

**BOARD OF EDUCATION**  
**SALEM COUNTY VOCATIONAL TECHNICAL**  
**SCHOOL DISTRICT**  
**COUNTY OF SALEM**  
**AUDITOR'S MANAGEMENT REPORT ON**  
**ADMINISTRATIVE FINDINGS-**  
**FINANCIAL, COMPLIANCE AND PERFORMANCE**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2023**

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# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*

*Certified Public Accountants*

991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ08094

(856) 629-3111  
Fax (856) 728-2245  
[www.colavita.net](http://www.colavita.net)

## REPORT OF INDEPENDENT AUDITORS

Honorable President and  
Members of the Board of Education  
Special Services School District and Vocational School District  
Of the County of Salem  
Woodstown, New Jersey

We have audited, in accordance with generally accepted audit standards and **Government Auditing Standards** issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Salem County Vocational Technical School District in the County of Salem for the year ended June 30, 2023, and have issued our report thereon dated December 5, 2023.

As part of our audit, we performed procedures required by the District of Administration and Finance, New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is issued in conjunction with the Annual Comprehensive Financial Report of the Board of Education of the Salem County Vocational Technical School District for the fiscal year ending June 30, 2023 and is intended for the information of the School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**



Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915  
December 5, 2022

**ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING**

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator, the Treasurer of School Monies, activities of the Board of Education, the records of the Student Activity Fund, Food Service Fund, other Enterprise Funds, Special Revenue Fund and other 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 **CAFR**.

**Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32, 18A:13-13)**

| <u>Name</u>        | <u>Position</u>                             | <u>Amount</u> |
|--------------------|---|---------------|
| Dr. Jennifer Bates | School Bus. Administrator / Board Secretary | \$ 217,500    |

**P.L.2020,c.44**

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

The data submitted did include all health benefit plans offered by 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 charges and actual certified tuition charges was made. The actual costs were more than the estimated cost. The board made a proper adjustment to the billings and invoices to sending districts for the change in per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f) 3.

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

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

## **Financial Planning, Accounting and Reporting (continued)**

### **Payroll Account and Position Control Roster**

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 and the School Business Administrator/Board Secretary, and the Superintendent.

Payrolls were delivered to the secretary of the board who then deposited warrants in separate bank accounts for net payroll and withholdings.

Salary withholdings were promptly remitted to the proper agencies including health benefits withholding due to the general fund.

### **Reserve for Encumbrances and Accounts Payable**

A review of outstanding issued purchase orders was made as of June 30, 2023 for proper classification of orders as reserve for encumbrances and accounts payable, and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. This was accomplished through a review of unpaid purchase orders included on the balance as accounts payable for proprietary and to determine that goods were received and services rendered as of June 30, 2023.

### **Minutes**

The monthly minutes of the Board were generally well prepared and budget transfers were noted in the minutes.

### **District Internal Control Policies**

District boards of education and administration are responsible for developing internal controls policies and procedures and maintaining a strong internal control environment. NJAC 6A:23A-6.4 requires that the district's internal control policies include specific requirements at NJAC 6A:23A-6.5 through 6.13. Internal control policies were found in accordance with NJAC 6A:23A and no exceptions were noted during our review of travel expenditures.

### **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. 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 zero percent overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

**Financial Planning, Accounting and Reporting (continued)**

**Classification of Expenditures (continued)**

**A. General Classification Findings- NONE**

**B. Administrative Classification Findings- NONE**

**Board Secretary's Records**

The financial records, books of accounts maintained by the Secretary were in satisfactory condition.

Acknowledgment of the Board's receipt of the Board Secretary's monthly financial reports was included in the minutes.

Monthly financial certificates of the Board Secretary and Board of Education for positive line item account status certifications (**N.J.A.C. 6:2-2.13**) were performed.

Budgetary line item account transfers were approved monthly to cover any anticipated deficits.

