

SUSSEX TECHNICAL SCHOOL DISTRICT
COUNTY OF SUSSEX
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SUSSEX COUNTY TECHNICAL SCHOOL
COUNTY OF SUSSEX
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2023
TABLE OF CONTENTS

	Page
Cover Letter	1
General Comments:	2
Scope of Audit	2
Administrative Practices and Procedures:	2
Insurance	2
Officials in Office and Surety Bonds	2
P.L. 2020, c.44	2
Tuition Charges	2
Financial Planning, Accounting and Reporting:	2-7
Examination of Claims	2
Payroll Account and Position Control Roster	3
Reserve for Encumbrances and Accounts Payable	3
Classification of Expenditures	3
Board Secretary's Records	3-4
Treasurer's Records	4-5
Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act	5
Other Special Federal and/or State Projects	6-7
T.P.A.F. Reimbursement	7
School Purchasing Programs:	8-9
Contracts and Agreements Requiring Advertisement for Bids	8-9
School Food Service Fund	9
Student Body Activities	9
Application for State School Aid	10
Pupil Transportation	10
Travel Expense and Reimbursement Policy	10
Facilities and Capital Assets	10-11
Testing for Lead of all Drinking Water in Educational Facilities	11
Management Suggestions	11
Status of Prior Year's Findings/Recommendations	12
Schedule of Meal Count Activity (Not Applicable)	
Schedule of Net Cash Resources (Not Applicable)	
Schedule of Audited Enrollments	13-14
Excess Surplus Calculation	15-16
Summary of Recommendations	17-18

December 14, 2023

The Honorable President and Members
of the Board of Education
Sussex County Technical School District
County of Sussex, NJ

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Sussex County Technical School in the County of Sussex for the fiscal year ended June 30, 2023, and have issued our report thereon dated December 14, 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 letter does not affect our report dated December 14, 2023, on the financial statements of the Board.

We will review the status of the comments during our next audit engagement. We have already discussed these comments and suggestions with various management personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the suggestions and recommendations.

This report is intended for the information of the Sussex County Technical School Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Nisivoccia LLP
NISIVOCCIA LLP

Man C Lee

Man C. Lee
Licensed Public School Accountant #2527
Certified Public Accountant

SUSSEX COUNTY TECHNICAL SCHOOL
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2023

Scope of Audit

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

Administrative Practices and Procedures

Insurance

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

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Eileen Kithcart	Treasurer of School Monies	\$ 200,000
Jenny Deuel	School Business Administrator (from 2/27/23)	200,000
Ron Smith	Interim School Business Administrator (9/1/22-12/31/22)	200,000

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 the school district.

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

The data certification date does not reflect a submission date later than 60 days after the end of the enrollment period.

Tuition Charges

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

Financial Planning, Accounting and Reporting

Examination of Claims

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

SUSSEX COUNTY TECHNICAL SCHOOL
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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 withholdings 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 and business administrator) to the NJ Department of Treasury was filed in a timely manner.

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.

Finding 2023-001:

During our review of the subsidiary ledgers for open purchase orders at June 30, 2023, it was noted that certain items were not valid or classified properly. Invalid accounts payable and encumbrances should be cancelled from the open purchase order report.

Recommendation:

It is recommended that the District take greater care to ensure that open purchase orders are properly classified and valid.

Management's Response:

The District will take greater care when cancelling and classifying open purchase orders.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. Overall compliance was noted.

Board Secretary's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Board Secretary's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records.

SUSSEX COUNTY TECHNICAL SCHOOL
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Board Secretary's Records (Cont'd)

Finding 2023-002:

During our review of the revenue subsidiary ledgers, it was noted that collection of prior year receivables and current year revenue transactions were not all posted against the correct balance sheet or subsidiary ledger account.

Recommendation:

It is recommended that the District take greater care to ensure that accounts receivables and revenue transactions are properly classified.

Management's Response:

The District will take greater care when cancelling and classifying accounts receivables and current year revenue.

Finding 2023-003:

The District had an over-expenditure in the health benefit budget line item of \$227,491 as well as a deficit unassigned fund balance of \$50,780 in the General Fund as of June 30, 2023. This was caused by the switch to a self-insurance plan for health benefits as of January 1, 2023 and the accrual of a \$179,168 liability for estimated insurance claims at June 30, 2023.

Recommendation:

It is recommended that the District review the costs of its self-insurance health benefits plan and ensure sufficient funding is available.

Management's Response:

Management has determined that a self-insurance plan for health benefits is not in the best financial interest of the District and will be ending its participation in the self-insurance plan as of December 31, 2023.

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. No exceptions were noted, except as follows.

Finding 2023-004:

The District switched to self-insurance for health benefits as of January 2023 and opened a new bank account for the purpose of payment of medical insurance claims. However, the account was not reconciled as of June 30, 2023.

