

VERNON TOWNSHIP BOARD OF EDUCATION  
COUNTY OF SUSSEX  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2023

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

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



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Independent Member  
BKR International

November 9, 2023

The Honorable President and Members  
of the Board of Education  
Vernon Township Board of Education  
County of Sussex, New Jersey

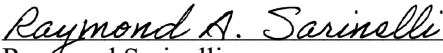
We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Board of Education of the Vernon Township Board of Education in the County of Sussex for the fiscal year ended June 30, 2023, and have issued our report thereon November 9, 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 November 9, 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 recommendations.

This report is intended for the information of the Vernon Township 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

  
\_\_\_\_\_  
Raymond Sarinelli  
Licensed Public School Accountant #2549  
Certified Public Accountant

VERNON TOWNSHIP BOARD OF EDUCATION  
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, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

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

Officials in Office and Surety Bonds

There is a Blanket Employee Dishonesty Bond with the School Alliance Insurance Fund covering all other employees with multiple coverage of \$500,000.

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Patricia Ratcliffe-Lee	Business Administrator	500,000
Tracey Talmadge	Treasurer	500,000

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 or charter school.

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

If the data certification date reflects a submission date later than 60 days after the end of the enrollment period: The original data submission did not require significant revision due to errors or omissions on the part of the District.

VERNON TOWNSHIP BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

Tuition Charges

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

Financial Planning, Accounting and Reporting

Examination of Claims

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

Payroll Account and Position Control Roster

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

All payrolls were approved by the Superintendent and were certified by the President of the Board, the Board Secretary/Business Administrator and the Chief School Administrator. Payrolls were delivered to the Treasurer of School Monies with a warrant to her order for the full amount of the payroll.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents and business administrators) to the NJ Department of Treasury was filed by the March 15 due date.

Finding 2023-001:

During our review of the position control roster and the budget it was noted that there were several appropriation accounts related to stabilization aid that were budgeted by total without detailed positions supporting appropriated account. Additionally, it was noted that there were several positions that were paid in excess of the amount documented for that position on the position control roster.

Recommendation:

It is recommended that management create and maintain a position control roster that is supported by individual positions, and that all positions be paid in accordance with amounts prepared in the position control roster.

Management Response:

The District will make every effort to create and maintain a position control roster that is properly supported, and that all individual positions will be paid in accordance with the position control roster.

VERNON TOWNSHIP BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Reserve for Encumbrances and Accounts Payable

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

Classification of Expenditures – General and Administrative

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, we reviewed administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A-23A-8.2. As a result of the procedures performed, we found no errors and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

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

Finding 2023-002:

During our review of appropriation transfers it was noted that transfers were made from the maintenance reserve account and stabilization aid appropriation lines that were not properly supported.

Recommendation:

It is recommended that all transfers be properly supported.

Management's Response:

The District will ensure all transfers are properly supported.

Treasurer's Records

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

No Child Left Behind (N.C.L.B.) Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA)

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

VERNON TOWNSHIP BOARD OF EDUCATION  
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 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.

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.

Finding 2023-003:

During our review of federal grants it was noted that the district utilized indirect cost methodology. While the methodology and costs were allowable, the expenditures were incorrectly accounted for in the General Fund during the year. The expenditures were correctly charged to the Special Revenue Fund at year-end therefore there is no formal recommendation warranted at this time.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for district employees who are members of the Teachers' Pension and Annuity Fund. No exceptions were noted.

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The T.P.A.F. Reimbursement to the State for Federal Salary Expenditures was remitted to the State of New Jersey prior to the required deadline of October 1, 2022. The reimbursement form was reviewed and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

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

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

b. Commencing in the fifth year after the year in which P.L.1999, c. 440 takes effect and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2, and shall round the adjustment to the nearest \$1,000. The

VERNON TOWNSHIP BOARD OF EDUCATION  
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)

Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made . . . ."

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

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. General compliance was noted.

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

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

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

School Food Service

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

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 non-program cost of goods sold.



VERNON TOWNSHIP BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

School Food Service (Cont'd)

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.

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. Based on these procedures, we have the following comment.

Finding 2022-004:

During our review of the student activities account it was noted that there was one program that required funding from the Board of Education, however revenues created from the student activities program were not returned back to Board. Additionally, the funds in the program were utilized to purchase supplies outside of the programs purpose.

Recommendation:

It is recommended that all Student Activities be reviewed to ensure the proceeds are properly utilized. Additionally, any programs that generate proceeds from Board of Education funding should be returned to the Board.

