

HAMBURG BOROUGH SCHOOL DISTRICT
COUNTY OF SUSSEX
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2019

HAMBURG BOROUGH SCHOOL DISTRICT
COUNTY OF SUSSEX
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2019
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November 11, 2019

The Honorable President and Members
of the Board of Education
Hamburg Borough School District
County of Sussex, 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 financial statements of the Board of Education of the Hamburg Borough School District in the County of Sussex for the fiscal year ended June 30, 2019, and have issued our report thereon dated November 11, 2019

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 November 11, 2019, on the financial statements of the Board.

We will review the status of the comments, if any, during our next audit engagement. We have already discussed any 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 suggestions and recommendation.

This report is intended for the information of the Hamburg Borough 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.

NISIVOCCIA LLP

A handwritten signature in black ink, reading "Valerie A. Dolan", is written over a horizontal line.

Valerie A. Dolan
Licensed Public School Accountant #2526
Certified Public Accountant

HAMBURG BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2019

Scope of Audit

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

Administrative Practices and Procedures

Insurance

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

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Christine Licata	Treasurer	\$ 185,000
Anthony Mistretta	Interim Business Administrator/Board Secretary	185,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were different than estimated costs. The Board made a proper adjustment to the billings to sending districts for the change in per pupil costs in accordance with N.J.A.C. 6A:23A-3.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

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

Payroll Account and Position Control Roster

The net salaries of employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account. Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the General Fund.

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

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendent, and business administrator) to the NJ Department of Treasury was not filed. There was an interim Superintendent and Business Administrator during 2018-2019, on a per diem contract. Therefore an E-CERT1 was not applicable.

HAMBURG BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2019
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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.

Classification of Expenditures – General and Administrative Classifications

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-8.2 as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, we reviewed administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A-23A-16.2(f). As a result of the procedures performed, we found no errors and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

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

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.

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

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

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the CAFR.

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

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.

HAMBURG BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2019
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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.

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, 2019. The reimbursement form was reviewed and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 states:

a. "When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefore, except that the Board of Education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c. 198 the Board of Education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Commencing in the fifth year after the year in which P.L. 1999, c. 440 takes effect and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made"

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the Board of Education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law"

Effective July 1, 2015 and thereafter the bid thresholds in accordance with *N.J.S.A.* 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under *N.J.S.A.* 18A:39-3 is \$19,000 for 2018-2019.

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.

HAMBURG BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2019
(Continued)

School Purchasing Programs (Cont'd)

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

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

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4, as amended.

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

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

School Food Service

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

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

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

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 or recommendations.

HAMBURG BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2019
(Continued)

Application for State School Aid

Our audit procedures included a test of enrollments and related services reported in the October 15, 2018 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, bilingual 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 without exception. The information that was included on the work papers was verified on a test basis without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2018-2019 District Report of Transported Resident Students (DRTRS). The information that was included 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.

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. The District did not purchase buses; therefore, the review of bid specifications for the purchase of buses for compliance with applicable statutes did not apply to the District for the current fiscal year. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

There were no SDA Grant funds received or expended in the current year.

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

Our review of the travel policies and records revealed that the District is in general compliance with the travel regulations.

HAMBURG BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2019
(Continued)

Testing for Lead of All Drinking Water in Educational Facilities

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

Management Suggestions

New Jersey Earned Sick Leave Law

The New Jersey Earned Sick Leave Law was effective October 29, 2018. This law allows employees to accrue 1 hour of earned sick leave for every 30 hours worked, up to 40 hours each calendar year. We suggest that Districts perform a review each year to determine if there are any employees not previously eligible to receive earned sick leave who are now entitled to under this law and that adequate records are maintained for the accrual of the earned sick leave.

Governmental Accounting Standards Board (GASB) Statements

The next GASB Statement which will have an impact on the District's financial statements is GASB Statement No. 84, *Fiduciary Activities*, which is effective for the fiscal year ended June 30, 2020. This Statement establishes criteria for identifying fiduciary activities. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The Statement will likely have an impact on the financial statement presentation of the Payroll Agency Fund and may have an impact on the presentation of the Student Activities Agency Fund and Trust Funds such as the Flexible Trust Fund.

Status of Prior Year's Findings/Recommendations

There were no audit findings in the prior year.

HAMBURG BOROUGH SCHOOL DISTRICT
SCHEDULE OF MEAL COUNT ACTIVITY
FOOD SERVICE FUND
NUMBER OF MEALS SERVED
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(MEMORANDUM ONLY)

NOT APPLICABLE

HAMBURG BOROUGH SCHOOL DISTRICT
SCHEDULE OF NET CASH RESOURCES
FOOD SERVICE FUND
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOT APPLICABLE

HAMBURG BOROUGH SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2018

	2019-2020 Application for State School Aid						Sample for Verification					
	Reported on		Reported on		Errors		Sample		Verified per		Errors per	
	A.S.S.A.		Workpapers				Selected from		Registers		Registers	
	On Roll	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Full Day Preschool 3 Years Old	8		8				8		8			
Half Day Pre-K 4 Years Old	12		12				12		12			
Full Day Kindergarten	18		18				18		18			
Grade One	18		18				18		18			
Grade Two	21		21				21		21			
Grade Three	17		17				17		17			
Grade Four	35		35				35		35			
Grade Five	26		26				26		26			
Grade Six	9		9				9		9			
Grade Seven	18		18				18		18			
Grade Eight	9		9				9		9			
Subtotal	191		191				191		191			
Special Ed - Elementary	34		34				3		3			
Special Ed - Middle School	17		17				2		2			
Subtotal	51		51				5		5			
Totals	242	-0-	242	-0-	-0-	-0-	196	-0-	196	-0-	-0-	-0-
Percentage Error					0.00%	0.00%					0.00%	0.00%

