

HACKETTSTOWN SCHOOL DISTRICT
COUNTY OF WARREN
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

HACKETTSTOWN SCHOOL DISTRICT
COUNTY OF WARREN
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COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
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November 22, 2024

The Honorable President and Members
of the Board of Education
Hackettstown School District
County of Warren, 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 Hackettstown School District in the County of Warren for the fiscal year ended June 30, 2024, and have issued our report thereon dated November 22, 2024.

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 22, 2024 on the financial statements of the Board.

We will review the status of the comments, if any, during our next audit engagement. We have already discussed any 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 and suggestions.

This report is intended for the information of the Hackettstown School District'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
NISIVOCIA LLP

Heidi A. Wohlleb
Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

HACKETTSTOWN SCHOOL DISTRICT
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 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

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Timothy Havlusch	Business Administrator	\$ 300,000

P.L 2020. Chapter 44

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A. 18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by the school district. The school district data certification was completed by the chief school administrator. The school district Chapter 44 data was submitted timely. The data certification date does not reflect a submission date later than 60 days after the end of the enrollment period.

Tuition Charges

A comparison of tuition tentative tuition charges and actual certified tuition charges was made. The actual costs were different 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.6A: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. All payrolls tested were approved by the Superintendent and certified by the President of the Board, the School Business Administrator, and the Superintendent.

HACKETTSTOWN SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Financial Planning, Accounting and Reporting (Cont'd)

Payroll Account and Position Control Roster (Cont'd)

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the General Fund except as noted in the below finding.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendent, and business administrator) to the NJ Department of Treasury was filed in a timely manner.

Finding 2024-001:

During our review of the payroll records, it was noted that a Payroll Agency analysis of balance was not prepared on a monthly basis and the payroll agency account contains a large unallocated balance. Also, it appears as if transfers to the payroll accounts were not always made in the amount needed to fund a specific payroll.

Recommendation:

It is recommended that the District prepare a monthly Payroll Agency analysis of balance, determine whether the large unallocated balance in the payroll agency is due to a withholding agency or should be remitted to the General Fund. Also, extra care should be taken to ensure that transfers to the payroll accounts are only for the amount needed to fund a specific payroll.

Management's Response:

Management will make every effort to ensure that a monthly Payroll Agency analysis of balance is prepared, determine whether the large unallocated balance in the payroll agency account is due to a withholding agency or should be remitted to the General Fund and ensure that transfers to the payroll accounts are only for the amount needed to fund a specific payroll.

Year-End 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 year-end encumbrances and accounts payable.

Classification of General and Administrative 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, we reviewed administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2.

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.

HACKETTSTOWN SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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, III and IV of the Elementary and Secondary Education Act as amended and reauthorized.

Other Special Federal and/or State 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.

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.

T.P.A.F. Reimbursement

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

The T.P.A.F. Reimbursement to the State for Federal Salary Expenditures was remitted to the State of New Jersey prior to the required deadline of October 1, 2024. 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 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 . . ."

HACKETTSTOWN SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

School Purchasing Programs (Cont'd)

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

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 2023-24.

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.

In as much 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 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.

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.

HACKETTSTOWN SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(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 no comments.

Application for State School Aid

Our audit procedures included a test of enrollments and related services reported in the October 16, 2023 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, bilingual 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 on a test basis without exception. 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 audit procedures included a test of on-roll status reported in the 2023-2024 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. 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.

Facilities and Capital Assets

Our procedures included a review of the NJSDA grant agreements for consistency with recording NJSDA revenue, transfer of local funds from the General Fund or from the Capital Reserve Account and awarding of contracts for eligible facilities construction.

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).

HACKETTSTOWN SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal travel policy and procedure pertaining to travel expenses and reimbursements for its employees and board members. The regulations require the District to establish a maximum travel amount for the year and to account for these expenses within a separate account in the budget to ensure that the maximum is not exceeded. The regulations also require that all travel be approved by the Board prior to the event and that the approval list the event, total event cost and the individuals attending. Employees and board members attending an event are then required to complete a post event report to be submitted to a designated person within the District. Overall compliance was noted.

Management Suggestions:

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

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

Federal Grant Receivables

It is suggested that federal grant requests for reimbursements are submitted on a regular basis to ensure timely collection, to lessen the impact on cash flows and to ensure full compliance with federal and state cash management requirements.

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.

SDA Grant Receivables

During our review of SDA grant receivables, it was noted that there are several open projects with large grant receivable balances in the Capital Projects Fund. It is suggested that the District ensure that all of the required project cost documentation is submitted to the Schools Development Authority for reimbursement.

Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding the recording of funding sources for all Capital Project Fund projects in the District's financial accounting software, state pension payments being remitted in a timely manner were resolved in the current year. The prior year recommendation regarding the preparation of a monthly Payroll Agency analysis of balance and extra care being taken to ensure that transfers to the payroll accounts are only for the amount needed to fund a specific payroll was not resolved and is included as a recommendation in the current year's report.

HACKETTSTOWN SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 16, 2023

	2024-2025 Application for State School Aid						Sample for Verification					
	Reported on		Reported on		Errors		Sample		Verified per		Errors per	
	A.S.S.A.		Workpapers				Selected from		Registers		Registers	
	On Roll	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Full Day Preschool 3 Years Old	6		6				6		6			
Full Day Preschool 4 Years Old	14		14				14		14			
Full Day Kindergarten	108		108				108		108			
Grade One	94		94				94		94			
Grade Two	95		95				95		95			
Grade Three	84		84				84		84			
Grade Four	119		119				119		119			
Grade Five	107		107				107		107			
Grade Six	101		101				101		101			
Grade Seven	91		91				91		91			
Grade Eight	101		101				101		101			
Grade Nine	183		183				183		183			
Grade Ten	190		190				190		190			
Grade Eleven	158		158				158		158			
Grade Twelve	188		188				188		188			
Subtotal	1,639		1,639				1,639		1,639			
Special Education:												
Elementary	131		131				9		9			
Middle School	65		65				4		4			
High School	162		162				12		12			
Subtotal	358		358				25		25			
Totals	1,997	-0-	1,997	-0-	-0-	-0-	1,664	-0-	1,664	-0-	-0-	-0-
Percentage Error					0.00%	0.00%					0.00%	0.00%

HACKETTSTOWN SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 16, 2023

	Private Schools for Disabled				Resident Low Income				
	Reported on A.S.S.A. Schools	Sample for Verification	Sample Verified	Sample Errors	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Preschool 4 Years Old					2	2			
Full Day Kindergarten					44	44	2	2	
Grade One					47	47	2	2	
Grade Two					39	39	2	2	
Grade Three					33	33	2	2	
Grade Four					47	47	2	2	
Grade Five					53	53	2	2	
Grade Six					47	47	1	1	
Grade Seven					26	26	2	2	
Grade Eight					39	39	1	1	
Grade Nine					53	53	1	1	
Grade Ten					46	46	1	1	
Grade Eleven					28	28	1	1	
Grade Twelve					39	39	1	1	
Subtotal					543	543	20	20	
Special Education:									
Elementary	3				65	65	2	2	
Middle School	2	1	1		29	29	1	1	
High School	9	2	2		51	51	2	2	
Subtotal	14	3	3		145	145	5	5	
Totals	14	3	3	-0-	688	688	25	25	-0-
Percentage Error				0.00%			0.00%		0.00%

HACKETTSTOWN SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 16, 2023

	Resident LEP Low Income					
	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Errors
Full Day Kindergarten	23	23		2	2	
Grade One	19	19		2	2	
Grade Two	19	19		1	1	
Grade Three	17	17		2	2	
Grade Four	23	23		2	2	
Grade Five	13	13		1	1	
Grade Six	15	15				
Grade Seven	5	5		1	1	
Grade Eight	17	17		1	1	
Grade Nine	18	18		1	1	
Grade Ten	15	15		1	1	
Grade Eleven	7	7				
Grade Twelve	5	5				
Subtotal	196	196		14	14	
Special Ed - Elementary	12	12		2	2	
Special Ed - Middle School	4	4		1	1	
Special Ed - High School	6	6		1	1	
Subtotal	22	22		4	4	
Totals	218	218	-0-	18	18	-0-
Percentage Error			0.00%			0.00%

HACKETTSTOWN SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 16, 2023

	Resident LEP Not Low Income				
	Reported on A.S.A. as LEP Not Low Income	Reported on Workpapers as LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores and Register
					Sample Errors
Full Day Kindergarten	6	6			
Grade One	5	5			
Grade Two	4	4			
Grade Three	4	4			
Grade Four	3	3		1	1
Grade Five	2	2			
Grade Six	1	1			
Grade Seven	1	1			
Grade Eight	1	1			
Grade Nine	7	7		2	2
Grade Ten	4	4		1	1
Grade Eleven	7	7			
Grade Twelve	6	6		2	2
Subtotal	51	51		6	6
Special Ed - Elementary	3	3		1	1
Special Ed - Middle School	2	2			
Special Ed - High School	1	1			
Subtotal	6	6		1	1
Totals	57	57	-0-	7	-0-
Percentage Error			0.00%		0.00%