Management's Response:

The District will review review all Student Activities programs for revenues that should be returned to the Board, and ensure all purchases made from student activities accounts are for the intended purpose of the program.

Application for State School Aid

Our audit procedures included a test of enrollments reported in the October 15, 2022 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, bilingual education, and low income. 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 minimal exceptions. The information that was included on the workpapers was verified on a test basis with no exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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

VERNON TOWNSHIP BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2022-2023 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with no exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. 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 amount 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. Overall compliance was noted.

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 Suggestion:

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.

Status on Prior Year Finding/Recommendation

The prior year recommendations for expenditures being charged to the correct account, the cash balance in the Food Service fund, and stale dated checks in the Student Activities account have all been resolved.

VERNON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2022

	2023-2024 Application for State School Aid												
	Reported on			Reported on			Sample			Sample for Verification			
	ASSA		Workpapers	On Roll		Errors	Selected from		Registers		Errors		
On Roll	Shared	Full	On Roll	Shared	Full	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool 3 Years Old	19		19					19		19			
Half Day Preschool 4 Years Old	42		42					42		42			
Full Day Kindergarten	191		191					191		191			
Grade One	188		188					188		188			
Grade Two	153		153					153		153			
Grade Three	176		176					176		176			
Grade Four	159		159					159		159			
Grade Five	163		163					163		163			
Grade Six	161		161					161		161			
Grade Seven	175		175					175		175			
Grade Eight	164		164					164		164			
Grade Nine	164	2	164	2				164	2	164	2		
Grade Ten	209		209					209		209			
Grade Eleven	198		198					198		198			
Grade Twelve	183		183					183		183			
Subtotal	2,345	2	2,345	2				2,345	2	2,345	2		
Special Education:													
Elementary	265		265					13		13			
Middle	147		147					5		5			
High	170		170					7		7			
Subtotal	582	0	582	0				25		25			
Totals	2,927	2	2,927	2				2,370	2	2,370	2		-0-
Percentage Error								0.00%		0.00%			0.00%

VERNON TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF AUDITED ENROLLMENT  
 APPLICATION FOR STATE SCHOOL AID SUMMARY  
 ENROLLMENT AS OF OCTOBER 15, 2022

	Private Schools for Disabled					Resident Low Income					
	Reported on ASOA as Private Schools	Reported on Workpapers as Private Schools	Sample for Verification	Sample Verified	Sample Errors	Reported on ASOA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten											
Grade One						33	32	1	2	2	
Grade Two						31	32	-1	2	2	
Grade Three						27	28	-1	2	2	
Grade Four						19	20	-1	1	1	
Grade Five						27	27		1	1	
Grade Six						25	25		2	2	
Grade Seven						29	27	2	1	1	
Grade Eight						21	21		1	1	
Grade Nine						28	27	1	2	2	
Grade Ten						29	29		1	1	
Grade Eleven						42	42		1	1	
Grade Twelve						28	28		2	2	
Subtotal						22	22		2	2	
						361	360	1	20	20	
Special Education:											
Elementary School	4	4	2	2		41	40	1	2	2	
Middle School	3	3	2	2		39	39		2	2	
High School	15	15	2	2		40	40		1	1	
Subtotal	22	22	6	6		120	119	1	5	5	
Totals	22	22	6	6	-0-	481	479	2	25	25	-0-
Percentage Error					0.00%			0.42%			0.00%

VERNON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2022

	Resident LEP Low Income				Resident LEP Not Low Income				
	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Sample Selected from Workpapers Errors	Verified to Test Scores, Application and Register	Reported on ASSA as LEP Not Low Income	Reported on Workpapers as LEP Not Low Income	Sample Selected from Workpapers Errors	Verified to Test Scores and Register	Sample Errors
Half Day Preschool 3 Years Old									
Half Day Preschool 4 Years Old									
Full Day Preschool									
Full Day Kindergarten	5	4	1	1	4	4			
Grade One	3	3	1	1	5	5			
Grade Two	3	3	1	1	1	1			
Grade Three					2	2	1	1	
Grade Four	3	3	2	2	1	1			
Grade Five	1	1	1	1					
Grade Six									
Grade Seven					2	2	1	1	
Grade Eight	1	1							
Grade Nine	1	1			2	2	1	1	
Grade Ten	2	2							
Grade Eleven	1	2	-1		3	3	1	1	
Grade Twelve	1	1			1	1	1	1	
Subtotal	21	21	6	6	21	21	5	5	
Special Education:									
Elementary School	1	1							
Middle School									
High School	1	1							
Subtotal	2	2							
Totals	23	23	-0-	6	21	21	-0-	5	-0-
Percentage Error			0.00%				0.00%		0.00%

