

**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)**

AUDITORS' MANAGEMENT REPORT

ON ADMINISTRATIVE FINDINGS

FINANCIAL, COMPLIANCE AND PERFORMANCE

JUNE 30, 2023

**AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE**

Table of Contents

| | Page |
|---|-------|
| Independent Auditor's Report | 1 |
| Scope of Audit | 2 |
| Administrative Practices and Procedures | |
| Insurance | 2 |
| Official Bonds | 2 |
| P.L. 2020, c. 44 | 2 |
| Tuition Charges | 2 |
| Financial Planning, Accounting and Reporting | |
| Examination of Claims | 2 |
| Payroll Account | 3 |
| Employee Position Control Roster | 3 |
| Reserve for Encumbrances and Accounts Payable | 3 |
| Classification of Expenditures | 3 |
| General Classifications | 3 |
| Administrative Classifications | 3 |
| Board Secretary's Records | 3 |
| Treasurer's Records | 3 |
| Elementary and Secondary Education Act as amended by the Every Student Succeeds Act (ESSA) | 4 |
| Other Special Federal and/or State Projects | 4 |
| T. P. A. F. Reimbursement | 4 |
| T. P. A. F. Reimbursement to the State for Federal Salary Expenditures | 4 |
| School Purchasing Programs | |
| Contracts and Agreements Requiring Advertisement for Bids | 4-5 |
| School Food Service | 5 |
| Student Body Activities | 5 |
| Pupil Transportation | 5 |
| Facilities and Capital Assets | N/A |
| Application for State School Aid | 5 |
| Testing for Lead of all Drinking Water in Educational Facilities | 6 |
| Follow-up on Prior Year Findings | 6 |
| Suggestions to Management | 6 |
| Acknowledgment | 6 |
| Schedule of Meal Count Activity | N/A |
| Net Cash Resource Schedule | N/A |
| Schedule of Audited Enrollments | 7-9 |
| Excess Surplus Calculation | 10-11 |
| Audit Recommendations Summary | 12 |

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REPORT OF INDEPENDENT AUDITORS

Honorable President and
Members of the Board of Education
for Vocational Schools
(a component unit of the County of Cape May)
County of Cape May, New Jersey

We have audited, in accordance with audit 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 for Vocational Schools in the County of Cape May (a component unit of the County of Cape May) for the year ended June 30, 2023, and have issued our report thereon dated November 15, 2023.

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 report is intended for the information of the Cape May County Vocational Schools Board of Education's management and the New Jersey Department of Education and is not intended and should not be used by anyone other than these parties.

Ford Scott & Associates, LLC
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello

Leon P. Costello
Certified Public Accountant
Licensed Public School Accountant
No. 767

November 15, 2023

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**BOARD OF EDUCATION
FOR VOCATIONAL SCHOOLS, COUNTY OF CAPE MAY
(A COMPONENT UNIT OF THE COUNTY OF CAPE MAY)
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE**

Scope of Audit

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

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the district's ACFR.

Official Bonds

| <u>Name</u> | <u>Position</u> | <u>Amount</u> |
|----------------|--|---------------|
| Lauren Flynn | Business Administrator/ Board Secretary | \$25,000.00 |
| James V. Craft | Treasurer of School Moneys | \$205,000.00 |

A Public Employees' Dishonesty with Faithful Performance Bond during the period under review was in effect in the amount of \$25,000.00.

The Treasurer of School Moneys was bonded in a surety bond in accordance with provisions of Title 18A:17-32 in excess of the minimum limits per the State Board promulgated schedule.

P.L. 2020, C. 44

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

The data submitted did include all health benefit plans offered by the school district.

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

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were more than estimated costs. The Board made an adjustment to the billings to sending districts for an increase in per pupil costs in accordance with N.J.A.C. 6A:23A-17.3. The total adjustment that pertains to the 2020-21 school year amounted to (\$33,503.70).

Financial Planning, Accounting and Reporting

Examination of Claims

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

Payroll Account

The net salaries of all 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.

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

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium amounts withheld due to the general fund.

Payrolls were delivered to the treasurer of school moneys with a warrant made to his order for the full amount of each payroll.

