

**PARSIPPANY-TROY HILLS SCHOOL DISTRICT  
COUNTY OF MORRIS**

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

**JUNE 30, 2024**

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## Report of Independent Auditors

**Honorable President and Members  
of the Board of Education  
Parsippany-Troy Hills School District  
County of Morris, New Jersey**

We have audited, in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Parsippany-Troy Hills School District in the County of Morris for the year ended June 30, 2024, and have issued our report thereon dated December 19, 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 report is intended solely for the information and use of the Parsippany-Troy Hills School District's management and Board members and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

*PKF O'Connor Davies, LLP*

Cranford, New Jersey  
December 19, 2024

*Scott A. Clelland*

Scott A. Clelland, CPA  
Licensed Public School Accountant, No. 1049

## PARSIPPANY-TROY HILLS SCHOOL DISTRICT

### 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 of Education.

#### Administrative Practices and Procedures

##### Insurance

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

Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32, 18A:13-13)

Name	Position	Amount
Robin Tedesco	Business Administrator/Board Secretary	\$ 650,000
Lyanna Rios	Treasurer of School Moneys	650,000

There is a Public Employees' Dishonesty Blanket Bond with the School Alliance Insurance Fund covering all other employees with coverage of \$500,000.

##### *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 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 Board made a proper adjustment ("billing") to sending Districts for the increase (decrease) in per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f)3, which is performed as part of the District's annual budget process.

#### Financial Planning, Accounting and Reporting

##### Examination of Claims

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

## **PARSIPPANY-TROY HILLS SCHOOL DISTRICT**

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

#### 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 tested were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/School Business Administrator and Chief School Administrator.

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

Payrolls were delivered to the Treasurer of School Monies with a warrant made to her order for the full amount of each payroll.

No exceptions were identified during our testing of payroll.

#### Employee Position Control Roster

An inquiry and subsequent review of the Position Control Roster did not identify any inconsistencies between the payroll records, employee benefit records, the general ledger accounts to where wages are posted, and the Position Control Roster.

#### Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable. Subsequent to the end of the fiscal year, the District performed an analysis of accounts payables and open purchase orders and made entries to properly classify the account balances. Our testing identified no discrepancies.

#### 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 and haphazardly 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 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 0.00% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

#### Board Secretary's Records

Our review of the financial and accounting records maintained by the Board Secretary did not identify any exceptions.

## **PARSIPPANY-TROY HILLS SCHOOL DISTRICT**

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

#### Treasurer's Records

Our review of the financial and accounting records maintained by the Treasurer did not identify any exceptions.

#### Unemployment Compensation Insurance Trust Fund

The District has adopted the benefit reimbursement method and has established an Unemployment Compensation Insurance Fund. The financial transactions of this fund are reported in the General Fund. During our testing, no exceptions were identified.

#### 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 Annual Comprehensive Financial Report (ACFR). This section of the ACFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. did not indicate any noncompliance and/or questionable costs.

#### Other Special Federal and/or State Projects

The District's special projects were approved as listed on Schedules A (K-3) and B (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.

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. No exceptions were identified.

#### T.P.A.F. Reimbursement

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

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

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

## **PARSIPPANY-TROY HILLS SCHOOL DISTRICT**

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

#### **Non-Public State Aid**

Our review of the Non-Public State Aid completion reports disclosed no exceptions.

#### **School Purchasing Programs**

##### **Contracts and Agreements Requiring Advertisement for Bids**

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

The District 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.

Procedures were performed on a test basis, to indicate if any individual payments, contracts, or agreements were made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of *N.J.S.A. 18A:18A-4*, as amended.

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

No exceptions were identified.

#### **School Food Service**

SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and *N.J.S.A. 18A:18A-7*. The SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all students during the emergency.

The 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.

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 *19-4.1*. Provisions of the FSMC Cost

## **PARSIPPANY-TROY HILLS SCHOOL DISTRICT**

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

#### **School Food Service (Cont'd.)**

Reimbursable Fixed Price or Non-Competitive Emergency Procurement contract/addendum were reviewed and audited. The FSMC contract does not include an operating results provision guarantee. All vendor discounts, rebates, and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

Expenditures should be separately recorded as food, labor and other costs. Vendor invoices were reviewed, and costs verified. Inventory records on food and 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.