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

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

Our audit of the E.S.E.A. 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 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 reimbursement forms filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

## **TPAF Reimbursement to the State for Federal Salary Expenditures**

The reimbursement to the State for the amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the charter school or for those employees whose salaries are identified as being paid from federal funds was made subsequent to the end of the 60 day grant liquidation period, but prior to the 90 days required by N.J.S.A. 18A:66-90. Accordingly, the expenditure was made in accordance with State law (90 days) and properly reported as obligated and not expended and as an unliquidated balance in the current year's Final Report(s) for all federal awards.

## **School Purchasing Programs**

### **Contracts and Agreements Requiring Advertisement for Bids**

**N.J.S.A. 18A:18A-1 et seq.** (Public School Contracts Law), the associated rules and related information on the statute, and school contracts in general are available on the website: [http://www.state.nj.us/dca/divisions/dlgs/programs/ps\\_contracts.html](http://www.state.nj.us/dca/divisions/dlgs/programs/ps_contracts.html).

The current statute is posted on the New Jersey Legislature website at: <http://lis.njleg.state.nj.us>.

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$36,000 (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 \$20,200 for 2022-2023.

The District Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal 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 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.

Based on the results of our examination, we did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provisions of N.J.S.A. 18A:18A-4, amended, with the exception of the following:

## **School Purchasing Programs (continued)**

### **Contracts and Agreements Requiring Advertisement for Bids(continued)**

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. We did not identify any exceptions through the use of State contracts. In addition, the review of contracts and agreements did not disclose any areas of statutory noncompliance.

Although a particular contract is exempt from the formal requirements of public advertising and competitive bidding, N.J.S.A. 18A:18A-37 requires that quotations be obtained, whenever practical, for any contract over the statutory threshold amount of \$6,600 except for contracts for professional services. All contracts and agreements, which are subject to quotations, shall be awarded on the basis of the lowest responsible quotation received, which is most advantageous to the Board of Education, price and other factors considered. Our examination indicated that the Board of Education complied with these provisions.

### **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 N.J.S.A.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 regulations.

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 and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. Exceptions were not 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. Exceptions were not 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 applicable financial records to document the specific costs applicable to the emergency operations. Exceptions were not noted.



### **Other Enterprise Funds**

Cash receipts and bank records were reviewed for timely deposit. Expenditures were separately recorded based on line items deemed appropriate. Vendor invoices were available and examined. No exceptions were noted.

### **Student Body Activities**

The Board has a policy, which clearly established the regulation of student activity funds. Cash receipts and disbursements records were maintained in satisfactory condition, with the following exception:

Vouchers and supporting invoices were maintained for the student activity fund purchases. All disbursements appeared to be supported by appropriate documentation.

### **Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2022 Application for State School Aid (ASSA) for on-roll, private schools for students with disabilities, low-income, and bilingual. We also performed a review of the district procedures related to its completion. The information on the ASSA was compared to the district workpapers without exception. The information included as part of 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 written procedures appear to be adequate for the recording of student enrollment data.

### **Facilities and Capital Assets**

Our procedures, if applicable, included a review of the SDA grant agreement for consistency with recording SDA revenue, transfer of local funds from the general fund or from the capital reserve account. The District has one open capital projects, as of June 30, 2023. The project is funded through Salem County bond proceeds and is designated for various improvements to the Career and Technical High School.

Fixed asset records were updated as of June 30, 2023 through contracting with an outside vendor.

### **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 test results were posted on the district's website as well as being available at the school facility.

### **Follow-up on Prior Years' Findings**

In accordance with government auditing standards, our procedures included a review of all prior year recommendations, of which there were none.

**Acknowledgment**

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

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**

A handwritten signature in black ink, appearing to read "Raymond Colavita". The signature is written in a cursive style with a large, stylized initial "R".

Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915

**SCHEDULE OF AUDITED ENROLLMENTS**

**SALEM COUNTY VOCATIONAL TECHNICAL BOARD OF EDUCATION**  
**APPLICATION OR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 14, 2022**

|                           | 2023-2024<br>APPLICATION FOR STATE SCHOOL AID<br>(10/15/22 DATA) |        |                                      |        |        |        | SAMPLE FOR VERIFICATION               |        |                                      |        |                                    |        | PRIVATE SCHOOLS<br>FOR DISABLED               |     |                            |                    |                  |
|---------------------------|--|--------|--------------------------------------|--------|--------|--------|---------------------------------------|--------|--------------------------------------|--------|------------------------------------|--------|---|-----|----------------------------|--------------------|------------------|
|                           | Reported On<br>A.S.S.A.<br>On Roll                               |        | Reported On<br>Workpapers<br>On Roll |        | Errors |        | Sample<br>Selected From<br>Workpapers |        | Verified per<br>Registers<br>On Roll |        | Errors per<br>Registers<br>On Roll |        | Reported On<br>A.S.S.A. as<br>Private Schools |     | Sample for<br>Verification | Sample<br>Verified | Sample<br>Errors |
|                           | Full   | Shared | Full                                 | Shared | Full   | Shared | Full                                  | Shared | Full                                 | Shared | Full                               | Shared |   |     |                            |                    |                  |
| Six                       |  |        |                                      |        |        |        |                                       |        |                                      |        |                                    |        |   |     |                            |                    |                  |
| Seven                     |  |        |                                      |        |        |        |                                       |        |                                      |        |                                    |        |   |     |                            |                    |                  |
| Eight                     |  |        |                                      |        |        |        |                                       |        |                                      |        |                                    |        |   |     |                            |                    |                  |
| Nine                      |  |        |                                      |        |        |        |                                       |        |                                      |        |                                    |        |   |     |                            |                    |                  |
| Ten                       |  |        |                                      |        |        |        |                                       |        |                                      |        |                                    |        |   |     |                            |                    |                  |
| Eleven                    |  |        |                                      |        |        |        |                                       |        |                                      |        |                                    |        |   |     |                            |                    |                  |
| Twelve                    |  |        |                                      |        |        |        |                                       |        |                                      |        |                                    |        |   |     |                            |                    |                  |
| Subtotal                  | 0.0  | 0.0    | 0.0                                  | 0.0    | 0.0    | 0.0    | 0.0                                   | 0.0    | 0.0                                  | 0.0    | 0.0                                | 0.0    | 0.0   | 0.0 |                            | 0.0                |                  |
| Special Ed - Elementary   |  |        |                                      |        |        |        |                                       |        |                                      |        |                                    |        |   |     |                            |                    |                  |
| Special Ed - Middle       |  |        |                                      |        |        |        |                                       |        |                                      |        |                                    |        |   |     |                            |                    |                  |
| Special Ed - High         | 103.0  | 93.0   | 103.0                                | 93.0   | 0.0    | 0.0    | 26.0                                  | 24.0   | 26.0                                 | 24.0   |                                    |        |   |     |                            |                    |                  |
| Subtotal                  | 103.0  | 93.0   | 103.0                                | 93.0   | 0.0    | 0.0    | 26.0                                  | 24.0   | 26.0                                 | 24.0   | 0.0                                | 0.0    | 0.0   | 0.0 |                            | 0.0                |                  |
| County Voc. - Regular     | 623.0  | 25.0   | 623.0                                | 25.0   | 0.0    | 0.0    | 158.0                                 | 6.0    | 158.0                                | 6.0    |                                    |        |   |     |                            |                    |                  |
| County Voc. - FT Post Sec | 70.0   | 2.0    | 70.0                                 | 2.0    | 0.0    | 0.0    | 18.0                                  | 1.0    | 18.0                                 |        |                                    |        |   |     |                            |                    |                  |
| Totals                    | 796.0  | 120.0  | 796.0                                | 120.0  | 0.0    | 0.0    | 184.0                                 | 30.0   | 184.0                                | 30.0   | 0.0                                | 0.0    | 0.0   | 0.0 |                            | 0.0                |                  |
| Percentage Error          |  |        |                                      |        | 0.00%  | 0.00%  |                                       |        |                                      |        | 0.00%                              | 0.00%  |   |     |                            | 0.00%              |                  |