VERNON TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2022

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	
Regular - Public Schools	2,091	2,091		17	17	
Regular - Special Education	630	630		5	5	
Transported - Non Public	-0-	-0-				
AIL - Non Public	79	79		1	1	
Special Needs - Public	61	61		1	1	
Special Needs - Private	20	20		1	1	
Totals	<u>2,881</u>	<u>2,881</u>	<u>-0-</u>	<u>25</u>	<u>25</u>	<u>-0-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	6.2	6.2
Average Mileage - Regular Excluding Grade PK Students	6.2	6.2
Average Mileage - Special Education with Special Needs	11.7	11.7

VERNON TOWNSHIP BOARD OF EDUCATION  
EXCESS SURPLUS CALCULATION  
FISCAL YEAR ENDED JUNE 30, 2023

**EXCESS SURPLUS CALCULATION**

**REGULAR DISTRICT**

**SECTION 1**

**A. 2% Calculation of Excess Surplus**

2022-2023 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ 82,369,405	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$ -0-	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ -0-	(B1b)
Transfer from General Fund to SRF for PreK-Regular	\$ -0-	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$ -0-	(B1d)
Decreased by:		
On-Behalf TPAF Pension and Social Security	\$ 14,458,325	(B2a)
Assets Acquired Under Leases and Finance Purchases		(B2b)
Adjusted 2022-2023 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 67,911,080</u>	(B3)
2% of Adjusted 2022-2023 General Fund Expenditures [(B3) times .02]	<u>\$ 1,358,222</u>	(B4)
Enter Greater of (B4) or \$250,000	<u>\$ 1,358,222</u>	(B5)
Increased by: Allowable Adjustment	<u>\$ 291,875</u>	(K)
Maximum Unassigned Fund Balance [(B5)+(K)]		<u>\$ 1,650,097</u> (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6/30/2023 (Per ACFR Budgetary Comparison Schedule C-1)	\$ 10,531,445	(C)
Decreased by:		
Year End Encumbrances	\$ 672,684	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ -0-	(C2)
Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 899,325</u>	(C3)
Other Restricted Fund Balances	<u>\$ 2,916,880</u>	(C4)
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ 2,210,696</u>	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		<u>\$ 3,831,860</u> (U1)

VERNON TOWNSHIP BOARD OF EDUCATION  
EXCESS SURPLUS CALCULATION  
FISCAL YEAR ENDED JUNE 30, 2023

**SECTION 3**

Restricted Fund Balance - Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0- \$ 2,181,763 (E)

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

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures \$ 899,325 (C3)

Restricted Excess Surplus [(E)] \$ 2,181,763 (E)

Total [(C3)+(E)] \$ 3,081,088 (D)

**Detail of Allowable Adjustments**

Impact Aid \$ -0- (H)

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

Extraordinary Aid \$ 55,461 (J1)

Additional Nonpublic School Transportation Aid \$ 24,648 (J2)

Supplemental Stabilization Aid \$ 211,766 (J3)

Total Adjustments ((H)+(I)+(J1)+(J2)+(J3)) \$ 291,875 (K)

**Detail of Other Restricted Fund Balance**

Statutory Restrictions

Approved Unspent Separate Proposal \$ -0-

Sale/Lease-Back Reserve \$ -0-

Capital Reserve \$ 2,549,728

Maintenance Reserve \$ 2,470

Emergency Reserve \$ -0-

Tuition Reserve \$ -0-

Other State/Governmental Mandated Reserve \$ -0-

Unemployment Compensation \$ 364,682

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

Total Other Restricted Fund Balance \$ 2,916,880 (C4)



VERNON TOWNSHIP BOARD OF EDUCATION  
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

Finding 2023-001: Management create and maintain a position control roster that is supported by individual positions, and that all positions be paid in accordance with amounts prepared in the position control roster.

Finding 2023-002: All transfers be properly supported.

3. School Purchasing Program

None

4. School Food Service

None

5. Student Body Activities

Finding 2023-004: That all revenues generated from Student Activities programs be returned to the Board and all purchases are for the intended purpose of the program.

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Travel Expense and Reimbursement Policy

None

10. Miscellaneous

None

11. Status of Prior Year's Findings/Recommendations

The prior year recommendations for accuracy of purchase orders, expenditures being charged to the proper account, cash balance in the proprietary fund, outstanding checks have all been resolved.