Net cash resources did exceed three months average expenditures.

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

The number of meals claimed for reimbursement was 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 or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review.

USDA Food Donation Program were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

The Statement of Revenues, Expenses, and Changes in Fund Net Position (ACFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

#### **Student Body Activities**

During our review of the student activity funds, no exceptions were noted.



## **PARSIPPANY-TROY HILLS SCHOOL DISTRICT**

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

#### **Application for State School Aid**

Because the General State Aid cluster was not tested as a major program in the 2024 fiscal year, our audit procedures did not include a test of information reported in the October 13, 2023 Application for State School Aid (ASSA) for on-roll, private schools for the handicapped, low-income and bilingual. We did agree the ASSA summary report to the underlying District working papers without exception. We also performed a review of the District procedures related to its completion.

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

The District written procedures appear to be adequate for the recording of student enrollment data.

#### **Pupil Transportation**

Because Transportation Aid was not tested as a major program in the 2024 fiscal year, our audit procedures did not include a test of on-roll status reported in the 2023-2024 District Report of Transported Resident Student (DRTRS). We did agree the information presented on the DRTRS by the County/NJDOE and compared to the information presented by the District without exception.

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

#### **Facilities and Capital Assets**

Our procedures included a review of the New Jersey Schools Development Authority ("NJSDA") grant agreement 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. No exceptions were noted.

#### **Other Suggestions to Management**

For the year ended June 30, 2024, the food service net cash resources exceeded three times the average food service monthly operating expenses. We suggest the District develop a plan for the excess funds to be utilized in the subsequent year's allowable expenses that will further support the operation and enhance the child nutrition program, such as improving the nutritional quality of the food or purchasing equipment for the cafeteria as outlined in 7 CFR 210.14(a). The District has a plan in place to liquidate the excess cash.

## **PARSIPPANY-TROY HILLS SCHOOL DISTRICT**

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

#### **Testing for Lead of All Drinking Water in Educational Facilities**

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

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

#### **Follow-up on Prior Year Findings**

There were no prior year findings.

There were no audit reports issued by the Office of Fiscal Accountability and Compliance (OFAC) during the 2024 fiscal year.

#### **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.

**PARSIPPANY-TROY HILLS SCHOOL DISTRICT**

**SCHEDULE OF AUDITED ENROLLMENTS  
APPLICATION FOR STATE SCHOOL AID SUMMARY**

**ENROLLMENT AS OF OCTOBER 13, 2023**

Note: Detailed testing over ASSA was not performed for the fiscal year ended June 30, 2024 as General State Aid was not tested as a major program in the current year for Single Audit purposes.

	2024-25 Application for State School Aid (10/12/23 data)						Sample for Verification						Private Schools for Disabled			
	Reported on A.S.S.A.		Reported on Workpapers		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as	Sample for	Sample Verified	Sample Errors
	On Roll		On Roll				Private	Verifi-								
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Schools	cation		
Half Day Preschool 3 Years Old	46		46													
Full Day Preschool 3 Years Old																
Half Day Preschool 4 Years Old	48		48													
Full Day Preschool 4 Years Old																
Half Day Kindergarten																
Full Day Kindergarten	500		500													
One	509		509													
Two	468		468													
Three	502		502													
Four	509		509													
Five	497		497													
Six	483		483													
Seven	450		450													
Eight	494		494													
Nine	446		446													
Ten	391		391													
Eleven	366	21	366	21												
Twelve	415	18	415	18												
Subtotal	6,124	39	6,124	39	-	-	-	-	-	-	-	-	-	-	-	-
Special Ed - Elementary	463		463										8			
Special Ed - Middle School	246		246										10			
Special Ed - High School	285	13	285	13									28			
Subtotal	994	13	994	13	-	-	-	-	-	-	-	-	46	-	-	-
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	7,118	52	7,118	52	-	-	-	-	-	-	-	-	46	-	-	-
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%

**PARSIPPANY-TROY HILLS SCHOOL DISTRICT**  
**SCHEDULE OF AUDITED ENROLLMENTS**  
**APPLICATION FOR STATE SCHOOL AID SUMMARY (continued)**  
**ENROLLMENT AS OF OCTOBER 13, 2023**

Note: Detailed testing over ASSA and DRTRS was not performed for the fiscal year ended June 30, 2024 as General State Aid Cluster and Transportation Aid was not tested as a major program in the current year for Single Audit purposes.