**SCHEDULE OF AUDITED ENROLLMENTS**

**SALEM COUNTY VOCATIONAL TECHNICAL BOARD OF EDUCATION  
APPLICATION OR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 14, 2022**

|                         | <u>Resident Low Income</u>               |  |        | <u>Sample for Verification</u>        |  |                  | <u>Resident LEP Low Income</u>                  |   |        | <u>Sample for Verification</u>        |   |                  |
|-------------------------|--|--|--------|---------------------------------------|--|------------------|---|---|--------|---------------------------------------|---|------------------|
|                         | Reported On<br>A.S.S.A. as<br>Low Income | Reported On<br>Workpapers as<br>Low Income | Errors | Sample<br>Selected From<br>Workpapers | Verified to<br>Application<br>and Register | Sample<br>Errors | Reported on<br>A.S.S.A. as<br>LEP Low<br>Income | Reported on<br>Workpapers as<br>LEP Low<br>Income | Errors | Sample<br>Selected From<br>Workpapers | Verified to<br>Test Score<br>and Register | Sample<br>Errors |
| Six                     |  |  |        |                                       |  |                  |   |   |        |                                       |   |                  |
| Seven                   |  |  |        |                                       |  |                  |   |   |        |                                       |   |                  |
| Eight                   |  |  |        |                                       |  |                  |   |   |        |                                       |   |                  |
| Nine                    |  |  |        |                                       |  |                  |   |   |        |                                       |   |                  |
| Ten                     |  |  |        |                                       |  |                  |   |   |        |                                       |   |                  |
| Eleven                  |  |  |        |                                       |  |                  |   |   |        |                                       |   |                  |
| Twelve                  |  |  |        |                                       |  |                  |   |   |        |                                       |   |                  |
| Subtotal                | 0  | 0  | 0      | 0                                     | 0  | 0                | 0   | 0   | 0      | 0                                     | 0   | 0                |
| Special Ed - Elementary |  |  |        |                                       |  |                  |   |   |        |                                       |   |                  |
| Special Ed - Middle     |  |  |        |                                       |  |                  |   |   |        |                                       |   |                  |
| Special Ed - High       | 39.0                                     | 39.0                                       |        | 24                                    | 24   |                  |   |   |        | 0.0                                   | 0.0                                       |                  |
| Subtotal                | 39.0                                     | 39.0                                       | 0      | 24                                    | 24   | 0                | 0.0   | 0.0   | 0.0    | 0.0                                   | 0.0                                       | 0.0              |
| Co. Voc. - Regular      | 157.0                                    | 157.0                                      |        | 97                                    | 97   |                  |   |   |        |                                       |   |                  |
| Co. Voc. Ft. Post Sec.  |  |  |        |                                       |  |                  |   |   |        |                                       |   |                  |
| Totals                  | 196.0                                    | 196.0                                      | 0      | 121                                   | 121  | 0                | 0.0   | 0.0   | 0.0    | 0.0                                   | 0.0                                       | 0.0              |
| Percentage Error        |  |  | 0.00%  |                                       |  |                  |   |   |        |                                       |   |                  |

**TRANSPORTATION**

|                          | Reported on<br>DRTRS by<br>DOE/County | Reported on<br>DRTRS by<br>District | Errors | Tested | Verified | Errors |                 |                      |
|--------------------------|---------------------------------------|-------------------------------------|--------|--------|----------|--------|-----------------|----------------------|
|                          |                                       |                                     |        |        |          |        | <u>Reported</u> | <u>Re-Calculated</u> |
| Reg. - Public Schools    |                                       |                                     |        |        |          |        |                 |                      |
| Reg. - Special Ed.       |                                       |                                     |        |        |          |        |                 |                      |
| Transported - Non-Public |                                       |                                     |        |        |          |        |                 |                      |
| Special Needs - Public   |                                       |                                     |        |        |          |        |                 |                      |
| Totals                   | 0                                     | 0                                   | 0      | 0      | 0        | 0      |                 |                      |
| Percentage Error         |                                       |                                     |        |        |          | 0.00%  |                 |                      |

