUSSEX COUNTY TECHNICAL SCHOOL
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

Facilities and Capital Assets

Our procedures included a review of the SDA grant agreements for consistency with recording of the revenue and awarding of contracts for eligible facilities construction. No exceptions were noted.

Management Suggestions

SDA Expenditure Requests

As a number of School Districts have experienced difficulties in receiving reimbursement from the Schools Development Authority (SDA), we suggest that the District apply for reimbursement for any funds that are available for reimbursement as soon as possible.

Single Audit

Effective for the fiscal year ended June 30, 2016, there will be significant changes to the Single Audit. These changes include the following:

- An increase in the single audit threshold
- Low risk auditee criteria
- Type A and B threshold
- Coverage requirements for major programs tested for both low risk and non-low risk auditees.

Additionally, the cost principles and administrative requirements such as A-87 have been consolidated under the *OMB Uniform Guidance: Cost Principles, Audit and Administrative Requirements for Federal Awards*. This guidance was effective December 26, 2014 for all new federal awards and for any additional funding for existing awards made after December 26, 2014.

Deferred Compensation Plans

The District has a fiduciary responsibility to its employees related to the deferred compensation plans offered by the District. The District should consider a periodic review of the benefits, features, costs, and performance of its deferred compensation plans and make that information available to employees to assist employees in making suitable choices for investing their retirement funds while fulfilling the District's fiduciary responsibilities.

Governmental Accounting Standards Board Statements:

The next Governmental Accounting Standards Board ("GASB") statement which will have a significant impact on the District will be GASB#75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, will be effective for the fiscal year ending June 30, 2018. This standard replaces GASB#45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. It is similar to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* GASB#68 in that successful implementation of this standard will require the provision of certain key financial and non-financial information from the New Jersey Division of Pensions.

SUSSEX COUNTY TECHNICAL SCHOOL
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

Management Suggestions (Cont'd)

Independent Contractors vs. Employees

The District should consider reviewing the status of "Independent Contractors" utilized by the District with Internal Revenue Service guidelines for determination of employment status. The IRS has been reviewing employers, including governments, to determine compliance. A proactive approach may help to minimize or eliminate potential penalties related to incorrect employment status determination.

Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding the submission of E-CERT-1 form, payment of official fees to District employees, unallocated balances in the Payroll Agency and student activities accounts, maintenance of N.C.L.B timesheets, annual appointment of I.D.E.A. staff, submission of financial reports to the County Superintendent and low income students reports on the A.S.S.A. have been resolved during the current fiscal year. The prior year recommendation regarding the travel regulations has not been resolved.

SUSSEX COUNTY TECHNICAL SCHOOL
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2014

	2015-2016 Application for State School Aid						Sample for Verification					
	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	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
County Vo Tech- Regular	582	31	582	25		6	582	31	582	25		6
FT Post Secondary		40		40				40		40		
Subtotal	582	71	582	65		6	582	71	582	65		6
Special Ed - High School	167	14	166	14	1		17	1	17	1		
Subtotal	167	14	166	14	1		17	1	17	1		
Totals	749	85	748	79	1	6	599	72	599	66	-0-	6
Percentage Error					0.13%	7.06%					0.00%	8.33%

SUSSEX COUNTY TECHNICAL SCHOOL
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2014

	Resident Low Income					
	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
County Vo Tech - Regular	93	94	(1)	10	10	
Subtotal	<u>93</u>	<u>94</u>	<u>(1)</u>	<u>10</u>	<u>10</u>	
Special Ed - High School	43	43		4	4	
Subtotal	<u>43</u>	<u>43</u>		<u>4</u>	<u>4</u>	
Totals	<u>136</u>	<u>137</u>	<u>(1)</u>	<u>14</u>	<u>14</u>	<u>-0-</u>
Percentage Error			<u>-0.74%</u>			<u>0.00%</u>

SUSSEX COUNTY TECHNICAL SCHOOL
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2015

6% Calculation of Excess Surplus (2014-15 Expenditures of \$100 million or less)