	Resident 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	Sample Errors	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 Score and Register	Sample Errors
Half Day Preschool	7	7										
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten	52	52					23	23				
One	70	70					30	30				
Two	78	78					35	35				
Three	55	55					20	20				
Four	69	69					12	12				
Five	65	65					9	9				
Six	59	59					7	7				
Seven	60	60					13	13				
Eight	58	58					10	10				
Nine	84	84					17	17				
Ten	78	78					15	15				
Eleven	66	66					13	13				
Twelve	61	61					10	10				
Subtotal	862	862	-	-	-	-	214	214	-	-	-	-
Special Ed - Elementary	119	119					25	25				
Special Ed - Middle	70	70					7	7				
Special Ed - High	71	71					1	1				
Subtotal	260	260	-	-	-	-	33	33	-	-	-	-
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	1,121	1,122	-	-	-	-	247	247	-	-	-	-
Percentage Error			0.00%			0.00%			0.00%			0.00%
	Transportation											
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors					Reported	Recalculated
Reg. - Public Schools	1,856	1,856					Reg Avg.(Mileage) = Regular Including Grade PK students				4.2	4.2
Reg - Special Education	165	165					Reg Avg.(Mileage) = Regular Excluding Grade PK students				4.2	4.2
Transported - Non-Public	12	12					Spec Avg. = Special Ed with Special Needs				3.8	3.8
AIL-Non - Public	250	250										
Special Ed- Sp. Needs- Private	363	363										
Totals	2,645	2,645	-	-	-	-						
Percentage Error			0.00%			0.00%						

**PARSIPPANY-TROY HILL SCHOOL DISTRICT**

**SCHEDULE OF AUDITED ENROLLMENTS**

**APPLICATION FOR STATE SCHOOL AID SUMMARY**

**ENROLLMENT AS OF OCTOBER 13, 2023**

Note: Detailed testing over ASSA was not performed for the fiscal year ended June 30, 2024 as General State Aid was not tested as a major program in the current year for Single Audit purposes.

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten	75	75				
One	45	45				
Two	47	47				
Three	29	29				
Four	15	15				
Five	12	12				
Six	9	9				
Seven	8	8				
Eight	6	6				
Nine	3	3				
Ten	5	5				
Eleven	3	3				
Twelve	3	3				
Subtotal	<u>260</u>	<u>260</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special Ed - Elementary	13	13				
Special Ed - Middle	1	1				
Special Ed - High						
Subtotal	<u>14</u>	<u>14</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>274</u>	<u>274</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

PARSIPPANY-TROY HILLS SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2024

**SECTION 1**

**A. 2% Calculation of Excess Surplus**

2023-24 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ 208,550,039	(B)
Increased by:		
Transfer from Capital Reserve to Capital Projects	\$ 280,906	(B1a)
Transfer from Capital Outlay to Capital Projects	\$ -	(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	\$ 37,621,100	(B2a)
Assets Acquired Under Financed Purchases	\$ 1,000,000	(B2b)
Adjusted 2023-24 General Fund Expenditures [(B) + (B1s) - (B2s)]	\$ 170,209,845	(B3)
2% of Adjusted 2023-24 General Fund Expenditures [(B3) times .02]	\$ 3,404,197	(B4)
Enter Greater of (B4) or \$250,000	\$ 3,404,197	(B5)
Increased by: Allowable Adjustment*	\$ 1,088,836	(K)
Maximum Unassigned Undesignated - Unreserved Fund Balance [(B5) + (K)]	\$ 4,493,033	(M)