SUSSEX COUNTY TECHNICAL SCHOOL
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Treasurer's Records (Cont'd)

Recommendation:

It is recommended that the Medical Insurance bank account be reconciled on a monthly basis.

Management's Response:

The District will ensure that the Medical Insurance account is reconciled.

Finding 2023-005:

During our review of the net payroll and student activities' June 30 bank reconciliation, we noted a number of outstanding checks that are more than a year old. However, since the total is not material, a formal recommendation is not deemed warranted.

Finding 2023-006:

The June 30 bank reconciliation for the General account includes a number of reconciling items that were not valid. However, under the direction of the School Business Administrator, these invalid reconciling items were cancelled accordingly. Therefore, a formal recommendation is not deemed warranted.

Finding 2023-007:

The Board Secretary's and Treasurer's reports for December 2022 were not submitted to the executive county superintendent within 60 days of the December month-end, pursuant to N.J.A.C. 6A:23A-16.10(c)(4)(iv). Also, the annual report was not submitted to the executive county superintendent by August 1, pursuant to N.J.S.A. ISA:17-10.

Recommendation:

It is recommended that the December month-end and annual reports are submitted to the executive County Superintendent by the appropriate deadlines.

Management's Response:

The District will ensure that the December month-end and annual reports will be submitted to the executive County Superintendent by the appropriate deadlines.

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 herein within the Special Revenue Section of the District's ACFR. This section of the ACFR documents the financial position pertaining to projects under Title I, Title II, and Title IV of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. did not indicate any areas of noncompliance.

SUSSEX COUNTY TECHNICAL SCHOOL
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Other Special Federal and/or State Projects

The District's Special Projects were not approved as listed on Exhibit E-1 located in the ACFR, as noted below.

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.

Finding 2023-008:

The governing body did not formally approve the carryover of prior year federal grant awards.

Recommendation:

It is recommended that the governing body formally approve the carryover of prior year federal grant awards.

Management's Response:

The governing body will make every effort to formally approve the carryover of prior year federal grant awards.

Finding 2023-009:

The Workforce Innovation Opportunity Act federal grant and several state grants, including School Based Youth Services, Adolescent Pregnancy, Curriculum for Agricultural Science and Apprenticeship Coordinator have older balances due to grantors. Some of these balances date back to the 2014 fiscal year. Although the District returned \$116,048 to grantors during the 2022-23 fiscal year, \$144,575 remains due back to grantors as of June 30, 2023.

Recommendation:

It is recommended that older unexpended grant funds be returned to the respective grantor.

Management's Response:

The District will make every effort to return unexpended grant funds to the respective grantor.

Finding 2023-010:

The unexpended balances rolled forward or set up in the District's accounting records for the CRRSA Learning Acceleration grant program did not reflect prior year final audit adjustments. However, as the grant period ended and the District did not over-expend the grant, a formal recommendation is not deemed necessary.

SUSSEX COUNTY TECHNICAL SCHOOL
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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

Finding 2023-011:

The District made budget transfers to the CRRSA ESSER II grant program in excess of 10% in the District's accounting records. Any transfers and amendment above 10% require the State's approval. Also, the final expenditure reports for the CRRSA ESSER II and Learning Acceleration grant programs submitted to the State did not agree to District's accounting records. Although the total expenditures reported are correct, the amount reported by budget lines items did not agree to the District's accounting records.

Recommendation:

It is recommended that any budget transfers and/or amendments in excess of 10% be submitted to the State for approval and that the final expenditure report for the Education Stabilization Fund grant programs submitted to the State be in agreement with the District's accounting records.

Management's Response:

The District will take greater care to ensure that budget amendments be submitted to the State for approval and that the final expenditure reports are in agreement with the District's records.

Finding 2023-012:

The District did not formally approve the staff members and their respective salary/stipend funded with the Education Stabilization Fund grant programs.

Recommendation:

It is recommended that all staff members and related salary/stipends that are funded with federal grants be formally approved by the governing body.

Management's Response:

The District will take ensure that all federally funded salaries are formally approved in the minutes.

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.

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, 2023. The reimbursement form was reviewed and no exceptions were noted.

SUSSEX COUNTY TECHNICAL SCHOOL
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A18A-3 states:

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

b. Commencing in the fifth year after the year in which P.L. 1999, c. 440 takes effect and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made"

N.J.S.A. 18A18A-4 states, "Every contract for the provision or performance of any goods or services the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the Board of Education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law"

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 in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Attorney's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. No exceptions were noted.

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A18A-4.

SUSSEX COUNTY TECHNICAL SCHOOL
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

School Purchasing Programs (Cont'd)

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

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A18A-5.

