

**AUDITORS MANAGEMENT REPORT
ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS
(A COMPONENT UNIT OF THE COUNTY OF UNION)
SCOTCH PLAINS, NEW JERSEY
JUNE 30, 2024**

UNION COUNTY VOCATIONAL -
TECHNICAL SCHOOLS
COUNTY OF UNION, NEW JERSEY

AUDITORS MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS
- FINANCIAL, COMPLIANCE AND PERFORMANCE

	Page No.
Report of Independent Auditors	1
Scope of Audit	2
Administrative Practices and Procedures	2
Insurance.....	2
Official Bonds.....	2
P.L. 2020, c.44.....	2
Financial Planning, Accounting and Reporting.....	3
Examination of Claims	3
Payroll Account	3
Position Control Roster	3
Reserve for Encumbrances and Accounts Payable.....	4
Classification of Expenditures.....	4
Board Secretary's Records	5
Fixed Assets.....	5
Elementary and Secondary Education Act (E.S.E.A.) as Amended by the Every Student Succeeds Act (ESSA)	5
Other Special Federal and/or State Projects	5
T.P.A.F. Reimbursement	6
T.P.A.F. Reimbursement to the State for Federal Salary Expenditures	6
School Purchasing Programs	6
Contracts and Agreements Requiring Advertisement for Bids	6
School Food Service	7
Student Body Activities.....	9
Application for State School Aid.....	9
Pupil Transportation	9
Continuing Disclosure Agreement	9
Testing of Lead of All Drinking Water in Educational Facilities	9
Follow-up on Prior Year Findings.....	10
Acknowledgment.....	10
Net Cash Resources – Proprietary Funds – Food Service	11
Schedule of Audited Enrollments.....	12
Excess Surplus Calculation	15
Audit Recommendations Summary	18



WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, PSA
DAVID BOTTGE, CPA, RMA, PSA
PAUL J. CUVA, CPA, RMA, PSA
KARI FERGUSON, CPA, RMA, CMFO, PSA
ROBERT C. MCNINCH, CPA, CFE, PSA
KEVIN REEVES, CPA, PSA

401 WANAQUE AVENUE
POMPTON LAKES, NEW JERSEY 07442
PHONE: (973)-835-7900
FAX: (973)-835-6631
EMAIL: OFFICE@W-CPA.COM
WWW.W-CPA.COM

REPORT OF INDEPENDENT AUDITORS

Honorable President and
Members of the Board of Trustees
Union County Vocational-Technical Schools
County of Union, 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 Union County Vocational-Technical Schools for the year ended June 30, 2024, and have issued our report thereon dated January 29, 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 Union County Technical-Vocational Schools management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Steven D. Wielkatz, C.P.A.
Public School Accountant
No. 816

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

January 29, 2025



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

Scope of Audit

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

Administrative Practices and Procedures

Insurance

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

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Janet Behrmann	Business Administrator	\$250,000
David Oliveira	Treasurer of Monies (as of 11/1/23)	\$250,000
Joanne Wilson	Treasurer of Monies (resigned as of 9/30/23)	\$250,000

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 school district data certification was completed by the chief school administrator. The school 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 indicated discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account

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

All payrolls were not approved by the Superintendent and were not certified by the President of the Board and the Board Secretary/School Business Administrator.

Finding 2024-001: Supporting documentation that all payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary was not available for review at the time of audit.

Recommendation: That supporting documentation for approved payrolls be maintained on file and made available for audit.

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 by the March 15 due date.

Reporting of employee compensation for income tax related purposes did comply with federal and state regulations regarding the compensation which is required to be reported.

Finding 2024-002: There were instances in which W-4 forms could not be located for review for selected individuals.

Recommendation: All W-4 forms should be made available for review at the time of audit.

Position Control Roster

The Position Control Roster was reviewed and compared to payroll records, employee benefit records and charges made to the general ledger to ensure proper and consistent financial reporting and that employee benefits are only offered to current employees.

Financial Planning, Accounting and Reporting, (continued)

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.

Finding 2024-003: There were numerous instances in which amounts were improperly recorded as encumbrances/accounts payable as of June 30, 2024.