2014-15 Total General Fund Expenditures per the CAFR	<u>\$ 14,001,822</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)
Transfer from General Fund to SRF for PreK-Regular	<u>\$ -0-</u> (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	<u>\$ -0-</u> (B1d)
Decreased by:	
On-Behalf TPAF Pension and Social Security	<u>\$ 1,135,863</u> (B2a)
Assets Acquired Under Capital Leases	<u>\$ 42,202</u> (B2b)
Adjusted 14-15 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 12,823,757</u> (B3)
6% of Adjusted 2014-15 General Fund Expenditures [(B3) times .06]	<u>\$ 769,425</u> (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 769,425</u> (B5)
Increased by: Allowable Adjustment	<u>\$ -0-</u> (K)
Maximum Unassigned Fund Balance [(B5)+(K)]	<u>\$ 769,425</u> (M)

Section 2 - All Districts

Total General Fund - Fund Balances @ 6/30/15 (Per CAFR Budgetary Comparison Schedule/Statement)	<u>\$ 353,793</u> (C)
Decreased by:	
Year End Encumbrances	<u>\$ 4,744</u> (C1)
Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C2)
Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C3)
Other Restricted Fund Balances	<u>\$ 541</u> (C4)
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	<u>\$ 348,508</u> (U)

Section 3 - All Districts

Restricted Fund Balance-Excess Surplus [(U)-(M)] IF NEGATIVE, ENTER -0-	<u>\$ -0-</u> (E)
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Recapitulation of Excess Surplus as of June 30, 2015

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C3)
Restricted Excess Surplus [(E)]	<u>\$ -0-</u> (E)
Total [(C3)+(E)]	<u>\$ -0-</u> (D)

SUSSEX COUNTY TECHNICAL SCHOOL
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

Detail of Allowable Adjustments

Impact Aid	\$ -0- (H)
Sale and Lease Back	<u>\$ -0- (I)</u>
Extraordinary Aid	<u>\$ -0- (J1)</u>
Additional Nonpublic School Transportation Aid	<u>\$ -0- (J2)</u>
Current Year School Bus Advertising Revenue Recognized	<u>\$ -0- (J3)</u>
Family Crisis Transportation Aid	<u>\$ -0- (J4)</u>
Total Adjustments ((H)+(I)+(J1)+(J2)+(J3)+(J4))	<u><u>\$ -0- (K)</u></u>

Detail of Other Restricted Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	<u>\$ -0-</u>
Sale/lease-back reserve	<u>\$ -0-</u>
Capital reserve	<u>\$ 541</u>
Maintenance reserve	<u>\$ -0-</u>
Tuition reserve	<u>\$ -0-</u>
School Bus Advertising 50% Fuel Offset Reserve - current year	<u>\$ -0-</u>
School Bus Advertising 50% Fuel Offset Reserve - prior year	<u>\$ -0-</u>
Impact Aid General Fund Reserve (Sections 8002 and 8003)	<u>\$ -0-</u>
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	<u>\$ -0-</u>
Other state/governmental mandated reserve	<u>\$ -0-</u>
Other Restricted Fund Balance not noted above	<u>\$ -0-</u>
Total Other Restricted Fund Balance	<u><u>\$ 541 (C4)</u></u>

SUSSEX COUNTY TECHNICAL SCHOOL
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

It is recommended that:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

A) Extra care be taken to ensure that the receipt of goods signature is obtained for all purchase orders.

B) All payrolls be formally certified by the President of the Board, the Board Secretary/School Business Administrator and the Superintendent.

C) The total expenditure reported on the grant final expenditure reports be reviewed for accuracy before they are submitted.

3. School Purchasing Program

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Travel Expense and Reimbursement Policy

A) Travel regulations be followed in all cases.

9. Facilities and Capital Assets

None

10. Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding the submission of E-CERT-1 form, payment of official fees to District employees, unallocated balances in the Payroll Agency and student activities accounts, maintenance of N.C.L.B timesheets, annual appointment of I.D.E.A. staff, submission of financial reports to the County Superintendent and low income students reports on the A.S.S.A. have been resolved during the current fiscal year. The prior year recommendation regarding the travel regulations has not been resolved.