Employee Position Control Roster

An inquiry and subsequent review of the Position Control Roster found no inconsistencies between the payroll records, employee benefit records (e.g. pension reports and health benefit coverage reports), the general ledger accounts to where wages are posted (administrative versus instruction), and the Position Control Roster.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable. No exceptions were noted.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-16.2(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. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. As a result of the procedures performed, a transaction error rate of 0% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

A. General Classification Findings

None

B. Administrative Classification Findings

None

Board Secretary's Records

The financial records, books of account and minutes were presented to us by the Secretary in a timely manner for audit and were complete. Our review of the financial and accounting records maintained by the board secretary revealed no exceptions.

Treasurer's Records

Our audit found the Treasurer's cash balance in agreement with the district's records.

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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 ACFR. This section of the ACFR documents the financial position pertaining to the projects under Titles I and II of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. indicated no areas of noncompliance and/or questionable costs.

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 ACFR.

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 ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

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 amount of the expenditure charged to the current year's Final Report 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 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (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 \$20,200 for 2022-2023.

The Board of Education has the responsibility of determining whether the expenditures of 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.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or goods or service, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Based on the results of my examination, I 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

SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and NJSA 18A:18A-7. The SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulation.

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

The school food service program was not selected as a major federal or state program. However, the program expenditures exceeded \$100,000 in federal and/or state support. Accordingly, we inquired of school management 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 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 Assets (ACFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

We inquired of management about the public health emergency procedures/practices that the SFA instituted to provide meals to all students, maintenance of all applicable production records, meal counts, noncompetitive procurements, modification of existing contracts and the applicable financial records to document the specific costs applicable to the emergency operations. We also inquired if the FSMC received a loan in accordance with the Payroll Protection Plan and whether the funds were used to pay for costs applicable to the Food Service Programs. We also inquired if the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA.

Student Body Activities

Our audit of the Special Account and the Athletic Account noted no exceptions.

Pupil Transportation

Our audit procedures 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.

Application for State School Aid

Our audit procedures included a test of information reported in the October 14, 2022 Application for State School Aid. (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. 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 workpapers was verified 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's written procedures appear to be adequate for the recording of student enrollment data.

Testing for Lead of all Drinking Water in Educational Facilities

The school district adhered to all the requirements of NJAC 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

The school district did submit the annual Statement of Assurance to the Department of Education, pursuant to NJAC 6A:26-12.4(g).

Follow-Up on Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations including findings. There were no prior year findings.

Suggestions to Management

The District has accumulated Excess Cash Net Resources in the Food Service Fund due to the influx of additional Federal and State Funding related to the COVID-19 pandemic. The State of New Jersey Department of Agriculture has issued a letter dated October 4, 2023 to all School Districts indicating that these excess funds may be retained by the District and, that the District must develop a plan which projects how excess funds will be expended in support of the program during the upcoming school year. We suggest that the district develop a plan to utilize the excess funds on allowable expenses that support the Federal Child Nutrition Program, such as improving the nutritional quality of food or purchasing equipment for the kitchens and cafeterias as outlined in the Code of Federal Regulations, 7 CFR 210.14(a).

Acknowledgment

We received the complete cooperation of all the officials of the school district and I greatly appreciate the courtesies extended to the members of the audit team.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello

Leon P. Costello
Certified Public Accountant
Licensed Public School Accountant
No. 767

