

HACKETTSTOWN SCHOOL DISTRICT
COUNTY OF WARREN
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

HACKETTSTOWN SCHOOL DISTRICT
COUNTY OF WARREN
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FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
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January 18, 2019

The Honorable President and Members
of the Board of Education
Hackettstown School District
County of Warren, New Jersey

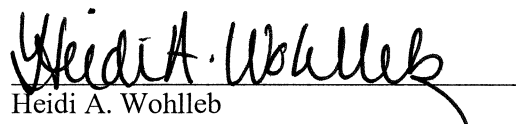
We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Board of Education of the Hackettstown School District in the County of Sussex for the fiscal year ended June 30, 2018, and have issued our report thereon dated January 18, 2019.

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 January 18, 2019, 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.

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


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, 2018

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 CAFR.

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Gail Woicekowski	Business Administrator	\$ 250,000

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: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 except as noted in the below finding.

Finding

During our review of the purchase orders issued by the District, we noted that certain purchase orders did not contain a receipt of goods signature.

Recommendation

It is recommended that all purchase orders contain a receipt of goods signature.

Management's Response

Every effort will be made to ensure that receipt of goods signatures are obtained on vouchers.

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.

HACKETTSTOWN SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Payroll Account and Position Control Roster (Cont'd)

All payrolls tested were approved by the Superintendent and certified by the President of the Board, the School Business Administrator, and the Superintendent.

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.

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. Overall compliance was noted.

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.

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 CAFR. This section of the CAFR 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 CAFR.

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 CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

HACKETTSTOWN SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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, 2018. 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 . . ."

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 . . ."

Effective July 1, 2015, the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:39A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (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 \$19,000 for 2017-18.

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

HACKETTSTOWN SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

School Purchasing Programs (Cont'd)

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. 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. We inquired of school management, or the appropriate school food service personnel, as to whether the 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 CAFR Schedule B-5 does separate program and non-program revenue and program and non-program cost of goods sold.

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the records of the Student Activities Fund 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 the following comments as noted below.

Finding

During our review of the student activity account deposits, it was noted that high school student activities receipts were not being turned over to the Board Office for deposit in a timely manner. It was also noted that the date of the receipt per the student activities accounting records did not reflect the actual receipt date; however, as the District has already resolved this in fiscal year 2019, no formal recommendation is judged to be warranted.

HACKETTSTOWN SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

Student Body Activities (Cont'd)

Recommendation

It is recommended that high school student activities receipts be turned over to the Board Office for deposit in a timely manner.

Management's Response

Administration will do everything in their power to ensure that high school student activity receipts are turned over for deposit in a timely manner.

Application for State School Aid

Our audit procedures included a test of enrollments and related services reported in the October 13, 2017 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 2017-2018 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. No exceptions were noted.

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.

HACKETTSTOWN SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

Travel Expense and Reimbursement Policy (Cont'd)

Finding

During our testing of travel expenses, we noted that certain subsequent travel reports for non-regular business travel expenses were not on file for audit review.

Recommendation

It is recommended that the District ensure that subsequent travel reports are obtained for non-regular business travel expenses.

Management's Response

The District will ensure subsequent travel reports are obtained for non-regular business travel expenses.

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).

Management Suggestions:

SOC 1 (System and Organization Controls) Reports

Many school districts contract with service providers to perform functions such as the processing of payroll and provision of food service management services. In conjunction with these services, the service provider will engage an auditor to perform a SOC 1 (System and Organization Controls) engagement which results in a SOC 1 report. There are two different types of SOC 1 reports - a Type 1 and a Type 2 report. Both report on the fairness of the presentation of management's description of the service organization's system and the design of the controls to achieve the related control objectives. The Type 1 report is through a specific period. The Type 2 report also reviews the operating effectiveness of the controls included in the description throughout a specified period. Included in the Type 2 report will be the individual controls, what was tested and the results of the testing.

We suggest that the District review these SOC 1 reports to determine if there are any exceptions noted in the opinion in the Independent Auditors' Report. Additionally, for SOC 1 Type 2 reports we suggest that the District review the test results related to the individual control testing to determine if there were any exceptions noted. If exceptions are noted in the report the District should contact the service provider and inquire what steps the service provider is taking to address these exceptions.