Recommendation: Purchase orders should be reviewed for proper classification at June 30 as accounts payable of reserve for encumbrances based upon whether the goods have been received or the services rendered.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. As a result of the procedures performed, a transaction error rate of 1.38% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Finding 2024-004: Expenditures in the following categories were not charged to the appropriate line item accounts in accordance with The Uniform Minimum Chart of Accounts for New Jersey Public Schools: Equipment, Required Maintenance, and Payroll.

Recommendation: The District should reference The Uniform Minimum Chart of Accounts for New Jersey Public Schools and other available reference materials, such as the Budget Guidelines for the proper classifications required to be in compliance with N.J.A.C. 6A:23A-16.2(f).

Financial Planning, Accounting and Reporting, (continued)

Board Secretary's Records

Our review of the financial and accounting records maintained by the Board Secretary disclosed the following items:

Finding 2024-005: There were numerous instances in which adopted budget appropriations did not agree to budget amounts recorded in the Board Secretary report.

Recommendation: More care should be taken to ensure all adopted budget appropriations are properly recorded in the Board Secretary report.

Finding 2024-006: Amounts recorded in the Special Revenue Fund subsidiary ledger do not agree to award amounts and/or approved carryover amounts.

Recommendation: Amounts recorded in the subsidiary ledger should be compared to award letters and/or approved carryover amounts to ensure proper amounts are available for expenditures.

Fixed Assets

The capital asset records were not updated for the additions and disposals of capital assets made during the year.

Finding 2024-007: The capital asset records were not updated for the additions and disposals of capital assets made during the year.

Recommendation: The District should have adequate internal control procedures over its capital assets, including periodic update of the general ledger for additions and disposals.

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

The E.S.E.A./ESSA 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 Title I, II, III and IV of the Elementary and Secondary Education Act, as amended.

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

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule K-3 and Schedule K-4 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.

Financial Planning, Accounting and Reporting, (continued)

T.P.A.F. Reimbursement

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

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of 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

N.J.S.A. 18A:18A-2 contains definitions for terms used throughout N.J.S.A. 18A:18A-1 et seq. It includes as subsection (p) the term 'competitive contracting', which is defined as "the method described in N.J.S.A. 18A:18A-4.1 through 18A:18A-4.5 and in rules promulgated by DCA at N.J.A.C. 5:34-4 of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal proposals are evaluated by the purchasing agent or counsel or school business administrator; and the board of education awards a contract to a vendor or vendors from among the formal proposals received." Also, subsection (aa) defines the term 'concession' to exclude vending machines.

N.J.S.A. 18A:18A-3(a) sets forth the bid threshold and requires award by board resolution. There is a higher threshold when there is a "Qualified Purchasing Agent" (QPA) in the district as defined at N.J.A.C. 5:34-1.1 and certified upon approval of an application submitted to DCA. Pursuant to N.J.S.A. 18A:18A-3(b), the bid threshold may be adjusted by the Governor, in consultation with the Department of Treasury, every five years.

N.J.S.A. 18A:18A-4.4 provides boards of education the authority to pass a resolution authorizing the use of competitive contracting. "In order to initiate competitive contracting, the board of education shall pass a resolution authorizing the use of competitive contracting each time specialized goods or services enumerated in sections 45 of L. 1999, c.440 are desired to be contracted."

Effective July 1, 2020 and thereafter, 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 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 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.

School Purchasing Programs, (continued)

Contracts and Agreements Requiring Advertisement for Bids, (continued)

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, amended.

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

School Food Service

School Food Authorities (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 Free and Reduced Price meal eligible students during the emergency.

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 position (ACFR exhibit B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

We also 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; modifications 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.

The financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts, meal count records were reviewed on a test-check basis. Cash receipts and bank records were reviewed for timely deposit.

Cash receipts and bank records were reviewed for timely deposit.

School Food Service, (continued)

The District utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34 and 19-1 through 19-4.1. Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract does not include an operating provision which guarantees that the food service program will return a profit. All vendor discounts, rebates and credits from the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

The SFA recorded and maintained separate supporting documentation for additional costs (food, supplies, transportation, etc.) applicable to the implementation of the COVID-19 meal service under SSO or SFSP program requirements.

Net cash resources did exceed three months average expenditures.

Finding 2024-008: The District's Net Cash Resources exceeded three months average expenditures.