HAMBURG BOROUGH SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2018

	Private Schools for Disabled			Resident Low Income					
	Reported on A.S.S.A. as Private Schools	Sample for Verification	Sample Verified	Sample Errors	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten									
Grade One					2	2	1	1	
Grade Two					1	1			
Grade Three					3	3	1	1	
Grade Four					2	2			
Grade Five					4	4	1	1	
Grade Six					7	7	1	1	
Grade Seven					3	3			
Grade Eight					3	3	1	1	
Subtotal					1	1			
					26	26	5	5	
Special Ed - Elementary									
Special Ed - Middle School					9	9	1	1	
Subtotal					7	7	1	1	
					16	16	2	2	
Totals	- 0 -	- 0 -	- 0 -	- 0 -	42	42	7	7	- 0 -
Percentage Error					0.00%		0.00%		0.00%

HAMBURG BOROUGH SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2018

	Resident LEP Low Income					
	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Errors
Full Day Kindergarten						
Grade One						
Grade Two						
Grade Three						
Grade Four						
Grade Five						
Grade Six						
Grade Seven						
Grade Eight						
Subtotal						
Special Education:						
Elementary						
Middle School						
Subtotal						
Totals	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
Percentage Error			0.00%			0.00%

HAMBURG BOROUGH SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2018

	Resident LEP Not Low Income					
	Reported on A.S.S.A. as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Special Education:						
Elementary	1	1		1	1	
Subtotal	1	1		1	1	
Totals	1	1	- 0 -	1	1	- 0 -
Percentage Error			0.00%			0.00%

HAMBURG BOROUGH SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	35	35		5	5	
Transported - Non Public	7	7		2	2	
AIL- Non-Public	2	2		1	1	
Special Needs - Public	1	1		1	1	
Totals	<u>45</u>	<u>45</u>	<u>- 0 -</u>	<u>9</u>	<u>9</u>	<u>- 0 -</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	Reported	Re- calculated
Average Mileage - Regular Including Grade PK Students	7.4	7.4
Average Mileage - Regular Excluding Grade PK Students	7.4	7.4
Average Mileage - Special Education with Special Needs	19.4	19.4

HAMBURG BOROUGH SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2019

EXCESS SURPLUS CALCULATION

Section 1 - REGULAR DISTRICT

2018-2019 Total General Fund Expenditures per the CAFR	<u>\$ 7,219,595</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 Special Revenue Fund - Pre K Regular	<u>\$ -0-</u>	(B1c)
Transfer from General Fund to Special Revenue Fund - Pre K Inclusion	<u>\$ -0-</u>	(B1d)
Decreased by:		
On-Behalf TPAF Pension and Social Security	<u>\$ 901,939</u>	(B2a)
Assets Acquired Under Capital Leases	<u>\$ -0-</u>	(B2b)
Adjusted 2018-2019 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 6,317,656</u>	(B3)
2% of Adjusted 2018-2019 General Fund Expenditures [(B5) times .02]	<u>\$ 126,353</u>	(B4)
Enter Greater of (B4) or \$250,000	<u>\$ 250,000</u>	(B5)
Increased by: Allowable Adjustments	<u>\$ 2,320</u>	(K)
Maximum Unassigned Fund Balance [(B5)+(K)]		<u>\$ 252,320</u>

Section 2

Total General Fund - Fund Balances @ 6/30/2019	<u>\$2,198,965</u>	(C)
(Per CAFR Budgetary Comparison Schedule C-1)		
Decreased by:		
Year-End Encumbrances	<u>\$ -0-</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u>	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 407,151</u>	(C3)
Other Restricted Fund Balances	<u>\$ 859,811</u>	(C4)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	<u>\$ 86,066</u>	(C5)
Additional Assigned Fund Balance - Designated for Subsequent Year's Expenditures July 1, 2019 - August 1, 2019	<u>\$ -0-</u>	(C6)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		<u>\$ 845,937</u>

HAMBURG BOROUGH SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2019

Section 3

Restricted Fund Balance - Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0- \$ 593,617 (E)

Recapitulation of Excess Surplus as of June 30, 2019

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures \$ 407,151 (C3)

Restricted Excess Surplus [(E)] \$ 593,617 (E)

Total [(C3)+(E)+(F)] \$ 1,000,768 (D)

Detail of Allowable Adjustments

Impact Aid \$ -0- (H)

Sale and Lease Back \$ -0- (I)

Extraordinary Aid \$ -0- (J1)

Additional Nonpublic School Transportation Aid \$ 2,320 (J2)

Total Adjustments [(H)+(I)+(J1)+(J2)] \$ 2,320 (K)

Detail of Other Restricted Fund Balances

Statutory Restrictions \$ -0-

Approved Unspent Separate Proposal \$ -0-

Sale/Lease-Back Reserve \$ -0-

Capital Reserve \$ 859,811

Maintenance Reserve \$ -0-

Emergency Reserve \$ -0-

Tuition Reserve \$ -0-

Other State/Governmental Mandated Reserve \$ -0-

Other Restricted Fund Balance not noted Above \$ -0-

Total Other Restricted Fund Balances \$ 859,811

HAMBURG BOROUGH SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
YEAR ENDED JUNE 30, 2019

It is recommended that:

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
None
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. Facilities and Capital Assets
None
9. Miscellaneous
None
10. Status of Prior Year's Findings/Recommendations
There were no audit findings in the prior year.