Capital Projects

The District has certain SDA grant projects which appear to be substantially complete. The final submission should be submitted as soon as possible to ensure collection of these funds and to allow for the close-out of the projects.

HACKETTSTOWN SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding extraordinary aid, SEMI parental consent, the establishment of an annual travel maximum and the dating of receipts in the student activities accounting records were resolved in the current year.

The prior year recommendation regarding high school student activity receipts not being turned over to the Board Office for deposit in a timely manner was not resolved and is included as a recommendation in the current year.

HACKETTSTOWN SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 13, 2017

	2018-2019 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 Kindergarten	126		126				126		126			
Grade One	106		106				106		106			
Grade Two	106		106				106		106			
Grade Three	106		106				106		106			
Grade Four	92		92				92		92			
Grade Five	79		79				79		79			
Grade Six	101		101				101		101			
Grade Seven	98		98				98		98			
Grade Eight	86		86				86		86			
Grade Nine	176		176				176		176			
Grade Ten	172		172				172		172			
Grade Eleven	201		201				201		201			
Grade Twelve	186		186				186		186			
Subtotal	1635		1635				1635		1635			
Special Ed - Elementary	105		105				10		10			
Special Ed - Middle School	55		55				5		5			
Special Ed - High School	130		130				10		10			
Subtotal	130		130				10		10			
Totals	1765		1765				1645		1645			
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 13, 2017

	Private Schools for Disabled				Resident Low Income				
	Reported on A.S.S.A. as Private 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 Kindergarten					37	37	2	2	
Grade One					28	28	2	2	
Grade Two					30	30	2	2	
Grade Three					29	29	2	2	
Grade Four					21	21	2	2	
Grade Five					20	20	2	2	
Grade Six					26	26	2	2	
Grade Seven					22	22	2	2	
Grade Eight					25	25	2	2	
Grade Nine					22	22	2	2	
Grade Ten					25	25	2	2	
Grade Eleven					20	20	2	2	
Grade Twelve					20	20	1	1	
Subtotal					325	325	25	25	
Special Ed - Elementary	2	1	1		52	52	5	5	
Special Ed - Middle School	3	1	1		25	25	2	2	
Special Ed - High School	4	1	1		23	23	2	2	
Subtotal	9	3	3		100	100	9	9	
Totals	9	3	3		425	425	34	34	
Percentage Error							0.00%		0.00%

HACKETTSTOWN SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 13, 2017

	Resident LEP Low Income					
	Reported on	Reported on	Sample	Verified to	Sample	Sample
	A.S.S.A. as LEP Low Income	Workpapers as LEP Low Income	Selected from Workpapers	Test Scores, Application and Register	Errors	Errors
Full Day Kindergarten	30	30	2	2		
Grade One	13	13	1	1		
Grade Two	18	18	1	1		
Grade Three	12	12	1	1		
Grade Four	11	11	1	1		
Grade Five	6	6	1	1		
Grade Six	3	3				
Grade Seven	6	6	1	1		
Grade Eight	5	5	1	1		
Grade Nine	6	6	1	1		
Grade Ten	12	12	1	1		
Grade Eleven	2	2				
Grade Twelve	3	3				
Subtotal	127	127	11	11		
Special Ed - Elementary	2	2	1	1		
Special Ed - High School	1	1				
Subtotal	3	3	1	1		
Totals	130	130	12	12		
					0.00%	0.00%

HACKETTSTOWN SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 13, 2017

	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	3	3		1	1	
Grade Four	1	1				
Grade Six	2	2		1	1	
Grade Eight	1	1				
Grade Nine	2	2		1	1	
Grade Ten	2	2		1	1	
Grade Eleven	4	4		1	1	
Grade Twelve	1	1				
Subtotal	16	16		5	5	
Totals	16	16		5	5	
Percentage Error			0.00%			0.00%

