

HUDSON COUNTY SCHOOLS OF TECHNOLOGY

**AUDITOR'S MANAGEMENT REPORT
ON ADMINISTRATIVE FINDINGS –
FINANCIAL, COMPLIANCE AND PERFORMANCE**

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**HUDSON COUNTY SCHOOLS OF TECHNOLOGY
AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
TABLE OF CONTENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Page(s)</u>
Report of Independent Auditor's.....	1
Scope of Audit.....	2
Administrative Practices and Procedures	
Insurance.....	2
Official Bonds.....	2
Financial Planning, Accounting and Reporting	
Examination of Claims.....	2
Payroll Accounts and Position Control Roster.....	2
Reserve for Encumbrances and Accounts Payable.....	2
Travel.....	3
Classification of Expenditures	
General Classifications.....	3
Administrative Classifications.....	3
Board Secretary's Records/Business Administrator.....	3
Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA).....	4
Other Special Federal and/or State Projects.....	4
T.P.A.F. Reimbursement.....	4
T.P.A.F. Reimbursement to the State for Federal Salary Expenditures.....	4
Workforce Investment and Opportunity Act (WIOA) Youth Activities.....	4
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids.....	4 - 5
School Food Service.....	5
Student Body Activities.....	5
Application for State School Aid.....	5
Pupil Transportation.....	5 - 6
Facilities and Capital Assets.....	6
Testing for Lead and All Drinking Water in Educational Facilities.....	6
Follow-up on Prior Year Findings.....	6
Acknowledgment.....	6
Schedule of Audited Enrollments.....	7 - 9
Excess Surplus Calculation.....	10 - 11
Audit Recommendations.....	12 - 13

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Hudson County Schools of Technology
Secaucus, New Jersey

We have audited, in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Hudson County Schools of Technology in the County of Hudson for the year ended June 30, 2024 and have issued our report dated February 14, 2025.

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

This report is intended for the information of the Hudson County Schools of Technology's management, the New Jersey Department of Education and federal and state audit agencies. However, this report is a matter of public record and its distribution is not limited.



DONOHUE, GIRONDA, DORIA & TOMKINS, LLC
Certified Public Accountants



MAURICIO CANTO
Certified Public Accountant
Licensed Public School Accountant
No. 2541

Secaucus, New Jersey
February 14, 2025

**HUDSON COUNTY SCHOOLS OF TECHNOLOGY
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
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 Hudson Schools of Technology, the records of 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.

Official Bonds at June 30, 2024 (N.J.S.A. 18A:17-26, 18A:17:32)

The District also has an errors and omissions policy with the New Jersey School Boards Insurance Association Insurance Group with coverage of \$16,000,000 total for all fees and claims. Adequacy of insurance coverage is the responsibility of the District.

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Joseph M. Muniz	Board Secretary	\$150,000
Nicholas Fargo	Business Administrator	\$150,000
All Employees	All Employee Blanket Position	\$500,000

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 District.

The District data certification was completed by the School Business Administrator. The District Chapter 44 data was submitted timely.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING

Examination of Claims

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

Payroll Accounts and Position Control Roster

The net salaries of all employees of the District were deposited in the Net 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 Board Secretary/Business Administrator.

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

A position control roster is prepared as required by N.J.A.C. 6A:23A-6.8. and agrees to original certified budget.

Reserve for Encumbrances and Accounts Payable

A review of outstanding purchase orders was made as of June 30, 2024 for proper classification of orders as reserve for encumbrances and accounts payable. No discrepancies were noted.

**HUDSON COUNTY SCHOOLS OF TECHNOLOGY
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (Continued)

Travel

No exceptions were noted.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. As a result of the procedures performed, a transaction error rate of less than 1% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

A. General Classification Findings - No findings were noted

B. Administrative Classification Findings – No findings were noted

Board Secretary's Records/Business Administrator

Our review of the financial and accounting records maintained by the Board Secretary/Business Administrator disclosed the following finding:

Finding 2024-001 (ACFR Finding 2024-001):

Management is not performing closing procedures timely nor regularly for accurate and complete budget to actual reporting. Material adjustments resulting from independent audit are resulting in expenditures without sufficient budget appropriations or over-expenditures. This finding is repeated from prior year.