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

School Food Service

The 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 School Food Authority (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 ACFR Schedule B-5 does separate program and non-program revenue and program and nonprogram 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. 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 if the FSMC received a PPP loan.

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

Finding 2023-013:

Net cash resources exceeded three months average expenditures by \$199,923. As the District already has plans in place to reduce the excess, no formal recommendation is judged to be warranted.

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Student Activities records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records.

SUSSEX COUNTY TECHNICAL SCHOOL
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2022 Application for State School Aid (A.S.S.A.) for on-roll and low income students. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers with no exceptions. The information that was included on the workpapers was verified on a test basis with no exceptions.

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

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

Pupil Transportation

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal policy and procedure pertaining to travel and expense reimbursement for its employees and board members. The regulations require the District to establish a maximum travel for the year and to ensure that the maximum is not exceeded. The regulations also require that all travel be preapproved by the Board of Education and that the approval must be itemized by event, event total cost, and individuals attending.

Finding 2023-014:

Our review of travel expenses revealed that not all travel expenditures have prior approval of the governing body.

Recommendation:

It is recommended that prior approval for travel be obtained from the governing body and formally documented in the minutes.

Management's Response:

The District will ensure that travel expenditures have prior approval by a majority of the full voting membership of the Board.

Facilities and Capital Assets

Our procedures included a review of the SDA grant agreements for consistency with recording of the revenue and awarding of contracts for eligible facilities construction.

SUSSEX COUNTY TECHNICAL SCHOOL
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Facilities and Capital Assets (Cont'd)

Our procedures included a review of the SDA grant agreements for consistency with recording of the revenue and awarding of contracts for eligible facilities construction.

Finding 2023-015:

The District did not update its capital assets inventory records to include the prior and current years additions and deletions for the fiscal year ended June 30, 2023. However, the School Business Administrator was able to provide a separate list of current year capital asset additions and deletions, which have been included in their district-wide financial statements.

Recommendation:

It is recommended that the District update its capital assets inventory records.

Management's Response:

The District will make every effort to continue to update its capital assets inventory records.

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

Deficit Transportation Unrestricted Net Position

As of June 30, 2023, the Transportation Enterprise Fund has a deficit unrestricted net position of \$17,217. As an enterprise fund, the Transportation program should be self-sustaining. It is suggested that the District reviews the fee/rate structure for the Transportation program in fiscal year 2024.

Reconciling Food Service Management Contractor's Operating Statement with District Records

It is suggested that the District reconcile the revenue and expenses per the Food Service Management Contractor's Operating Statement with the District's records on a monthly basis.

COVID-19 Federal Funding

It is likely that the District will undergo some review of its COVID-19 federal funding if only at a desk review level by state and/or federal agencies. We strongly suggest that the District ensures that these funds are utilized in accordance with the applicable federal requirements, especially with respect to procurement. Additionally, we strongly suggest that the District ensures that these funds are accounted for in the state account numbers designated by the NJ Department of Education and that any applicable Board policies are current with respect to federal grant requirements.

SUSSEX COUNTY TECHNICAL SCHOOL
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding confirming orders, certification of payrolls, formal acceptance of grant awards and submission for reimbursement for the School Development Authority (“SDA”) grant projects have been resolved. The prior year recommendations regarding proper classification and validity of open purchases, accounts receivables and revenue, board approvals of grant carryovers, return of unexpended grant funds to the respective grantors and capital assets inventory records were not resolved and remain as current year recommendations.

SUSSEX COUNTY TECHNICAL SCHOOL
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2022

	2023-2024 Application for State School Aid						Sample for Verification					
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
County Vo Tech- Regular	536	45	536	45			536	45	536	45		
FT Post Secondary Subtotal	536	45	536	45			536	45	536	45		
Special Ed - High School Subtotal	140	6	140	6			15		15			
Totals	676	51	676	51	-0-	-0-	551	45	551	45	-0-	-0-
Percentage Error					0.00%	0.00%					0.00%	0.00%

SUSSEX COUNTY TECHNICAL SCHOOL
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2022

	Resident Low Income					Sample Errors
	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	
County Vo Tech - Regular	83.5	83.5		8	8	
Subtotal	<u>83.5</u>	<u>83.5</u>		<u>8</u>	<u>8</u>	
Special Ed - High School	25.0	25.0		3	3	
Subtotal	<u>25.0</u>	<u>25.0</u>		<u>3</u>	<u>3</u>	
Totals	<u><u>108.5</u></u>	<u><u>108.5</u></u>		<u><u>11</u></u>	<u><u>11</u></u>	<u><u>-0-</u></u>
Percentage Error			<u><u>0.00%</u></u>			<u><u>0.00%</u></u>

SUSSEX COUNTY TECHNICAL SCHOOL
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2023

6% Calculation of Excess Surplus (2022-2023 Expenditures of \$100 million or less)