HACKETTSTOWN SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	4	4		1	1	
Regular - Special Education	2	2		1	1	
Special Needs - Public	42	42		4	4	
Special Needs - Private	11	11		1	1	
Totals	<u>59</u>	<u>59</u>		<u>7</u>	<u>7</u>	
Percentage Error			<u>0.00%</u>			<u>0.00%</u>
				Reported	Re- calculated	
Average Mileage - Regular Including Grade PK Students				11.0	11.0	
Average Mileage - Regular Excluding Grade PK Students				11.0	11.0	
Average Mileage - Special Education with Special Needs				9.6	9.6	

HACKETTSTOWN SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

REGULAR DISTRICT

SECTION 1

2% Calculation of Excess Surplus

2017-2018 Total General Fund Expenditures per the CAFR	<u>\$ 35,109,286</u> (B)	
Increased by:		
Transfer to Food Service Fund	<u>\$ -0-</u> (B1a)	
Transfer from Capital Outlay 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>\$ 4,368,637</u> (B2a)	
Assets Acquired Under Capital Leases	<u>\$ -0-</u> (B2b)	
 Adjusted 2017-2018 General Fund Expenditures [(B)+(B1's)-(B2's)]	 <u><u>\$ 30,740,649</u></u> (B3)	
 2% of Adjusted 2017-2018 General Fund Expenditures [(B5) times .02]	 <u>\$ 614,812</u> (B4)	
Enter Greater of (B4) or \$250,000	<u>\$ 614,812</u> (B5)	
Increased by: Allowable Adjustment	<u>\$ 31,196</u> (K)	
 Maximum Unassigned Fund Balance [(B5)+(K)]		 <u><u>\$ 646,008</u></u> (M)

Section 2

Total General Fund - Fund Balances @ 6/30/2018 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 3,258,571</u> (C)	
Decreased by:		
Year-End Encumbrances	<u>\$ 292,095</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>\$ 2,067,434</u> (C4)	
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ 253,034</u> (C5)	
Additional Assigned Fund Balance - Designated for Subsequent Year's Expenditures July 1, 2018 - August 1, 2018	<u>\$ -0-</u> (C6)	
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		 <u><u>\$ 646,008</u></u> (U1)

HACKETTSTOWN SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Section 3

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

Recapitulation of Excess Surplus as of June 30, 2018

Excess Surplus - Designated for Subsequent Year's Expenditures \$ -0- (C3)

Excess Surplus [(E)] \$ -0- (E)

Total [(C3)+(E)] \$ -0- (D)

Detail of Allowable Adjustments

Impact Aid \$ -0- (H)

Sale and Lease Back \$ -0- (I)

Extraordinary Aid \$ 31,196 (J1)

Additional Nonpublic School Transportation Aid \$ -0- (J2)

Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)] \$ 31,196 (K)

Detail of Other Restricted Fund Balance

Statutory Restrictions \$ -0-

Approved Unspent Separate Proposal \$ -0-

Capital Outlay for a District with a Capital Outlay SGLA \$ -0-

Sale/Lease-Back Reserve \$ -0-

Capital Reserve \$ 1,067,434

Maintenance Reserve \$ 200,000

Tuition Reserve \$ 600,000

Other State/Governmental Mandated Reserve \$ -0-

Other Restricted Fund Balance not Noted Above \$ 200,000

Total Other Restricted Fund Balance \$ 2,067,434

HACKETTSTOWN SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

It is recommended that:

1. Administrative Practices and Procedures

None
2. Financial Planning, Accounting and Reporting

All purchase orders contain a receipt of goods signature.
3. School Purchasing Program

None
4. School Food Service

None
5. Student Body Activities

High school student activities receipts be turned over to the Board Office for deposit in a timely manner.
6. Application for State School Aid

None
7. Pupil Transportation

None
8. Facilities and Capital Assets

None
9. Miscellaneous

The District ensure all subsequent travel reports are obtained for all non-regular business travel expenses.
10. Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding extraordinary aid, SEMI parental consent, the establishment of an annual travel maximum and the dating of receipts in the student activities accounting records were resolved in the current year. The prior year recommendation regarding high school student activity receipts not being turned over to the Board Office for deposit in a timely manner was not resolved and is included as a recommendation in the current year.