November 15, 2023

CAPE MAY COUNTY TECHNICAL SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
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 | | | 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 Verification | | | Errors | | | | | |
| | Full | Shared | | Full | Shared | | Full | Shared | | Full | Shared | | Full | Shared | | Full | Shared | | Full | Shared | | Full | Shared | | Full | Shared | |
| Full Day Preschool - 3 Years | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Full Day Preschool - 4 Years | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Half Day Kindergarten | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Full Day Kindergarten | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| One | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Two | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Three | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Four | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Five | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Six | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Seven | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Eight | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Nine | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Ten | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Eleven | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Twelve | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Post-Graduate | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Adult H.S. (15+CR.) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Adult H.S. (1-14+CR.) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Subtotal | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Ed - Elementary | 111 | 31 | 111 | 31 | - | - | 84 | 27 | 84 | 27 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Ed - Middle School | 111 | 31 | 111 | 31 | - | - | 84 | 27 | 84 | 27 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Ed - High School | 432 | 15 | 432 | 15 | - | - | 197 | 13 | 197 | 13 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Subtotal | 58 | 17 | 58 | 17 | - | - | 44 | 15 | 44 | 15 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Co. Voc. - Regular | 601 | 63 | 601 | 63 | - | - | 325 | 55 | 325 | 55 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Co. Voc. - FT Post Sec. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Totals | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage Error | | | | | | | 0.00% | | 0.00% | | 0.00% | | 0.00% | | 0.00% | | 0.00% | | 0.00% | | 0.00% | | 0.00% | | 0.00% | | 0.00% |

**CAPE MAY COUNTY TECHNICAL SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
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 LEP Low Income | Errors | Sample Selected from Workpapers | Verified to Application and Register | Sample Errors |
| Full Day Preschool - 3 Years | - | - | - | - | - | - | - | - | - | - | - | - |
| Full Day Preschool - 4 Years | - | - | - | - | - | - | - | - | - | - | - | - |
| Half Day Kindergarten | - | - | - | - | - | - | - | - | - | - | - | - |
| Full Day Kindergarten | - | - | - | - | - | - | - | - | - | - | - | - |
| One | - | - | - | - | - | - | - | - | - | - | - | - |
| Two | - | - | - | - | - | - | - | - | - | - | - | - |
| Three | - | - | - | - | - | - | - | - | - | - | - | - |
| Four | - | - | - | - | - | - | - | - | - | - | - | - |
| Five | - | - | - | - | - | - | - | - | - | - | - | - |
| Six | - | - | - | - | - | - | - | - | - | - | - | - |
| Seven | - | - | - | - | - | - | - | - | - | - | - | - |
| Eight | - | - | - | - | - | - | - | - | - | - | - | - |
| Nine | - | - | - | - | - | - | - | - | - | - | - | - |
| Ten | - | - | - | - | - | - | - | - | - | - | - | - |
| Eleven | - | - | - | - | - | - | - | - | - | - | - | - |
| Twelve | - | - | - | - | - | - | - | - | - | - | - | - |
| Post-Graduate | - | - | - | - | - | - | - | - | - | - | - | - |
| Adult H.S. (15+CR) | - | - | - | - | - | - | - | - | - | - | - | - |
| Adult H.S. (1-14+CR.) | - | - | - | - | - | - | - | - | - | - | - | - |
| Subtotal | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Ed - Elementary | 37.5 | 37.5 | - | 25.5 | 25.5 | - | - | - | - | - | - | - |
| Special Ed - Middle School | 37.5 | 37.5 | - | 25.5 | 25.5 | - | - | - | - | - | - | - |
| Special Ed - High School | - | - | - | - | - | - | - | - | - | - | - | - |
| Subtotal | 75.0 | 75.0 | - | 51.0 | 51.0 | - | - | - | - | - | - | - |
| Co. Voc. - Regular | 128.0 | 128.0 | - | 88.0 | 88.0 | - | - | - | - | - | - | - |
| Co. Voc. - FT Post Sec. | - | - | - | - | - | - | - | - | - | - | - | - |
| Totals | 165.5 | 165.5 | - | 113.5 | 113.5 | - | - | - | - | - | - | - |
| Percentage Error | | | 0.00% | | | 0.00% | | | 0.00% | | | 0.00% |

