

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
COUNTY OF SOMERSET
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2024

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
COUNTY OF SOMERSET
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2024
TABLE OF CONTENTS

	Page
Cover Letter	1
Scope of Audit	2
Administrative Practices and Procedures:	2
Insurance	2
Officials in Office and Surety Bonds	2
P.L. 2020, c.44	2
Tuition Charges	2
Financial Planning, Accounting and Reporting:	2
Examination of Claims	2
Payroll Account and Position Control Roster	3
Reserve for Encumbrances and Accounts Payable	3
Classification of Expenditures - General and Administrative	3
Board Secretary's Records	3
Treasurer's Records	3
Elementary and Secondary Education Act (E.S.E.A) as amended by the	
Every Student Succeeds Act	3
Other Special Federal and/or State Projects	4
T.P.A.F. Reimbursement	4
School Purchasing Programs:	4
Contracts and Agreements Requiring Advertisement for Bids	4
School Food Service Fund	5
Student Body Activities	6
Application for State School Aid	6
Pupil Transportation	6
Testing for Lead of all Drinking Water in Educational Facilities	6
Facilities and Capital Assets	7
Travel Expense and Reimbursement Policy	7
Management Suggestions	7
Status of Prior Year's Findings/Recommendations	7
Schedule of Meal Count Activity (Not Applicable)	
Schedule of Net Cash Resources (Not Applicable)	
Schedule of Audited Enrollments	8
Excess Surplus Calculation	13
Summary of Recommendations	15

September 13, 2024

The Honorable President and Members
of the Board of Education
Hillsborough Township Public Schools
County of Morris, NJ

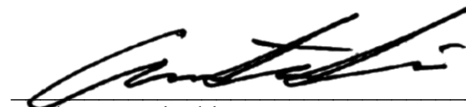
We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Board of Education of the Hillsborough Township Public Schools in the County of Somerset for the fiscal year ended June 30, 2024 and have issued our report thereon dated September 13, 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 September 13, 2024 on the financial statements of the Board.

We will review the status of our 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, if any.

This report is intended for the information of the Hillsborough Township Public Schools Board of Education, management, and the New Jersey Department of Education. However, this report is a matter of public record, and its distribution is not limited.

NISIVOCIA, LLP



Andrew Kucinski
Licensed Public School Accountant #2684
Certified Public Accountant

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
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, 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>
Gerald Eckert	School Business Administrator	\$ 550,000 *
Michele LaFevre	Assistant School Business Administrator	550,000 *
Helene Turner	Treasurer of School Monies	550,000

*In addition, the School Business Administrator and Assistant School Business Administrator are also covered under a \$500,000 umbrella policy for theft and fraud which covers all District employees.

P.L. 2020, c.44

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

The data submitted did include all health benefit plans offered by the school district.

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

Tuition Charges

A comparison of 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:23A-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 indicated discrepancies with respect to signatures, certification or supporting documentation.

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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.

Payrolls were approved by the Superintendent and were certified by the Superintendent, President of the Board and the Board Secretary/School Business Administrator.

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

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.

Reserve for Encumbrances and Accounts Payable

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

Classification of Expenditures – General and Administrative

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. As a result of the procedures performed, a transaction error rate of 0% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

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

Treasurer's Records

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

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

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

The study of compliance for the E.S.E.A. did not indicate any area of noncompliance.

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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.

The New Jersey Department of Education ("DOE") conducted a collaborative federal desk monitoring of the District's ESEA, IDEA, CRRSA ESSER II and ARP ESSER grants for the project period beginning July 1, 2022. DOE issued a report dated July, 2023 which included a number of findings. The District has filed a corrective action plan which has been reviewed and accepted by the DOE.

T.P.A.F. Reimbursement

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

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

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

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
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 2023-2024.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Attorney's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. General compliance was noted.

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

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

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

School Food Service

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

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.

Finding 2024-001:

Net cash resources exceeded three months average expenditures by \$194,209. Since the District has a plan in place to utilize the extra net cash resources in the 2024-2025 school year and beyond, no formal recommendation is deemed necessary at this time.

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

School Food Service (Cont'd)

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.

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.

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

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 except as noted herein.

Application for State School Aid

Our audit procedures included a test of information reported in the October 16, 2023 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low income, and bilingual student education. We also performed a review of the District's procedures related to its completion. The information on the A.S.S.A. was compared to the District's workpapers with some minor exceptions. 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's written procedures for the recording of student enrollment data, appears to be adequate.

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 with no exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

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).

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Facilities and Capital Assets

The District has no active capital projects with SDA funding.

Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal policy and procedure pertaining to travel and expense reimbursement for its employees and board members. The regulations require the District to establish maximum travel for the year and to account separately that the maximum is not exceeded. The regulations also require that all travel be approved prior by the Board of Education and that the approval must be itemized by event, event total cost, and individuals attending. Our review of the travel policies and tests of the related records revealed that the District is in compliance with the travel regulations.

Management Suggestions

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.

Open Investigation

During the course of our audit, it was found that there are ongoing investigations into certain former employees and transactions which have occurred in the District. At this time, these reports were not available for our review and therefore we are unaware of any potential impact to the District. We suggest that the District closely monitors this situation and communicates with the District attorney, as well as the District auditor, as to any potential issues that arise throughout the course of the investigation.

Status of Prior Year's Findings/Recommendations

The District had no prior year audit findings.

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS

SCHEDULE OF AUDITED ENROLLMENT

APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 16, 2023

	2024-2025 Application for State School Aid						Sample for Verification					
	Reported on ASSA		Reported on Workpapers		Errors		Sample Selected from Workpapers		Verified per Registers		Errors per Registers	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool 3 Years Old	10		10				10		10			
Half Day Preschool 4 Years Old	19		19				19		19			
Full Day Kindergarten	289		289				289		289			
Half Day Kindergarten	33		33				33		33			
Grade One	401		401				401		401			
Grade Two	420		420				420		420			
Grade Three	450		450				450		450			
Grade Four	456		456				456		456			
Grade Five	420		420				420		420			
Grade Six	482		482				482		482			
Grade Seven	531		531				531		531			
Grade Eight	480		480				480		480			
Grade Nine	506	8	506	8			506	8	506	8		
Grade Ten	491	3	491	3			491	3	491	3		
Grade Eleven	507	6	507	6			507	6	507	6		
Grade Twelve	485	4	485	4			485	4	485	4		
Subtotal	5,980	21	5,980	21			5,980	21	5,980	21		
Special Education:												
Elementary School	512		512				11		11			
Middle School	326		326				6		6			
High School	354	15	354	15			8		8			
Subtotal	1,192	15	1,192	15			25		25			
Totals	7,172	36	7,172	36	-0-	-0-	6,005	21	6,005	21	-0-	-0-
Percentage Error					0.00%						0.00%	

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 16, 2023

	Private Schools for Handicapped				Resident Low Income					
	Reported on ASSA as Private Schools	Sample for Verification	Sample Verified	Sample Errors	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Kindergarten					25.0	25.0		1	1	
Full Day Kindergarten					9.0	9.0		1	1	
Grade One					43.0	43.0		1	1	
Grade Two					47.0	47.0		2	2	
Grade Three					49.0	49.0		1	1	
Grade Four					41.0	41.0		1	1	
Grade Five					40.0	40.0		1	1	
Grade Six					53.0	53.0		2	2	
Grade Seven					51.0	51.0		2	2	
Grade Eight					44.0	44.0		1	1	
Grade Nine					49.0	49.0		1	1	
Grade Ten					38.0	38.0		1	1	
Grade Eleven					50.5	50.5		2	2	
Grade Twelve					28.0	28.0		1	1	
Subtotal					567.5	567.5		18	18	
Special Education:										
Elementary School	8	1	1		85.0	84.0	(1)	3	3	
Middle School	7	1	1		58.0	57.0	(1)	2	2	
High School	16.5	2	2		65.5	65.5		2	2	
Subtotal	31.5	4	4		208.5	206.5	(2)	7	7	
Totals	31.5	4	4	-0-	776.0	774.0	(2)	25	25	-0-
Percentage Error				0.00%			-0.26%			0.00%

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 16, 2023

	Resident LEP Low Income					
	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application, Test Scores and Register	Sample Errors
Half Day Kindergarten	3	3				
Full Day Kindergarten	5	5				
Grade One	9	9		1	1	
Grade Two	9	9		1	1	
Grade Three	8	8				
Grade Four	4	4		1	1	
Grade Five	3	3				
Grade Six	2	2				
Grade Seven	6	6				
Grade Eight	6	6				
Grade Nine	3	3				
Grade Ten	5	5		1	1	
Grade Twelve	1	1				
Subtotal	64	64		4	4	
Special Education:						
Elementary School	6	6		1	1	
Subtotal	6	6		1	1	
Totals	70	70	-0-	5	5	-0-
Percentage Error			0.00%			0.00%