**SECTION 2**

Total General Fund - Fund Balances at 6-30-24 (Per ACFR Budgetary Comparison Schedule C-1)	\$ 29,176,117	(C)
Decreased by:		
Assigned-Year End Encumbrances	\$ 3,007,619	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ -	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ 3,816,284	(C3)
Other Restricted Fund Balances****	\$ 9,745,678	(C4)
Assigned Fund Balance-Unreserved- Designated for Subsequent Year's Expenditures	\$ 1,482,273	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ 11,124,263	(U1)

PARSIPPANY-TROY HILLS SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2024

**SECTION 3**

Restricted Fund Balance - Excess Surplus \*\*\*

[(U1)-(M)] IF NEGATIVE ENTER -0-

\$ 6,631,230 (E)

**Recapitulation of Excess Surplus as of June 30, 2024**

Reserved Excess Surplus - Designated for Subsequent Year's

Expenditures \*\*

\$ 3,816,284 (C3)

Reserved Excess Surplus \*\*\* [(E)]

\$ 6,631,230 (E)

Total Excess Surplus [(C3)+(E)]

\$ 10,447,514 (D)

**Footnotes:**

- \* This adjustment line (as detailed below) is to be utilized when applicable for Impact Aid; Sale and Lease-back (Refer to the Audit program, Section II, Chapter 10); Extraordinary Aid; Additional and Nonpublic School Transportation Aid; Recognized current year School Bus Advertising Revenue; Family Crisis Transportation Aid; and Supplemental Stabilization Aid and Maintenance of Equity Aid. Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid and Additional Nonpublic School Transportation Aid.

**Detail of Allowable Adjustments**

Impact Aid

\$ - (H)

Sales & Lease-back

\$ - (I)

Extraordinary Aid

\$ 970,003 (J1)

Additional Nonpublic School Transportation Aid

\$ 118,833 (J2)

Current Year School Bus Advertising Revenue Recognized

\$ - (J3)

Family Crisis Transportation Aid

\$ - (J4)

Supplemental Stabilization Aid & Maintenance of Equity Aid

\$ - (J5)

Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]

\$ 1,088,836 (K)

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

- \*\*\* Amount must agree to the June 30, 2024 ACFR and must agree to Audit Summary 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 another type of government, such as the judicial branch of government, must have departmental approval. District requests should be submitted to the Division of

- \*\*\*\* Administration and Finance prior to September 30.

PARSIPPANY-TROY HILLS SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2024

**Detail of Other Restricted Fund Balance**

**Statutory restrictions:**

Approved unspent separate proposal	\$ -
Sale/lease-back reserve	\$ -
Capital reserve	\$ 8,029,845
Emergency reserve	\$ -
Maintenance reserve	\$ -
Unemployment reserve	\$ 1,715,833
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	\$ -
[Other Restricted Fund Balance not noted above]****	\$ -
Total Other Restricted Fund Balance	\$ 9,745,678 (C4)



**SCHEDULE OF MEAL COUNT ACTIVITY**

**FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - FEDERAL  
ENTERPRISE FUND  
YEAR ENDED JUNE 30, 2024**

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
National School Lunch (Regular Rates)	Paid	291,410	291,410	291,410	-	\$ 0.40	\$ -
	Reduced	27,252	27,252	27,252	-	3.85	-
	Free	99,675	99,675	99,675	-	4.25	-
	<b>TOTAL</b>	<b>418,337</b>	<b>418,337</b>	<b>418,337</b>	<b>-</b>		<b>\$ -</b>
National School Lunch (Regular Rates)	HHFKA - PB Lunch Only	418,337	418,337	418,337	-	\$ 0.08	\$ -
School Breakfast (Severe Rates)	Paid	1,753	1,753	1,753	-	\$ 0.38	\$ -
	Reduced	3,646	3,646	3,646	-	2.43	-
	Free	10,823	10,823	10,823	-	2.73	-
	<b>TOTAL</b>	<b>16,222</b>	<b>16,222</b>	<b>16,222</b>	<b>-</b>		<b>\$ -</b>
School Breakfast (Regular Rates)	Paid	17,535	17,535	17,535	-	\$ 0.38	\$ -
	Reduced	11,605	11,605	11,605	-	1.98	-
	Free	46,330	46,330	46,330	-	2.28	-
	<b>TOTAL</b>	<b>75,470</b>	<b>75,470</b>	<b>75,470</b>	<b>-</b>		<b>\$ -</b>
<b>Total (Over) Underclaim</b>							<b>\$ -</b>