Recommendation: That the District take steps to improve the nonprofit school food service program to reduce the Net Cash Resources.

Time sheets were reviewed, and labor costs verified. Payroll records were maintained on all School Food Service employees authorized by the board of education. No exceptions were noted.

The number of meals claimed for reimbursement were compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications times the number of operating days, on a school by school basis. The free and reduced price meal was reviewed for uniform administration throughout the school system. The required verification procedures for free and reduced price applications was completed and available for review.

U.S.D.A. Food Distribution Program commodities were received and a separate inventory was maintained on a first-in, first-out basis. No exceptions were noted.

The School District maintains the detailed revenue and expenditure information necessary in order to execute the U.S.D.A. mandated Non-Program Food Revenue Tool at least annually.

School Food Service, (continued)

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

Student Body Activities

During our review of the Student Activity Funds, no exceptions were noted.

Application for State School Aid

Our audit procedures included a test of information reported in the October 13, 2023 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, bi-lingual, and low-income. We also performed a review of the board procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers with exception. The information that was included on the workpapers was verified with exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Finding 2024-009: There were instances in which the workpapers provided by the District were not in agreement with what was reported on the 2024-2025 ASSA Data Listing. The following errors were noted in the following categories: On-Roll Full Special Ed High (20), On-Roll Shared Special Ed High (233), On-Roll Shared County Vocational - Regular (-254), Low Income (80), Resident Limited English Proficient Low Income (2), and Resident Limited English Proficient not Low Income (1). In addition, our test work revealed errors in the following category: Low Income (18).

Recommendation: The District should revise workpapers to reflect corrections made during the review process prior to entering the counts into the ASSA Data Listing to ensure the workpapers agree to what is reported.

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.

Continuing Disclosure Agreement

The school District complied continuing disclosure agreements made in relation to prior year(s) bond issuances.

Testing for Lead of All Drinking Water in Educational Facilities

The school 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 school district did submit 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. It was noted that there were no prior year recommendations.


Suggestions to Management

- Issued checks should contain more than one signature to ensure better control over cash disbursements: Payroll Agency, Agency Account, Cafeteria Account.
- Investigate stale dated checks and cancel if necessary for the following bank accounts: Payroll Account, Magnet High School Student Activity Account, General Account.
- The Position Control Roster be updated and maintained on an ongoing basis.
- The Board of Education meet during either July or August so that they may accept the Board Secretary report and Treasurer report within 60 days of June 30.
- Contracts between \$17,500 and the bid threshold be approved by resolution of the Board of Education.

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.


Steven D. Wielkotz, C.P.A.
Public School Accountant
No. 816


WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS

**Net cash resources did exceed three months of expenditures
Proprietary Funds - Food Service
Year ended June 30, 2024**

<u>Net Cash Resources:</u>		Food Service Service B - 4/5	
ACFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 351,483
B-4		Due from Other Gov'ts	7,434
B-4		Accounts Receivable	<u>33,368</u>
ACFR		Current Liabilities	
B-4		Less Accounts Payable	
B-4		Less Due to Other Funds	(56,887)
B-4		Less Deferred Revenue	<u>(14,797)</u>
		Net Cash Resources	<u>\$ 320,601</u> (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	414,097	
B-5	Less Depreciation		
	Adj. Tot. Oper. Exp.	<u>\$ 414,097</u>	(B)

Average Monthly Operating Expense:

B / 10	<u>\$ 41,410</u>	(C)
--------	-------------------------	------------

Three times monthly Average:

3 X C	<u>\$ 124,229</u>	(D)
-------	--------------------------	------------

TOTAL IN BOX A	\$ 320,601.00
LESS TOTAL IN BOX D	\$ 124,229.10
NET	<u>\$ 196,371.90</u>

From above:

**A is greater than D, cash exceeds 3 X average monthly operating expenses.
D is greater than A, cash does not exceed 3 X average monthly operating expenses.**

* Inventories are not to be included in total current assets.