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 16, 2023

	Resident LEP NOT Low Income					
	Reported on ASSA 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
Half Day Kindergarten	24	24		2	2	
Full Day Kindergarten	9	9		1	1	
Grade One	32	32		2	2	
Grade Two	16	16		1	1	
Grade Three	7	7		1	1	
Grade Four	14	14		1	1	
Grade Five	6	6				
Grade Six	4	4		1	1	
Grade Seven	3	3				
Grade Nine	1	1				
Grade Ten	5	5		1	1	
Grade Eleven	3	3		1	1	
Subtotal	126	126		11	11	
Special Education:						
Elementary School	5	5		1	1	
Subtotal	5	5		1	1	
Totals	131	131	-0-	12	12	-0-
Percentage Error			0.00%			0.00%

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF AUDITED ENROLLMENT
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	3,165	3,165		17	17	
Regular - Special Education	728.5	728.5		4	4	
AIL - Non Public	294	294		1	1	
Special Needs - Public	332	332		2	2	
Special Needs - Private	28	28		1	1	
Totals	<u>4,547.5</u>	<u>4,547.5</u>	<u>-0-</u>	<u>25</u>	<u>25</u>	<u>-0-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>
				Reported	Re- calculated	
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				5.1	5.1	

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2024

Section 1 - REGULAR DISTRICT

2023-2024 Total General Fund Expenditures per the ACFR	<u>\$ 168,814,168</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>\$ 611,190</u> (B1b)	
Decreased by:		
On-Behalf TPAF Pension and Social Security	<u>\$ 32,872,875</u> (B2a)	
Assets Acquired Under Leases	<u>\$ 449,340</u> (B2b)	
Adjusted 2023-2024 General Fund Expenditures [(B) + (B1's) - (B2's)]	<u>\$ 136,103,143</u> (B3)	
2% of Adjusted 2023-2024 General Fund Expenditures [(B3) times .02]	<u>\$ 2,722,063</u> (B4)	
Enter Greater or (B4) or \$250,000	<u>\$ 2,722,063</u> (B5)	
Increased by: Allowable Adjustment	<u>\$ 244,349</u> (K)	
Maximum Unassigned Fund Balance [(B5) + (K)]		<u><u>\$2,966,412</u></u> (M)

Section 2

Total General Fund - Fund Balances @ 6/30/2024 (Per ACFR Budgetary Comparison Schedule C-1)	<u>\$ 22,217,449</u> (C)	
Decreased by:		
Year - End Encumbrances	<u>\$ 1,833,261</u> (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C2)	
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 4,533,115</u> (C3)	
Other Restricted Fund Balances	<u>\$ 8,351,546</u> (C4)	
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C5)	
Total Unassigned Fund Balance [(C) - (C1) - (C2) - (C3) - (C4) - (C5)]		<u><u>\$7,499,527</u></u> (U1)

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Section 3

Restricted Fund Balance - Excess Surplus [(U1 - (M)) IF NEGATIVE, ENTER \$ - 0 -	<u>\$ 4,533,115 (E)</u>
---	-------------------------

Recapitulation of Excess Surplus as of June 30, 2024

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 4,533,115 (C3)</u>
Restricted Excess Surplus [(E)]	<u>\$ 4,533,115 (E)</u>
 Total [(C3) + (E)]	 <u>\$ 9,066,230 (D)</u>

Detail of Allowable Adjustments

Impact Aid	<u>\$ -0- (H)</u>
Sale and Lease-Back	<u>\$ -0- (I)</u>
Extraordinary Aid	<u>\$ 110,579 (J1)</u>
Additional Nonpublic School Transportation Aid	<u>\$ 133,770 (J2)</u>
Current Year School Bus Advertising Revenue Recognized	<u>\$ -0- (J3)</u>
Family Crisis Transportation Aid	<u>\$ -0- (J4)</u>
Supplemental Stabilization Aid	<u>\$ -0- (J5)</u>
 Total Adjustments ((H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5))	 <u>\$ 244,349 (K)</u>

Detail of Other Restricted Fund Balance

Statutory Restrictions:	
Approved Unspent Separate Proposal	<u>\$ -0-</u>
Sale/Lease-Back Reserve	<u>\$ -0-</u>
Capital Reserve	<u>\$ 6,357,353</u>
Maintenance Reserve	<u>\$ 1,500,000</u>
Emergency Reserve	<u>\$ -0-</u>
Tuition Reserve	<u>\$ -0-</u>
Unemployment Compensation	<u>\$ 494,193</u>
Other State/Governmental Mandated Reserve	<u>\$ -0-</u>
Other Restricted Fund Balance not Noted Above	<u>\$ -0-</u>
 Total Other Restricted Fund Balance	 <u>\$ 8,351,546 (C4)</u>

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2024

It is recommended that:

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
None
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
10. Status of Prior Year's Findings/Recommendations
None