

**BERGEN COUNTY TECHNICAL AND
VOCATIONAL HIGH SCHOOL
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2024**

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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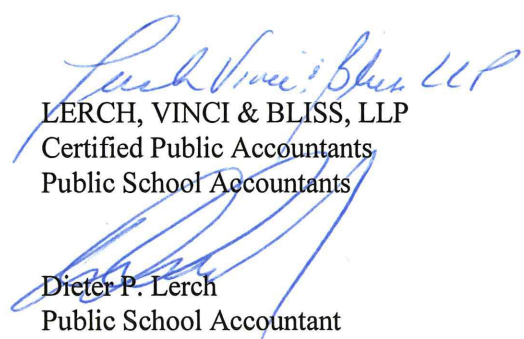
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Honorable President and Members
of the Board of Education
Bergen County Technical and Vocational High School
County of Bergen, New Jersey

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 basic financial statements of the Bergen County Technical and Vocational High School in the County of Bergen for the fiscal year ended June 30, 2024, and have issued our report thereon dated January 8, 2025.

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

This report is intended solely for the information and use of management, the Board of Trustees, others within the District and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.


LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Public School Accountants

Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
January 8, 2025

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Scope of Audit

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

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on the Insurance Schedule contained in the district's Annual Comprehensive Financial Report ("ACFR").

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
John Susino	School Business Administrator/ Board Secretary	\$10,000
Peter Bellani	Accounting Manager	10,000

The above listed employee as well as other personnel of the Board are covered by a Blanket Employee Dishonesty Insurance Policy held in the name of the County of Bergen.

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 included all health benefit plans offered by the District and was submitted timely.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were more than estimated costs. The Board made adjustments to the billings to sending districts.

Financial Planning, Accounting and Reporting

Examination of Claims

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

Finding 2024-01 – Our audit of general construction contracts awarded through Job Order Contracting revealed that project estimates were not always approved timely for non-emergent projects. Furthermore, actual payments to the vendor were based upon the estimates received, not on actual work completed.

Recommendation – Construction contracts awarded through Job Order Contracting be approved timely for non-emergent projects and consideration be given to engage a District consultant to certify work completed prior to processing payments.

Payroll/Personnel

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of payroll taxes were deposited in the Payroll Agency Account.

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

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

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Financial Planning, Accounting and Reporting (Continued)

Employee Position Control Roster

The Board has implemented and maintains a personnel tracking and accounting (Position Control) system.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

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.

Board Secretary's Records

The financial records, books of account and minutes maintained by the Board Secretary were in good condition.

The prescribed contractual order system was followed.

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

Bids received were summarized in the minutes (N.J.S.A. 18A:18A-21).

Unemployment Compensation Insurance Trust Fund

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. The financial transactions of this fund are reported in the General Fund.

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

The E.S.E.A./NCLB financial exhibits are contained within the Special Revenue section of the 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.

Our examination 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.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Financial Planning, Accounting and Reporting (Continued)

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Exhibit K-3 (Schedule A) and Exhibit K-4 (Schedule B) located in the ACFR.

Our examination 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 contained herein represent a true statement of the financial position pertaining to the aforementioned special projects.

T.P.A.F. Reimbursements

Our audit procedures included a test of the semi-monthly 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.

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

The amount of expenditures charged to the current year's Final Reports for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified purchasing Agent), respectively. The Board has designated the Purchasing Manager as the Qualified Purchasing Agent. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$22,400.

The 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 Board 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.

The results of our examination indicated no instances where 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.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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. Our examination did reveal, however, that purchases were made through the use of State contracts. However, the District does follow a rigorous policy where all purchases are publicly bid, quoted or bought through the use of State contracts and Cooperative Pricing Agreements.

Food Service Fund

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.

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.

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. 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.

Exhibits reflecting Child Nutrition Program operations are included in the section of the ACFR entitled Enterprise Funds.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Student Activity Funds

The Board has a policy, which clearly established the regulation of Student Activity Funds.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2023 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled 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 without exception. The information that was included on the workpapers was verified. The results of our procedures are presented in the Schedule of Audited Enrollments.

The district maintained workpapers on the prescribed state forms or their equivalent.

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

Pupil Transportation

Our procedures included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

Our procedures included a review of the awarding of capital contracts, county aid awarded and the recording of capital assets and related depreciation.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
FOOD SERVICE FUND
SCHEDULE OF MEAL COUNT ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOT APPLICABLE

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
NET CASH RESOURCE SCHEDULE

Net cash resources did not exceed three months of expenditures

Proprietary Funds - Food Service

SFY 2024

Current Assets

Cash and Cash Equivalents	\$ 200,488
Due from Other Governments	10,511
Accounts Receivable	7,185

Current Liabilities

Accounts Payable	-
Unearned Revenue	(36,536)

Net Cash Resources	\$ 181,648
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Adjusted Total Operating Expense:

Total Operating Expenses	\$ 1,039,616
Less Depreciation	(14,343)
Adjusted Total Operating Expense	\$ 1,025,273

<u>Average Monthly Operating Expense:</u>	\$ 102,527
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<u>Three Times Monthly Average:</u>	\$ 307,582
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Total Net Cash Resources	\$ 181,648
Three Times Monthly Average	307,582

Deficit in Net Cash Resources	\$ (125,934)
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BERGEN COUNTY TECHNICAL SCHOOLS
APPLICATION FOR STATE SCHOOL AID
SCHEDULE OF AUDITED ENROLLMENTS
OCTOBER 15, 2023