CAPE MAY COUNTY TECHNICAL SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2022

| | Resident LEP NOT Low Income | | Sample for Verification | | | |
|------------------------------|---|---|-------------------------|---------------------------------|-------------------------------------|---------------|
| | Reported on A.S.A as LEP Not Low Income | Reported on Workpapers LEP Not Low Income | Errors | Sample Selected from Workpapers | Verified to Test Score and Register | Sample Errors |
| Full Day Preschool - 3 Years | - | - | - | - | - | - |
| Full Day Preschool - 4 Years | - | - | - | - | - | - |
| Half Day Kindergarten | - | - | - | - | - | - |
| Full Day Kindergarten | - | - | - | - | - | - |
| One | - | - | - | - | - | - |
| Two | - | - | - | - | - | - |
| Three | - | - | - | - | - | - |
| Four | - | - | - | - | - | - |
| Five | - | - | - | - | - | - |
| Six | - | - | - | - | - | - |
| Seven | - | - | - | - | - | - |
| Eight | - | - | - | - | - | - |
| Nine | - | - | - | - | - | - |
| Ten | - | - | - | - | - | - |
| Eleven | - | - | - | - | - | - |
| Twelve | - | - | - | - | - | - |
| Post-Graduate | - | - | - | - | - | - |
| Adult H.S. (15+CR.) | - | - | - | - | - | - |
| Adult H.S. (1-14+CR.) | - | - | - | - | - | - |
| Subtotal | - | - | - | - | - | - |
| Special Ed - Elementary | - | - | - | - | - | - |
| Special Ed - Middle School | - | - | - | - | - | - |
| Special Ed - High School | - | - | - | - | - | - |
| Subtotal | - | - | - | - | - | - |
| Co. Voc. - Regular | - | - | - | - | - | - |
| Co. Voc. - FT Post Sec. | - | - | - | - | - | - |
| Totals | - | - | - | - | - | - |
| Percentage Error | | | 0.00% | | | 0.00% |

**CAPE MAY COUNTY TECHNICAL SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE YEAR ENDED JUNE 30, 2023**

COUNTY VOCATIONAL DISTRICTS

A. 6% Calculation of Excess Surplus (2022-23 expenditures of \$100 million or less)

| | | | |
|--|----|-----------------------------|-------|
| 2022-23 Total General Fund Expenditures per the ACFR, Ex C-1 | \$ | <u>18,365,559.48</u> | (B) |
| Increased by: | | | |
| Transfer from Capital Outlay to Capital Projects Fund | \$ | <u> </u> | (B1b) |
| Transfer from Capital Reserve to Capital Projects Fund | \$ | <u>3,000,000.00</u> | (B1c) |
| Decreased By: | | | |
| On-Behalf TPAF Pension & Social Security | \$ | <u>3,297,072.16</u> | (B2a) |
| Assets Acquired Under Capital Leases | \$ | <u> </u> | (B2b) |
| Adjusted 2022-23 General Fund Expenditures [(B)+(B1's)-(B2's)] | \$ | <u>18,068,487.32</u> | (B3) |
| 6% of Adjusted 2022-23 General Fund Expenditures [(B3) times .06] | \$ | <u>1,084,109.24</u> | (B4) |
| Enter Greater of (B4) or \$250,000 | \$ | <u>1,084,109.24</u> | (B5) |
| Increased by: Allowable Adjustment* | \$ | <u>402,034.00</u> | (K) |
| Maximum Unassigned/Unreserved-Undesignated Fund Balance [(B5)+(K)] | \$ | <u>1,486,143.24</u> | (M) |

* This adjustment line (as detailed below) is to be utilized for: Impact Aid, Sale and Lease-back, Extraordinary Aid, Additional Nonpublic School Aid and Transportation Aid, and Supplemental Stabilization Aid received April 2023, and Maintenance of Equity Aid received July 2023.

B. 6% Calculation of Excess Surplus (2022-23 expenditures greater than \$100 million)

| | | | |
|--|----|------------------------------|-------|
| 2022-23 Total General Fund Expenditures | \$ | <u> </u> | (B) |
| Increased by: | | | |
| Transfer from Capital Outlay to Capital Projects Fund | \$ | <u> </u> | (B1b) |
| Transfer from Capital Reserve to Capital Projects Fund | \$ | <u> </u> | (B1c) |
| Decreased By: | | | |
| On-Behalf TPAF Pension & Social Security | \$ | <u> </u> | (B2a) |
| Assets Acquired Under Capital Leases | \$ | <u> </u> | (B2b) |
| Adjusted 2022-23 General Fund Expenditures [(B)+(B1s)-(B2s)] | \$ | <u> </u> | (B3) |
| 2022-23 General Fund Expenditures in excess of \$100 million [(B3) minus \$100,000,000] | \$ | <u> </u> | (B4) |
| 3% of General Fund Expenditures in excess of \$100 million [(B4) times .03] | \$ | <u> </u> | (B5) |
| (B5) Plus \$6,000,000 | \$ | <u> </u> | (B6) |
| Increased by: Allowable Adjustment* | \$ | <u> </u> | (K) |
| Maximum Unassigned/Unreserved-Undesignated Fund Balance [(B6)+(K)] | \$ | <u> -</u> | (M) |