Recommendation:

Management perform closing procedures timely and regularly for accurate and complete budget to actual reporting and only override internal controls over financial reporting with adequate and sufficient support and reasoning. Specifically, not withhold recording health benefits expenditures incurred; not record E-rate and cell tower lease revenues as expenditure reimbursements instead of revenue; and not record cell tower expenditures in nonexistent internal service fund instead of general fund.

Finding 2024-002 (ACFR Finding 2024-002 and 2024-004)

Management is not budgeting or accounting for the Workforce Investment and Opportunity Act (WIOA) grant activity in the District's financial reporting system nor performing closing procedures to adequately integrate or agree grant reporting to the financial reporting system. Material misstatements of expenditures and rights to reimbursements may exist that management or employees, in the normal course of performing their assigned functions did not prevent, or detect and correct, on a timely basis. This finding is repeated from prior year.

Recommendation:

Management budget and account for the Workforce Investment and Opportunity Act (WIOA) grant activity in the District's financial reporting system or perform regular and timely closing procedures to adequately integrate or agree grant reporting with the financial reporting system.

**HUDSON COUNTY SCHOOLS OF TECHNOLOGY
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (Continued)

Elementary and Secondary Education Act (E.S.E.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 and VI of the Elementary and Secondary School Education Act as amended and reauthorized.

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

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the K-Section of the ACFR.

Our audit of the federal and the state funds, on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project 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.

Other Special Federal and/or State Projects

The study of compliance for the special projects did not indicate any areas of noncompliance and/or questioned costs.

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.

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

The amount of the expenditure charged to the current year's Final Report for all federal awards for the District to reimburse the State for the TPAF/FICA payment made by the State on-behalf of the District 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 required by the Office of Grants Management, 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 for all federal awards. No exceptions were noted.

Workforce Investment and Opportunity Act (WIOA) Youth Activities

See finding 2024-002 as in summary form in ACFR Finding 2024-003 and applicable to Workforce Investment and Opportunity Act (WIOA) Youth Activities.

SCHOOL PURCHASING PROGRAMS

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with *N.J.S.A.* 18A:18A-2 and 18A:18A-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school transportation contracts under *N.J.S.A.* 18A:39-3 is currently \$20,200 for 2023-24.

The District 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 Solicitor's opinion should be sought before a commitment is made.

**HUDSON COUNTY SCHOOLS OF TECHNOLOGY
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

SCHOOL PURCHASING PROGRAMS (Continued)

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 provision of *N.J.S.A.* 18A:18A-4, except as follows:

Finding 2024-003

Awards of construction contracts that are effectively change orders of contracts awarded through a formal bid process are not being referenced to original contract with change order explanation in awarding resolution.

Recommendation:

Awards of construction contracts that are effectively change orders of contracts awarded through a formal bid process be referenced to original contract with change order explanation in awarding resolution.

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

SCHOOL FOOD SERVICE

The school food service program was not selected as a major program for the federal single audit. 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. 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.

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.

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

STUDENT BODY ACTIVITIES

Overall, cash receipts and disbursements records for the schools were maintained in satisfactory condition.

APPLICATION FOR STATE SCHOOL AID (ASSA)

Our audit procedures included a test of information reported in the October 13, 2023 Application for State School Aid (ASSA) for on-roll, private schools for the handicapped, low income and bilingual. We also performed a review of the District procedures related to its completion. The information on the ASSA was compared to the District’s work papers without exception. The results of our procedures are presented in the Schedule of Audited Enrollment.

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.

PUPIL TRANSPORTATION

Our audit procedures included a test of on-roll status reported in the 2023-24 District Report of transported Resident Students (DRTRS). The information that was included in the DRTRS was verified to the DRTRS Eligibility Summary Report. The results of our procedures are presented in the Schedule of Audited Enrollments.

**HUDSON COUNTY SCHOOLS OF TECHNOLOGY
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

PUPIL TRANSPORTATION (Continued)

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.

FACILITIES AND CAPITAL ASSETS

Our procedures included a review of accounting of capital assets and awarding of contracts for eligible facilities construction. No exceptions were noted.

TESTING FOR LEAD OF ALL DRINKING WATER IN EDUCATIONAL FACILITIES

The District adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

The District submitted the annual Statement of Assurance to the Department of Education pursuant to N.J.A.C. 6A:26-12.4(g).