	2023-2024 Application for State School Aid						Sample for Verification						Special Education		
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Register On Roll		Errors per Registers On Roll		Sample for Verifi- cation		Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared		Sample Verified	
Spec Ed - Elementary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Spec Ed - Middle School	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Spec Ed - High School	321	76	321	76	-	-	274	-	274	-	-	-	108	108	-
Subtotal	321	76	321	76	-	-	274	-	274	-	-	-	108	108	-
County Voc - Regular	2,306	218	2,306	218	-	-	316	-	316	-	-	-			
County Voc - FT Post-Second.	45	-	45	-	-	-	45	-	45	-	-	-			
Subtotal	2,351	218	2,351	218	-	-	361	-	361	-	-	-	-	-	-
Totals	2,672	294	2,672	294	-	-	635	-	635	-	-	-	108	108	-
Percentage Error					0.00%	0.00%					0.00%				

BERGEN COUNTY TECHNICAL SCHOOLS
APPLICATION FOR STATE SCHOOL AID
SCHEDULE OF AUDITED ENROLLMENTS
10/19/2023

	Low Income			Sample for Verification			LEP Low Income			Sample for Verification		
	Reported on	Reported on	Errors	Sample	Verified to	Sample	Reported on	Reported on	Errors	Sample	Verified to	Sample
	A.S.S.A as	Workpapers as		Selected from	Application		A.S.S.A as	Workpapers as		Selected from	Application	
	Low	Low		Workpapers	and Register		Low	Low		Workpapers	and Register	
	Income	Income					Income	Income				
Spec Ed - Elementary	-	-	-	-	-	-	-	-	-	-	-	-
Spec Ed - Middle School	-	-	-	-	-	-	-	-	-	-	-	-
Spec Ed - High School	87.0	87.0	-	17	16	1	-	-	-	-	-	-
Subtotal	87.0	87.0	-	17.0	16.0	1.0	-	-	-	-	-	-
County Voc - Regular	208.0	208.0	-	42	42	-	-	-	-	-	-	-
County Voc - FT Post-Second.	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	208.0	208.0	-	42.0	42.0	-	-	-	-	-	-	-
Totals	295	295	-	59	58	1	-	-	-	-	-	-
Percentage Error			0.00%			1.69%			0.00%			#DIV/0!
	Transportation											
	Reported on	Reported on	Errors	Tested	Verified	Errors	Reported on	Reported on	Errors	Tested	Verified	Errors
	DRTRS by	DRTRS by					DOE	District				
Regular - Public Schools	-	-	-			-						
Transported - Non-Public			-			-						
Regular - Spec.	-	-	-			-						
Special Needs - Public			-			-						
Totals	-	-	-	-	-	-						
			0.00%			0.00%						

BERGEN COUNTY TECHNICAL SCHOOLS
APPLICATION FOR STATE SCHOOL AID
SCHEDULE OF AUDITED ENROLLMENTS
10/15/2023

	LEP Not Low Income			Sample for Verification		
	Reported on	Reported on	Errors	Sample		
	A.S.S.A as	Workpapers as		Selected from	Verified to	Sample
	Low	Low		Workpapers	Register	Errors
	Income	Income				
Spec Ed - Elementary	-	-	-	-	-	-
Spec Ed - Middle School	-	-	-	-	-	-
Spec Ed - High School	1	1	-	1	1	-
Subtotal	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
County Voc - Regular			-			-
County Voc - FT Post-Second.	-	-	-	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

COUNTY VOCATIONAL DISTRICTS

Section 1B

Six Percent (6%)

2023-2024 Total General Fund Expenditures per the ACFR	\$97,479,680	
Decreased by:		
On-Behalf TPAF Pension & Social Security	<u>(16,600,170)</u>	
Adjusted 2023-2024 General Fund Expenditures	<u>\$80,879,510</u>	
6% of Adjusted 2023-2024 General Fund Expenditures	<u>\$ 4,852,771</u>	
Maximum Unassigned Fund Balance		<u><u>\$4,852,771</u></u>

Section 2

Total General Fund – Fund Balance at June 30, 2024 (Per ACFR Budgetary Comparison Schedule/Statement)	\$12,571,413	
Decreased by:		
Year End Encumbrances	\$ 2,639,512	
Other Restricted Fund Balances-Capital Reserve	6,573,435	
Other Restricted Fund Balances-Maintenance Reserve	711,496	
Other Restricted Fund Balances-Unemployment Claims	436,761	
Designated for Subsequent Year's Budget	<u>850,000</u>	
Total Unassigned Fund Balance		<u><u>\$1,360,209</u></u>

Section 3 – All Districts

Reserved Fund Balance – Excess Surplus	<u><u>\$ -</u></u>
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BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL RECOMMENDATIONS

I. Administration Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

1. It is recommended that construction contracts awarded through Job Order Contracting be approved timely for non-emergent projects and consideration be given to engage a District consultant to certify work completed prior to processing payments.

III. School Purchasing Program

There are none.

IV. Food Service Fund

There are none.

V. Other Enterprise Funds

There are none.

VI. Student Activities Funds

There are none.

VII. Pupil Transportation

There are none.

VIII. Application for State School Aid

There are none.

IX. Facilities and Capital Assets

There are none.

X. Status of Prior Years' Audit Findings/Recommendations

There were none.

ACKNOWLEDGEMENT

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

Respectfully submitted,

LERCH, VINCI & BLISS, LLP



Dieter P. Lerch

Certified Public Accountant

Public School Accountant