Avg. Mileage - Regular Including Grade PK students  
Avg. Mileage - Regular Excluding Grade PK students  
Avg. Mileage - Special Ed with Special Needs

**SCHEDULE OF AUDITED ENROLLMENTS**

**SALEM COUNTY VOCATIONAL TECHNICAL BOARD OF EDUCATION**  
**APPLICATION OR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 14, 2022**

|                         | <u>Resident LEP NOT Low Income</u>  |   |               | <u>Sample for Verification</u>                             |   |                                |
|-------------------------|---|---|---------------|--|---|--------------------------------|
|                         | <u>Report On</u><br><u>A.S.S.A. as</u><br><u>NOT Low</u><br><u>Income</u> | <u>Report On</u><br><u>Workpapers as</u><br><u>NOT Low</u><br><u>Income</u> | <u>Errors</u> | <u>Sample</u><br><u>Selected From</u><br><u>Workpapers</u> | <u>Verified to</u><br><u>Application</u><br><u>and Register</u> | <u>Sample</u><br><u>Errors</u> |
| Six                     |   |   |               |  |   |                                |
| Seven                   |   |   |               |  |   |                                |
| Eight                   |   |   |               |  |   |                                |
| Nine                    |   |   |               |  |   |                                |
| Ten                     |   |   |               |  |   |                                |
| Eleven                  |   |   |               |  |   |                                |
| Twelve                  |   |   |               |  |   |                                |
| Subtotal                | 0   | 0   | 0             | 0  | 0   | 0                              |
| Special Ed - Elementary |   |   |               |  |   |                                |
| Special Ed - Middle     |   |   |               |  |   |                                |
| Special Ed - High       |   |   |               |  |   |                                |
| Subtotal                | 0   | 0   | 0             | 0  | 0   | 0                              |
| Co. Voc. - Regular      |   |   |               |  |   |                                |
| Co. Voc. Ft. Post Sec.  |   |   |               |  |   |                                |
| Totals                  | 0   | 0   | 0             | 0  | 0   | 0                              |
| Percentage Error        |   |   | <u>0.00%</u>  |  |   | <u>0.00%</u>                   |

**SALEM COUNTY VOCATIONAL TECHNICAL TOWNSHIP SCHOOL DISTRICT**  
**EXCESS SURPLUS CALCULATION**

**SECTION 1**

**A. 6% Calculation of Excess Surplus**

|   |    |                   |                       |
|---|----|-------------------|-----------------------|
| 2022-23 Total General Fund Expenditures per the ACFR, Ex. C-1     | \$ | <u>15,222,428</u> | (B)                   |
| Increased by:   |    |                   |                       |
| Transfer from Capital Outlay to Capital Projects Fund             |    | _____             | (B1a)                 |
| Transfer from Capital Reserve to Capital Projects Fund            |    | _____             | (B1b)                 |
| Transfer from General Fund to SRF for PreK-Regular                |    | _____             | (B1c)                 |
| Transfer from General Fund to SRF for PreK-Inclusion              |    | _____             | (B1d)                 |
| Decreased by:   |    |                   |                       |
| On-Behalf TPAF Pension & Social Security                          |    | <u>2,058,737</u>  | (B2a)                 |
| Assets Acquired Under Capital Leases                              |    | _____             | (B2b)                 |
| Adjusted 2022-23 General Fund Expenditures [(B)+(B1s)-(B2s)]      |    | <u>13,163,691</u> | (B3)                  |
| 6% of Adjusted 2022-23 General Fund Expenditures                  |    |                   |                       |
| [(B3) times .06]  |    | <u>789,821</u>    | (B4)                  |
| Enter Greater of (B4) or \$250,000                                |    | <u>789,821</u>    | (B5)                  |
| Increased by: Allowable Adjustment*                               |    | -                 | (K)                   |
| Maximum Unassigned/Undesignated-Unreserved Fund Balance[(B5)+(K)] |    |                   | \$ <u>789,821</u> (M) |