FOLLOW-UP ON PRIOR YEAR FINDINGS

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations including findings and other suggestions to management. Corrective action has not been taken on prior year findings as the following, which are reported in this year's recommendations, are noted as current year findings 2024-001 and 2024-002:

- Management perform closing procedures timely and regularly for accurate and complete budget to actual reporting and only override internal controls over financial reporting with adequate and sufficient support and reasoning. Specifically, not withhold recording health benefits expenditures incurred; not record E-rate and cell tower lease revenues as expenditure reimbursements instead of revenue; and not record cell tower expenditures in nonexistent internal service fund instead of general fund.
- Management budget and account for the Workforce Investment and Opportunity Act (WIOA) grant activity in the District's financial reporting system or perform regular and timely closing procedures to adequately integrate or agree grant reporting with the financial reporting system.

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.



DONOHUE, GIRONDA, DORIA & TOMKINS, LLC
Certified Public Accountants



MAURICIO CANTO
Certified Public Accountant
Licensed Public School Accountant
No. 2541

Secaucus, New Jersey
February 14, 2025

HUDSON COUNTY SCHOOLS OF TECHNOLOGY
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 16, 2023

SCHEDULE OF AUDITED ENROLLMENTS

	2024-2025 Application for State School Aid						Sample of Verification					
	Reported on ASSA 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
Adult HS (15+ Credits)	95	-	95	-	-	-	95	-	95	-	-	-
Subtotal	95	-	95	-	-	-	95	-	95	-	-	-
Special Education-Middle	5	-	5	-	-	-	5	-	5	-	-	-
Special Education-High School	120	113	120	113	-	-	120	113	120	113	-	-
Subtotal	125	113	125	113	-	-	125	113	125	113	-	-
Co. Voc - Regular	2,198	295	2,198	295	-	-	2,198	295	2,198	295	-	-
Co. Voc. Ft. Post Sec	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS	2,418	408	2,418	408	-	-	2,418	408	2,418	408	-	-
					0.00%						0.00%	

**HUDSON COUNTY SCHOOLS OF TECHNOLOGY
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 16, 2023**

	Resident Low Income			Sample of Verification			Resident LEP Low Income			Sample of Verification		
	Reported on ASSA Low Income	Reported on Workpapers Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Registers	Sample Errors	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Registers	Sample Errors
Special Education-Middle	1	1	-	-	-	-	-	-	-	-	-	-
Special Education-High School	87	87	-	43	43	-	-	-	-	-	-	-
Subtotal	88	88	-	43	43	-	-	-	-	-	-	-
Co. Voc - Regular	1,003	1,003	-	235	235	-	10	10	-	7	7	-
TOTALS	1,091	1,091	-	278	278	-	10	10	-	7	7	-
			0.00%			0.00%			0.00%			0.00%
Transportation												
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors						
Reg.-Public Schools	1,741	1,741	-	279	279	-	Reg Avg (Mileage) = Regular including Grade PK Students (Part A)			Reported		
Reg. - Special Education	124	124	-	86	86	-	Reg Avg (Mileage) = Regular excluding Grade PK Students (Part B)			n/a		
Courtesy	457	457	-	-	-	-	Special Avg = Special Ed w/ Special Needs			6.3		
TOTALS	2,322	2,322	-	365	365	-				n/a		
			0.00%			0.00%				Recalculated		
										n/a		
										6.3		
										n/a		

HUDSON COUNTY SCHOOLS OF TECHNOLOGY
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 16, 2023

	Resident LEP NOT Low Income			Sample of Verification		
	Reported on ASSA Not Low Income	Reported on Workpapers Not Low Income	Errors	Sample Selected from Workpapers	Verified per Application and Registers	Errors
Co. Voc - Regular	5	5	-	3	3	-
TOTALS	5	5	-	3	3	-
			0.00%			0.00%

**HUDSON COUNTY SCHOOLS OF TECHNOLOGY
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

SECTION 1

A. 6% Calculation of Excess Surplus (2023-24 expenditures of \$100 million or less)

2023-24 Total General Fund Expenditures per the ACFR, Exhibit C-1	<u>\$ 80,528,835</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects	<u>(15,704)</u> (B1a)
Transfer from Reserve to Capital Projects	<u>-</u> (B1b)
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(13,517,390)</u> (B2a)
Assets Acquired Under Financed Purchases	<u>-</u> (B2b)
Adjusted 2023-24 General Fund Expenditures [(B) - (B1s)-(B2s)]	<u>66,995,741</u> (B3)
6% of Adjusted 2023-24 General Fund Expenditures [(B3) times .06]	<u>4,019,744</u> (B4)
Enter Greater of (B4) or \$250,000	<u>4,019,744</u> (B5)
Increased by: Allowable Adjustment*	<u>-</u> (K)
Maximum Unassigned/Unreserved-Undesignated Fund Balance [(B5) + (K)]	<u><u>\$ 4,019,744</u></u> (M)