SOURCE - USDA resource management comprehensive review form

SCHEDULE OF AUDITED ENROLLMENTS

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2023

Year Ended June 30, 2024

Enrollment Category	2024-2025 Application for State School Aid						Sample for Verification				Private Schools for Disabled			
	Reported on ASSA			Reported on Workpapers			Sample Selected from Workpapers		Verified per Registers		Errors per Registers		Reported on ASSA as Private Schools	
	Full	Shared	On Roll	Full	Shared	On Roll	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Full Day Preschool	1.0			1.0					1.0					
Full Day Kindergarten														
One														
Two														
Three														
Four														
Five														
Six														
Seven														
Eight														
Nine	1.0			1.0			1.0		1.0					
Ten	2.0			2.0			2.0		2.0					
Eleven	3.0			3.0			3.0		3.0					
Twelve	1.0			1.0			1.0		1.0					
Subtotal	7.0			7.0			7.0		7.0					
Special Ed. Elementary														
Special Ed. Middle														
Special Ed. High	51.0	240.0	31.0	7.0	20.0	233.0	27.0	6.0	27.0	6.0				
Special Ed. Alt. Voc. High School	1.0		1.0				1.0		1.0					
Subtotal	52.0	240.0	32.0	7.0	20.0	233.0	28.0	6.0	28.0	6.0				
Co. Voc. - Regular	1646.0	271.0	1646.0	525.0		-254.0	284.0		284.0					
Co. Voc. - Post Secondary	22.0		22.0				19.0		19.0					
Subtotal	1668.0	271.0	1668.0	525.0		-254.0	303.0		303.0					
Totals	1727.0	511.0	1707.0	532.0	20.0	-21.0	338.0	6.0	338.0	6.0				
Percentage Error					1.16%	-4.11%								

SCHEDULE OF AUDITED ENROLLMENTS

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS
BOARD OF EDUCATION

Application for State School Aid Summary
Enrollment as of October 13, 2023

Year ended June 30, 2024

Enrollment category	Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	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	Errors	Reported on A.S.S.A. as LEP low Income	Reported on Workpapers LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test score and Register	Sample Errors
Full Day Kindergarten												
One												
Two												
Three												
Four												
Five												
Six												
Seven												
Eight												
Nine	-	1.0	(1.0)	1.0	1.0							
Ten	-	1.0	(1.0)	1.0	1.0							
Eleven	-	3.0	(3.0)	2.0	2.0							
Twelve	-											
Special Ed. Elementary												
Special Ed. Middle School	44.0		44.0	-			1.0	-	1.0	-	-	
Special Ed. High School												
Special Ed. Alt Voc. High School												
Co. Voc. - Regular	167	125.0	42.0	84.0	66.0	18.0	1.0	-	1.0	-	-	
Co. Voc. - Post Sec.		1.0	(1.0)	1.0	1.0							
Totals	211.0	131.0	80.0	89.0	71.0	18.0	2.0		2.0			
Percentage			37.91%			20.22%			100.00%			
Transportation												
Category	Reported on DRTS by DOE/county	Reported on DRTS by District	Errors	Tested	Verified	Errors	Avg. Mileage - Regular Excluding Grade PK Avg. Mileage - Regular Including Grade PK Avg. Mileage - Special Ed with Special Needs					
Regular - Public Schools, col. 1										Re-	calc	
Transported- Non-Public												
Regular - Special Education, col. 4												
Special needs, col. 6												
Totals												
Percentage												

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS
BOARD OF EDUCATION

SCHEDULE OF AUDITED ENROLLMENTS

Application for State School Aid Summary
Enrollment as of October 13, 2023

Year ended June 30, 2024

Enrollment category	Resident LEP Not Low Income		Sample for Verification		
	Reported on A.S.S.A as LEP Not low Income	Reported on Workpapers LEP Not low Income	Errors	Sample Selected from Workpapers	Verified to Test score and Register
Half Day Preschool					
Full Day Preschool					
Half Day Kindergarten					
Full Day Kindergarten					
One					
Two					
Three					
Four					
Five					
Six					
Seven					
Eight					
Nine					
Ten					
Eleven					
Twelve					
Special Ed. Elementary					
Special Ed. Middle School					
Special Ed. High School	1	-	1	-	-
Special Ed. Alt Voc. High School					
Co. Voc. - Regular					
Co. Voc. - Post Sec.					
Totals	1	-	1		
Percentage			100.00%		

UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS
EXCESS SURPLUS CALCULATION