HACKETTSTOWN SCHOOL DISTRICT
 SCHEDULE OF AUDITED ENROLLMENTS
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 16, 2023

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	85	85		10	10	
Regular - Special Education	6	6		4	4	
AIL - Non Public	12	12		3	3	
Special Needs - Public	32	32		5	5	
Special Needs - Private	12	12		3	3	
Totals	147	147	-0-	25	25	-0-
Percentage Error			0.00%			0.00%

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	4.5	4.5
Average Mileage - Regular Excluding Grade PK Students	4.5	4.5
Average Mileage - Special Education with Special Needs	9.4	9.4

HACKETTSTOWN SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

REGULAR DISTRICT

SECTION 1

2% Calculation of Excess Surplus

2023-2024 Total General Fund Expenditures per the ACFR	<u>\$ 51,751,563</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -0-</u> (B1a)
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ -0-</u> (B1b)
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ -0-</u> (B1c)
Decreased by:	
On-Behalf TPAF Pension and Social Security	<u>\$ 9,842,573</u> (B2a)
Assets Acquired Under Leases and Finance Purchases	<u>\$ -0-</u> (B2b)
Adjusted 2023-2024 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 41,908,990</u> (B3)
2% of Adjusted 2023-2024 General Fund Expenditures [(B5) times .02]	<u>\$ 838,179</u> (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 838,179</u> (B5)
Increased by: Allowable Adjustment	<u>\$ 178,456</u> (K)
Maximum Unassigned Fund Balance [(B5)+(K)]	<u>\$ 1,016,635</u> (M)

Section 2

Total General Fund - Fund Balances @ 6/30/2024	<u>\$ 4,024,871</u> (C)
(Per ACFR Budgetary Comparison Schedule C-1)	
Decreased by:	
Year-End Encumbrances	<u>\$ 517,936</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C2)
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C3)
Other Restricted Fund Balances	<u>\$ 2,190,300</u> (C4)
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	<u>\$ 1,316,635</u> (U1)

HACKETTSTOWN SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Section 3

Restricted Fund Balance-Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0-	<u>\$ 300,000</u> (E)
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Recapitulation of Excess Surplus as of June 30, 2024

Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C3)
Excess Surplus [(E)]	<u>\$ 300,000</u> (E)
 Total [(C3)+(E)]	 <u>\$ 300,000</u> (D)

Detail of Allowable Adjustments

Impact Aid	<u>\$ -0-</u> (H)
Sale and Lease Back	<u>\$ -0-</u> (I)
Extraordinary Aid	<u>\$ 172,996</u> (J1)
Additional Nonpublic School Transportation Aid	<u>\$ 5,460</u> (J2)
Current Year School Bus Advertising Revenue Recognized	<u>\$ -0-</u> (J3)
Family Crisis Transportation Aid	<u>\$ -0-</u> (J4)
 Total Adjustments ((H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5))	 <u>\$ 178,456</u> (K)

Detail of Other Restricted Fund Balance

Statutory Restrictions:

Approved Unspent Separate Proposal	<u>\$ -0-</u>
Capital Outlay for a District with a Capital Outlay SGLA	<u>\$ -0-</u>
Sale/Lease-Back Reserve	<u>\$ -0-</u>
Capital Reserve	<u>\$ 1,430,581</u>
Maintenance Reserve	<u>\$ 636,962</u>
Emergency Reserve	<u>\$ -0-</u>
Tuition Reserve	<u>\$ -0-</u>
Unemployment Compensation	<u>\$ 122,757</u>
Other State/Governmental Mandated Reserve	<u>\$ -0-</u>
Emergency Reserve	<u>\$ -0-</u>
 Total Other Restricted Fund Balance	 <u>\$ 2,190,300</u> (C4)

HACKETTSTOWN SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

It is recommended that:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

Finding 2024-001 – The District prepare a monthly Payroll Agency analysis of balance and determine whether the large unallocated balance in the payroll agency account is due to a withholding agency or should be remitted to the General Fund. Also, extra care should be taken to ensure that transfers to the payroll accounts are only for the amount needed to fund a specific payroll.

3. School Purchasing Program

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

None

HACKETTSTOWN SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

It is recommended that:

10. Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding the recording of funding sources for all Capital Project Fund projects in the District's financial accounting software and state pension payments being remitted in a timely manner were resolved in the current year. The prior year recommendation regarding the preparation of a monthly Payroll Agency analysis of balance and extra care being taken to ensure that transfers to the payroll accounts are only for the amount needed to fund a specific payroll was not resolved and is included as a recommendation in the current year's report.