* This adjustment line (as detailed below) is to be utilized when applicable for: Impact Aid, Sale and Lease-back, Extraordinary Aid, Additional Nonpublic School Aid, Transportation Aid, and Supplemental Stabilization Aid Received April 2024 & Maintenance of Equity Aid received July 2024.

SECTION 2

Total General Fund - Fund Balances at June 30, 2024 (Per ACFR Budgetary Comparison Schedule C-1)	<u>\$ 2,144,925</u> (C)
Decreased by:	
Year-end Encumbrances	<u>(21,195)</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>-</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	<u>(158,474)</u> (C3)
Other Restricted/Reserved Fund Balances****	<u>-</u> (C4)
Assigned-Unreserved-Designated for Subsequent Year's Expenditures	<u>(1,707,509)</u> (C5)
Total Unassigned Fund Balance [(C) - (C1) - (C2) - (C3) - (C4) - (C5)]	<u><u>\$ 257,747</u></u> (U1)

SECTION 3

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

Recapitulation of Excess Surplus as of June 30, 2024

Restricted/Reserved Excess Surplus -- Designated for Subsequent Year's Expenditures**	<u>\$ 158,474</u> (C3)
Restricted/Reserved Excess Surplus***[(E)]	<u>-</u> (E)
Total Excess Surplus [(C3) + (E)]	<u><u>\$ 158,474</u></u> (D)

**HUDSON COUNTY SCHOOLS OF TECHNOLOGY
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

SECTION 3 (Continued)

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)]	<u>\$ - (K)</u>

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

*** Amount must agree with the June 30, 2024 ACFR and Audit Summary Worksheet Line 90030.

Detail of Other Restricted/Reserved Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	\$ -
Sale/lease-back reserve	-
Capital reserve	-
Maintenance reserve	-
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	-
Impact Aid Capital Fund Reserve	-
Other state/government mandated reserves	-
Other Restricted/Reserved Fund Balance not noted above****	-
Total Other Restricted/Reserved Fund Balance	<u>\$ - (C4)</u>

**** Amount for Other Restricted/Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by another type of government, such as the judicial branch of government, must have departmental approval. District requests should be submitted to the Division of Finance prior to September 30.

**HUDSON COUNTY SCHOOLS OF TECHNOLOGY
AUDIT RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

- Management perform closing procedures timely and regularly for accurate and complete budget to actual reporting and only override internal controls over financial reporting with adequate and sufficient support and reasoning. Specifically, not withhold recording health benefits expenditures incurred; not record E-rate and cell tower lease revenues as expenditure reimbursements instead of revenue; and not record cell tower expenditures in nonexistent internal service fund instead of general fund.
- Management budget and account for the Workforce Investment and Opportunity Act (WIOA) grant activity in the District's financial reporting system or perform regular and timely closing procedures to adequately integrate or agree grant reporting with the financial reporting system.

3. School Purchasing Programs

- Awards of construction contracts that are effectively change orders of contracts awarded through a formal bid process be referenced to original contract with change order explanation in awarding resolution.

4. School Food Services

None

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Testing for Lead and All Drinking Water in Educational Facilities

None

**HUDSON COUNTY SCHOOLS OF TECHNOLOGY
AUDIT RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

10. Follow-Up on Prior Year Findings

Corrective action has not been taken on prior year findings as the following are noted as current year findings:

- Management perform closing procedures timely and regularly for accurate and complete budget to actual reporting and only override internal controls over financial reporting with adequate and sufficient support and reasoning. Specifically, not withhold recording health benefits expenditures incurred; not record E-rate and cell tower lease revenues as expenditure reimbursements instead of revenue; and not record cell tower expenditures in nonexistent internal service fund instead of general fund.
- Management budget and account for the Workforce Investment and Opportunity Act (WIOA) grant activity in the District's financial reporting system or perform regular and timely closing procedures to adequately integrate or agree grant reporting with the financial reporting system.