**SCHEDULE OF MEAL COUNT ACTIVITY**

**FOOD SERVICE FUND**  
**NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -STATE**  
**ENTERPRISE FUND**  
**YEAR ENDED JUNE 30, 2024**

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
State Reimbursement - National School Lunch (Regular Rate)	Paid	291,410	291,410	291,410	-	\$ 0.06	\$ -
State Reimbursement - National School Lunch (Regular Rate)	Reduced	27,252	27,252	27,252	-	0.07	-
State Reimbursement - National School Lunch (Regular Rate)	Free	99,675	99,675	99,675	-	0.07	-
State Reimbursement - Reduced Lunch (Regular Rate)	Reduced	27,252	27,252	27,252	-	0.40	-
State Reimbursement - Reduced Breakfast (Severe Rate)	Reduced	3,646	3,646	3,646	-	0.30	-
State Reimbursement - Reduced Breakfast (Regular Rate)	Reduced	11,605	11,605	11,605	-	0.30	-
State Reimbursement - Breakfast after the Bell (Regular Rate)	All	51,083	51,083	51,083	-	0.10	-
State Reimbursement - Lunch NJEIE (Regular Rate)	Free	3,491	3,491	3,491	-	3.85	-
State Reimbursement - Breakfast NJEIE (Severe Rate)	Free	306	306	306	-	2.35	-
State Reimbursement - Breakfast NJEIE (Regular Rate)	Free	1,607	1,607	1,607	-	1.90	-
	TOTAL	<u>517,327</u>	<u>517,327</u>	<u>517,327</u>	<u>-</u>		<u>\$ -</u>

**Total (Over) Underclaim**

\$ -

**PARSIPPANY-TROY HILLS SCHOOL DISTRICT**

**NET CASH RESOURCE SCHEDULE**

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

<u><b>Net Cash Resources:</b></u>		<u><b>Food Service B - 4/5</b></u>	
<b>ACFR</b>	<b>*</b>	<b>Current Assets</b>	
B-4		Cash and Cash Equiv.	\$ 3,749,431
B-4		Accounts Receivable - State	13,274
B-4		Accounts Receivable - Federal	<u>170,138</u>
<b>ACFR</b>		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	(79,768)
B-4		Less Due to Grantor	(908)
B-4		Less Unearned Revenue	<u>(88,751)</u>
		<b>Net Cash Resources</b>	<u><u><b>\$ 3,763,416</b></u></u> (A)

**Net Adj. Total Operating Expense:**

B-5	Tot. Operating Exp.	\$ 3,101,287	
B-5	Less Depreciation	<u>(105,449)</u>	
	Adj. Tot. Oper. Exp.	<u><u><b>\$ 2,995,838</b></u></u>	(B)

**Average Monthly Operating Expense:**

B / 10	<u><u><b>\$ 299,584</b></u></u>	(C)
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**Three times monthly Average:**

3 X C	<u><u><b>\$ 898,751</b></u></u>	(D)
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TOTAL IN BOX A	\$ 3,763,416
LESS TOTAL IN BOX D	\$ 898,751
NET	<u><u><b>\$ 2,864,665</b></u></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.

**PARSIPPANY-TROY HILLS SCHOOL DISTRICT**

**Administrative Findings – Financial, Compliance and Performance**

**June 30, 2024**

**Audit Recommendations Summary**

**1. Administrative Practices and Procedures**

None

**2. Financial Planning, Accounting and Reporting**

None

**3. School Purchasing Programs**

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 Audit Findings/Recommendations**

There were no prior year findings.