**SECTION 2**

|  |    |                  |                        |
|--|----|------------------|------------------------|
| Total General Fund - Fund Balances @ 6-30-23<br>(Per ACFR Budgetary Comparison Schedule C-1) | \$ | <u>3,179,099</u> | (C)                    |
| Decreased by:  |    |                  |                        |
| Year-end Encumbrances  |    | _____            | (C1)                   |
| Legally Restricted - Designated for Subsequent Year's Expenditures                           |    | _____            | (C2)                   |
| Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**        |    | -                | (C3)                   |
| Other Restricted Fund Balances****   |    | <u>2,462,103</u> | (C4)                   |
| Assigned Fund balance Unreserved - Designated for Subsequent Year's Expenditures             |    | _____            | (C5)                   |
| Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]                                 |    |                  | \$ <u>716,996</u> (U1) |

**SECTION 3**

|   |    |          |     |
|---|----|----------|-----|
| Restricted Fund Balance- Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0- | \$ | <u>-</u> | (E) |
|---|----|----------|-----|

**Recapitulation of Excess Surplus as of June 30, 2023**

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

**SALEM COUNTY VOCATIONAL TECHNICAL TOWNSHIP SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION**

Footnotes:

\* Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:

- (H) Federal Impact Aid. The passage of P.L. 2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve-General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
- (I) Sale & Lease-Back (Refer to the Audit Program Section II, Chapter 10);
- (J1) Extraordinary Aid;
- (J2) Additional Nonpublic School Transportation Aid;
- (J3) Recognized current year School Bus Advertising Revenue; and
- (J4) Family Crisis Transportation Aid.
- (J5) Supplemental Stabilization Aid received April 2023 & Maintenance of Equity Aid received July 2023

Notes to auditor: Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid, and Additional Nonpublic School Transportation Aid.

**Detail of Allowable Adjustments**

|   |            |      |
|---|------------|------|
| 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 2024 | _____      | (J5) |
| Total Adjustments [(H) + (I) + (J1) + (J2) + (J3) + (J4) +(J5)]                                   | \$ _____ - | (K)  |

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

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

\*\*\*\* 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 an other type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Division of Finance and Regulatory Compliance prior to September 30.

**Detail of Other Restricted Fund Balance**

|   |                     |      |
|---|---------------------|------|
| Statutory restrictions:                                       |                     |      |
| Approved unspent separate proposal                            | \$ _____            |      |
| Sale/lease-back reserve                                       | _____               |      |
| Capital reserve   | <u>2,260,250</u>    |      |
| Maintenance reserve   | <u>201,853</u>      |      |
| Emergency Reserve   | _____               |      |
| Tuition reserve   | _____               |      |
| School Bus Advertising 50% Fuel Offset Reserve - Current Year | _____               |      |
| School Bus Advertising 50% Fuel Offset Reserve - Prior Year   | _____               |      |
| Impact Aid General Fund Reserve (Sections 8007 and 8008)      | _____               |      |
| Impact Aid General Fund Reserve (Sections 8002 and 8003)      | _____               |      |
| Other state/government mandated reserve                       | _____               |      |
| Reserve for Unemployment Fund                                 | _____               |      |
| [Other Restricted Fund Balance not noted above] ****          | _____               |      |
| Total Other Restricted Fund Balance                           | \$ <u>2,462,103</u> | (C4) |

SIGNATURE OF PUBLIC SCHOOL ACCOUNTANT - No. 915

**AUDIT RECOMMENDATIONS SUMMARY**

For the Fiscal Year Ended June 30, 2023

SALEM COUNTY VOCATIONAL 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. Other Enterprise Funds
6. Student Body Activities - None
7. Application for State School Aid - None
8. Pupil Transportation - None
9. Facilities and Capital Assets - None
10. Miscellaneous – None
11. Status of Prior Year Audit Findings/Recommendations

There were no prior year findings.