

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
COUNTY OF SOMERSET
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2022

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
COUNTY OF SOMERSET
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FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2022
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	4
Classification of Expenditures - General and Administrative	4
Board Secretary's Records	4
Treasurer's Records	4
Elementary and Secondary Education Act (E.S.E.A) as amended by the Every Student Succeeds Act	4
Other Special Federal and/or State Projects	4
T.P.A.F. Reimbursement	5
School Purchasing Programs:	5
Contracts and Agreements Requiring Advertisement for Bids	5
School Food Service Fund	6
Student Body Activities	8
Application for State School Aid	8
Pupil Transportation	8
Testing for Lead of all Drinking Water in Educational Facilities	9
Facilities and Capital Assets	9
Travel Expense and Reimbursement Policy	9
Management Suggestions	9
Status of Prior Year's Findings/Recommendations	9
Schedule of Meal Count Activity	10
Schedule of Net Cash Resources	11
Schedule of Audited Enrollments	12
Excess Surplus Calculation	17
Summary of Recommendations	19

December 5, 2022

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, 2022 and have issued our report thereon dated December 5, 2022.

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 December 5, 2022 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.

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.

NISIVOCCIA, LLP

Francis Jones of Nisivoccia LLP
Francis Jones
Licensed Public School Accountant #1154
Certified Public Accountant

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2022

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 *
Helen 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, 2022
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Examination of Claims (Cont'd)

Finding 2022-001:

During the course of our audit, it was noted that invoices were dated prior to the date of purchase orders.

Recommendation:

It is recommended that purchase orders are prepared and approved prior to the date of the respective invoice to ensure the availability of funds.

Management's Response:

All purchase orders will be prepared and approved prior to the date of the respective invoice to ensure the availability of funds.

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.

Finding 2022-002:

During the course of our audit, it was revealed that salaried employees who, according to their respective contracts, were not eligible to earn overtime were being paid for overtime. This was corrected during the course of the year as overtime for non-eligible salaried employees were no longer authorized to be paid overtime once the District's 2021 corrective action plan was put in place. Due to the District correcting this issue and adjusting their policies and procedures accordingly, no recommendation is deemed necessary at this time.

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.

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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.

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.

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2022
(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, 2022. 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 . . ."

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 2021-2022.

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

School Purchasing Programs (Cont'd)

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

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 financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts and meal count records were reviewed on a test-check basis. No exceptions were noted.

Cash receipts and bank records were reviewed for timely deposit. No exceptions were noted.

The District utilizes a food service management company (FMSC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the FMSC Cost Reimbursable Fixed Price contract/addendum were reviewed and audited. The FMSC contract includes an operating results provision which guarantees that the food service program will breakeven. The operating results provision has been met. No exceptions were noted. 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. No exceptions were noted.

Expenditures were separately recorded as food, labor, and other costs. Vendor invoices were reviewed, and costs verified on a test basis. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used. No exceptions were noted.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained to substantiate the nonprofit status of the School Food Service Fund. No exceptions were noted.

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

School Food Service (Cont'd)

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

The FSMC did apply for and receive a loan in accordance with the Payroll Protection Plan and did use the funds to pay for costs applicable to the Food Service Programs. The PPP loan was not subsequently forgiven and the FSMC did not refund or credit the applicable amounts to the SFA.

Finding 2022-003:

Net cash resources exceeded three months average expenditures by \$351,435. Since the District has a plan in place to utilize the extra net cash resources in the 2022-2023 school year and beyond, no formal recommendation is deemed necessary at this time.

Time sheets and labor costs provided to the District by the Food Service contractor were reviewed on a test basis without exception. Payroll records were maintained on all School Food Service employees authorized by the Board of Education. No exceptions were noted.

The number of meals claimed for reimbursement was compared to sales and meal count records on a test basis. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner. No exceptions were noted.

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 policy was reviewed for uniform administration throughout the school district. 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. No exceptions were noted.

U.S.D.A. Food Distribution Program commodities (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. 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.

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

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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 15, 2021 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 with some minor exceptions. 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 2021-2022 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with some exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

Finding 2022-004:

During our review of the DRTRS, there were several noted instances of students who no longer attended the District being reported as regular special education students.

Recommendation:

It is recommended that the DRTRS be carefully reviewed for accuracy prior to being submitted.

Management's Response:

The District will ensure that the DRTRS is carefully reviewed for accuracy prior to being submitted.

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.

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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).

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

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.