* This adjustment line (as detailed below) is to be utilized for: Impact Aid, Sale and Lease-back, Extraordinary Aid, Additional Nonpublic School Aid and Transportation Aid; and School Bus Advertising Revenue Recognized during the current year, Supplemental Stabilization Aid received April 2023 and Maintenance of Equity Aid received July 2023.

SECTION 2

| | |
|--|---------------------------------|
| Total General Fund - Fund Balances @ 06/30/2023 (Per ACFR Budgetary Comparison Statement C-1) | \$ <u>3,111,877.54</u> (C) |
| Decreased By: | |
| Year-end Encumbrances | \$ <u>112,412.34</u> (C1) |
| Legally Restricted-Designated for Subsequent Year's Expenditures | \$ _____ (C2) |
| Legally Restricted-Excess Surplus-Designated for Subsequent Year's Expenditures ** | \$ <u>-</u> (C3) |
| Other Restricted Fund Balances *** | \$ <u>2,223,714.58</u> (C4) |
| Assigned Fund Balance-Unreserved-Designated for Subsequent Year's Expenditures ** | \$ _____ (C5) |
| Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)] | \$ <u><u>775,750.62</u></u> (U) |

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U)-(M)] IF NEGATIVE ENTER - 0 - \$ _____ (E)

Recapitulation of Excess Surplus as of June 30, 2023:

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

Detail of Allowable Adjustment

| | |
|--|---------------------------|
| Impact Aid | \$ _____ (H) |
| Sale & Lease-back | \$ _____ (I) |
| Extraordinary Aid | \$ _____ (J1) |
| Additional Nonpublic School Transportation Aid | \$ _____ (J2) |
| Current Year School Bus Advertising Revenue Recognized | \$ _____ (J3) |
| Family Crisis Transportation Aid | \$ _____ (J4) |
| Supplemental Stabilization Aid received April 2023 | |
| Maintenance of Equity Aid received July 2023 | \$ <u>402,034.00</u> (J5) |
| Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+ (J4)+(J5)] | \$ <u>402,034.00</u> (K) |

** This amount represents the June 30, 2022 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amount must agree to the June 30, 2023 ACFR and Audit Summary Worksheet Line 90030.

Detail of Other Restricted Fund Balance

| | |
|---|-----------------------------|
| Statutory restrictions: | |
| Approved unspent separate proposal | \$ _____ |
| Sale/lease-back reserve | \$ _____ |
| Capital reserve | \$ <u>1,178,811.58</u> |
| Maintenance reserve | \$ <u>1,044,903.00</u> |
| Tuition reserve | \$ _____ |
| Emergency reserve | \$ _____ |
| School Bus Advertising 50% Fuel Offset Reserve-Current Yr | \$ _____ |
| School Bus Advertising 50% Fuel Offset Reserve-Prior Yr | \$ _____ |
| Impact Aid general fund reserve | \$ _____ |
| Impact Aid capital fund reserve | \$ _____ |
| Other state/government mandated reserves | \$ _____ |
| Reserve for Unemployment Fund | \$ <u>320,255.44</u> |
| Other Reserved Fund Balance not noted above **** | \$ _____ |
| Total Other Restricted Fund Balance | \$ <u>2,543,970.02</u> (C4) |

**** Amount for Other Reserved 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 Division of Finance prior to September 30.

AUDIT RECOMMENDATIONS SUMMARY
For the Fiscal Year Ended June 30, 2023
CAPE MAY COUNTY TECHNICAL SCHOOL DISTRICT

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Programs

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 Audit Findings/Recommendations

No prior year findings.