REGULAR DISTRICT

SECTION 1

A. 6% Calculation of Excess Surplus

2023-24 Total General Fund Expenditures per the ACFR, lxx. C-1	\$ 37,433,804	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$	(B1b)
Transfer from General Fund to SRF for PreK-Regular	\$	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$	(B1d)
Decreased by:		
On-Behalf TPAF Pension & Social Security	\$ 6,583,547	(B2a)
Assets Acquired Under Capital Leases	\$ 620,954	(B2b)
Adjusted 23-24 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$ 30,229,303	(B3)
6% of Adjusted 2023-24 General Fund Expenditures		
[(B3) times .06]	\$ 1,813,758	(B4)
Enter Greater of (B4) or \$250,000	\$ 1,813,758	(B5)
Increased by: Allowable Adjustment *	\$ -	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]	\$ 1,813,758	(M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-24		
(Per ACFR Budgetary Comparison Schedule C-1))	\$ 53,281,747	(C)
Decreased by:		
Year-end Encumbrances	\$ 6,542,190	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 10,422,207	(C3)
Other Restricted Fund Balances****	\$ 31,079,133	(C4)
Assigned Fund Balance - Unreserved -- Designated for Subsequent Year's Expenditures	\$	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ 5,238,217	(U1)

SECTION 3

Restricted Fund Balance - Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0- \$ 3,424,459 (E)

Recapitulation of Excess Surplus as of June 30, 2024

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>10,422,207</u>	(C3)
Reserved Excess Surplus ***[(E)]	\$ <u>3,424,459</u>	(E)
Total [(C3) + (E)]	\$ <u>13,846,666</u>	(D)

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

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

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

Detail of Allowable Adjustments

Impact Aid	\$ _____	(H)
Sale & Lease-back	\$ _____	(I)
Extraordinary Aid	\$ _____	(J1)
Additional Nonpublic School Transportation Aid	\$ _____	(J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____	(J3)
Family Crisis Transportation Aid	\$ _____	(J4)
Maintenance of Equity Aid and State Military Impact Aid	\$ _____	(J5)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]	\$ _____ -	(K)

** This amount represents the June 30, 2024 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

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

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

Detail of Other Reserved Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	\$ _____
Sale/Lease-back reserve	\$ _____
Capital Reserve	\$ <u>31,079,133</u>
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 (Sections 8002 and 8003)	\$ _____
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$ _____
Other state/government mandated reserve	\$ _____
Reserve for Unemployment Fund	\$ _____
[Other Restricted Fund Balance not noted above]****	\$ _____
 Total Other Restricted Fund Balance	 \$ <u>31,079,133</u> (C4)

**UNION COUNTY VOCATIONAL-TECHNICAL SCHOOLS
AUDIT RECOMMENDATIONS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Recommendations:

1. Administrative Practices and Reporting

None

2. Financial Planning, Accounting and Reporting

That supporting documentation for approved payrolls be maintained on file and made available upon request.

All W-4 forms should be made available for review at the time of audit.

Purchase orders should be reviewed for proper classification at June 30 as accounts payable of reserve for encumbrances based upon whether the goods have been received or the services rendered.

The District should reference The Uniform Minimum Chart of Accounts for New Jersey Public Schools and other available reference materials, such as the Budget Guidelines for the proper classifications required to be in compliance with N.J.A.C. 6A:23-16.2(f).

More care should be taken to ensure all adopted budget appropriations are properly recorded in the Board Secretary report.

Amounts recorded in the subsidiary ledger should be compared to award letters and/or approved carryover amounts to ensure proper amounts are available for expenditures.

The District should have adequate internal control procedures over its capital assets, including periodic update of the general ledger for additions and disposals.

2. School Purchasing Programs

None

3. School Food Service

That the District take steps to improve the nonprofit school food service program to reduce the Net Cash Resources.

4. Student Body Activities

None

5. Application for State School Aid

The District should revise workpapers to reflect corrections made during the review process prior to entering the counts into the ASSA Data Listing to ensure the workpapers agree to what is reported.

Recommendations (continued):

6. Pupil Transportation

None

7. Facilities and Capital Assets

None

8. Miscellaneous

None

9. Status of Prior Year Audit Findings/Recommendations

A review was performed on the prior year recommendations and it was not that there were no prior year recommendations.