Sick and Vacation Leave

It is suggested that the District consult with its attorney to ensure that its negotiated labor contracts, individual employee agreements and employee policies, as applicable, are in accordance with New Jersey statutes regarding unused sick and vacation leave.

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 prior year recommendations regarding the District reviewing policies and controls over the release of checks prior to approval through bill lists, the District maintaining an accurate compensated absence liability report, the District following proper procedures for purchase of all items over the bid threshold, the District including either a specific total or a 'not to exceed' amount in their approval of all professional services contracts, the District only paying overtime to eligible employees, and the District maintaining a capital asset record that accounts for all assets owned by the District and properly calculating depreciation expense were fully resolved and are not included as current year recommendations.

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF MEAL COUNT ACTIVITY
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDER CLAIMED – FEDERAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>Program</u>	<u>Meals</u> <u>Claimed</u>	<u>Meals</u> <u>Tested</u>	<u>Meals</u> <u>Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over)/</u> <u>Under</u> <u>Claim</u>
National School Lunch:						
Seamless Summer Option	690,283	166,583	166,583	-0-	\$ 4.3175	\$ -0-
School Breakfast:						
Seamless Summer Option	222,625	80,006	80,006	-0-	2.4625	<u>-0-</u>
 Total Net Overclaim						 <u>\$ -0-</u>

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF NET CASH RESOURCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Net Cash Resources:

CAFR	*	Current Assets		
B-4		Cash and Cash Equivalents	\$	1,305,512
B-4		Due from Other Governments		304,973
CAFR		Current Liabilities		
B-4		Less Interfund Payable		
B-4		Less Unearned Revenue		(167,470)
				(167,470)
Net Cash Resources			\$	1,443,015 (A)
				(A)

Net Adjusted Total Operating Expense:

G-2	Total Operating Expenses	\$	3,671,017
G-2	Less Depreciation		(32,420)
			(32,420)
Adjusted Total Operating Expenses			\$ 3,638,597 (B)
			(B)

Average Monthly Operating Expense:

B / 10	\$	363,860	(C)
		(C)	

Three times monthly Average:

3 X C	\$	1,091,580	(D)
		(D)	

TOTAL IN BOX A	\$	1,443,015	(A)
LESS TOTAL IN BOX D		1,091,580	(D)
NET	\$	351,435	
		(A)	
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.

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2021

	2022-2023 Application for State School Aid						Sample for Verification										
	Reported on			Reported on			Sample			Verified per			Errors per				
	ASSA			Workpapers			Selected from			Registers			Registers				
	On Roll	Shared		On Roll	Shared		Full	Shared		Full	Shared		Full	Shared			
Half Day Preschool 3 Years Old	6			6			6			6			6				
Half Day Preschool 4 Years Old	19			19			19			19			19				
Full Day Preschool 3 Years Old	1			1			1			1			1				
Full Day Kindergarten	24			24			24			24			24				
Half Day Kindergarten	297			297			297			297			297				
Grade One	424			424			424			424			424				
Grade Two	448			448			448			448			448				
Grade Three	415			415			415			415			415				
Grade Four	456			456			456			456			456				
Grade Five	503			503			503			503			503				
Grade Six	456			456			456			456			456				
Grade Seven	509			509			509			509			509				
Grade Eight	515			515			515			515			515				
Grade Nine	521	11		521	11		521	11		521	11		521	11			
Grade Ten	482	11		482	11		482	11		482	11		482	11			
Grade Eleven	479	2		479	2		479	2		479	2		479	2			
Grade Twelve	491	5		491	5		491	5		491	5		491	5			
Subtotal	6,046	29		6,046	29		6,046	29		6,046	29		6,046	29			
Special Education:																	
Elementary School	488			488			20			20			20				
Middle School	498			498			20			20			20				
High School	353	14		353	14		20			20			20				
Subtotal	1,339	14		1,339	14		60			60			60				
Totals	7,385	43		7,385	43		6,106	29		6,106	29		6,106	29		-0-	
Percentage Error																	0.00%

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2021

	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	Workpapers as Low Income	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Kindergarten					30.0		1.0	1.0	
Full Day Kindergarten					7.0		1.0	1.0	
Grade One					40.0		2.0	2.0	
Grade Two					36.0		1.0	1.0	
Grade Three					39.0		1.0	1.0	
Grade Four					46.0		1.0	1.0	
Grade Five					41.0				
Grade Six					34.0				
Grade Seven					38.0				
Grade Eight					34.0				
Grade Nine					52.0				
Grade Ten					32.5		1.0	1.0	
Grade Eleven					35.0				
Grade Twelve					33.0		1.0	1.0	
Subtotal					497.5		9.0	9.0	
Special Education:									
Elementary School	6.0	1.0	1.0		65.0		1.0	1.0	
Middle School	5.0	1.0	1.0		50.0				
High School	20.0	2.0	2.0		64.0				
Subtotal	31.0	4.0	4.0		179.0		1.0	1.0	
Totals	31.0	4.0	4.0	-0-	676.5		10.0	10.0	-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 15, 2021