2022-2023 Total General Fund Expenditures per the ACFR	<u>\$ 17,355,943</u>	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -0-</u>	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ -0-</u>	(B1b)
Transfer from General Fund to SRF for PreK-Regular	<u>\$ -0-</u>	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	<u>\$ -0-</u>	(B1d)
Decreased by:		
On-Behalf TPAF Pension and Social Security	<u>\$ 3,190,956</u>	(B2a)
Assets Acquired Under Capital Leases	<u>\$ -0-</u>	(B2b)
 Adjusted 2022-2023 General Fund Expenditures [(B)+(B1's)-(B2's)]	 <u>\$ 14,164,987</u>	 (B3)
 6% of Adjusted 2022-2023 General Fund Expenditures [(B5) times .06]	 <u>\$ 849,899</u>	 (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 849,899</u>	(B5)
Increased by: Allowable Adjustment	<u>\$ -0-</u>	(K)
 Maximum Unassigned Fund Balance [(B5)+(K)]		 <u>\$ 849,899</u> (M)

Section 2 - All Districts

Total General Fund - Fund Balances @ 6/30/2023	<u>\$ 542,292</u>	(C)
(Per ACFR Budgetary Comparison Schedule/Statement)		
Decreased by:		
Year End Encumbrances	<u>\$ 110,075</u>	(C1)
Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u>	(C2)
Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u>	(C3)
Other Restricted Fund Balances	<u>\$ 482,997</u>	(C4)
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u>	(C5)
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		 <u>\$ (50,780)</u> (U)

SUSSEX COUNTY TECHNICAL SCHOOL
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Section 3 - All Districts

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

Recapitulation of Excess Surplus as of June 30, 2023

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures \$ -0- (C3)

Restricted Excess Surplus [(E)] \$ -0- (E)

Total [(C3)+(E)] \$ -0- (D)

Detail of Allowable Adjustments

Impact Aid \$ -0- (H)

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

Extraordinary Aid \$ -0- (J1)

Additional Nonpublic School Transportation Aid \$ -0- (J2)

Current Year School Bus Advertising Revenue Recognized \$ -0- (J3)

Family Crisis Transportation Aid \$ -0- (J4)

Supplemental Stabilization Aid received April 2023
& Maintenance of Equity Aid received July 2023 \$ -0- (J5)

Total Adjustments ((H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)) \$ -0- (K)

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal \$ -0-

Sale/lease-back reserve \$ -0-

Capital reserve \$ 242,302

Maintenance reserve \$ 175,000

Tuition reserve \$ -0-

Unemployment Compensation \$ 65,695

School Bus Advertising 50% Fuel Offset Reserve - current year \$ -0-

School Bus Advertising 50% Fuel Offset Reserve - prior year \$ -0-

Impact Aid General Fund Reserve (Sections 8002 and 8003) \$ -0-

Impact Aid Capital Fund Reserve (Sections 8007 and 8008) \$ -0-

Other state/governmental mandated reserve \$ -0-

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

Total Other Restricted Fund Balance \$ 482,997 (C4)

SUSSEX COUNTY TECHNICAL SCHOOL
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2023

It is recommended that:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

2023-001: The District take greater care to ensure that open purchase orders are properly classified and valid.

2023-002: The District take greater care to ensure that accounts receivables and revenue transactions are properly classified.

2023-003: The District review the costs of its self-insurance health benefits plan and ensure sufficient funding is available.

2023-004: The Medical Insurance bank account be reconciled on a monthly basis.

2023-007: The December month-end and annual reports are submitted to the executive County Superintendent by the appropriate deadlines.

2023-008: The governing body formally approve the carryover of prior year federal grant awards.

2023-009: Older unexpended grant funds be returned to the respective grantor.

2023-011: Any budget transfers and/or amendments in excess of 10% be submitted to the State for approval and that the final expenditure report for the Education Stabilization Fund grant programs submitted to the State be in agreement with the District's accounting records.

2023-012: All staff members and related salary/stipends that are funded with federal grants be formally approved by the governing body.

3. School Purchasing Program

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

None

SUSSEX COUNTY TECHNICAL SCHOOL
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

It is recommended that:

7. Pupil Transportation

None

8. Travel Expense and Reimbursement Policy

2023-014: Prior approval for travel be obtained by the governing body and formally documented in the minutes.

9. Facilities and Capital Assets

2023-015: The District update its capital assets inventory records.

10. Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding confirming orders, certification of payrolls, formal acceptance of grant awards and submission for reimbursement for the School Development Authority ("SDA") grant projects have been resolved. The prior year recommendations regarding proper classification and validity of open purchases, accounts receivables and revenue, board approval grant carryover, return of unexpended grant funds to the respective grantors and capital assets inventory records were not resolved and remain as current year recommendations.