	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	5	5		1	1	
Full Day Kindergarten	4	4		1	1	
Grade One	13	13		2	2	
Grade Two	3	3		1	1	
Grade Three	6	4	(2)	1	1	
Grade Four	8	8		1	1	
Grade Five	2	2				
Grade Nine	1	1				
Grade Ten	3	3		1	1	
Grade Eleven	1		(1)			
Grade Twelve	1	1		1	1	
Subtotal	<u>47</u>	<u>44</u>	<u>(3)</u>	<u>9</u>	<u>9</u>	
Special Education:						
Elementary School	5	4	(1)	1	1	
High School						
Subtotal	<u>5</u>	<u>4</u>	<u>(1)</u>	<u>1</u>	<u>1</u>	
Totals	<u><u>52</u></u>	<u><u>48</u></u>	<u><u>(4)</u></u>	<u><u>10</u></u>	<u><u>10</u></u>	<u><u>-0-</u></u>
Percentage Error			<u><u>7.69%</u></u>			<u><u>0.00%</u></u>

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2021

	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	22	22		3	3	
Full Day Kindergarten	5	5		1	1	
Grade One	15	15		2	2	
Grade Two	18	18		2	2	
Grade Three	9	11	2	2	2	
Grade Four	5	5		1	1	
Grade Five	2	2		1	1	
Grade Six	1	1				
Grade Seven	1	1				
Grade Eight	3	3		1	1	
Grade Nine	1	1				
Grade Ten	2	2		1	1	
Grade Eleven		1	1			
Grade Twelve	1	1				
Subtotal	<u>85</u>	<u>88</u>	<u>3</u>	<u>14</u>	<u>14</u>	
Special Education:						
Elementary School	<u>6</u>	<u>7</u>	<u>1</u>	<u>1</u>	<u>1</u>	
Subtotal	<u>6</u>	<u>7</u>	<u>1</u>	<u>1</u>	<u>1</u>	
Totals	<u>91</u>	<u>95</u>	<u>4</u>	<u>15</u>	<u>15</u>	<u>-0-</u>
Percentage Error			<u>4.40%</u>			<u>0.00%</u>

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2021

	Transportation					
	<u>Reported on DRTRS by DOE</u>	<u>Reported on DRTRS by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>
Regular - Public Schools	3,019	3,019		30	30	
Regular - Special Education	1,269	1,269		12	6	6
AIL - Non Public	272	272		26	26	
Special Needs - Public	237	237		22	22	
Special Needs - Private	<u>25</u>	<u>25</u>		<u>3</u>	<u>3</u>	
Totals	<u><u>4,822</u></u>	<u><u>4,822</u></u>	<u><u>-0-</u></u>	<u><u>93</u></u>	<u><u>87</u></u>	<u><u>6</u></u>
Percentage Error			<u><u>0.00%</u></u>			<u><u>6.45%</u></u>

	<u>Reported</u>	<u>Re- calculated</u>
Average Mileage - Regular Including Grade PK Students	4.2	4.2
Average Mileage - Regular Excluding Grade PK Students	4.2	4.2
Average Mileage - Special Education with Special Needs	5.1	5.1

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2022

Section 1 - REGULAR DISTRICT

2021-2022 Total General Fund Expenditures per the ACFR	<u>\$ 156,808,512</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)	
Decreased by:		
On-Behalf TPAF Pension and Social Security	<u>\$ 30,587,361</u> (B2a)	
Assets Acquired Under Capital Leases	<u>\$ 3,985,983</u> (B2b)	
Adjusted 2021-2022 General Fund Expenditures [(B) + (B1's) - (B2's)]	<u>\$ 122,235,168</u> (B3)	
4% of Adjusted 2021-2022 General Fund Expenditures [(B3) times .04]	<u>\$ 4,889,407</u> (B4)	
Enter Greater or (B4) or \$250,000	<u>\$ 4,889,407</u> (B5)	
Increased by: Allowable Adjustment	<u>\$ -0-</u> (K)	
Maximum Unassigned Fund Balance [(B5) + (K)]		<u>\$4,889,407</u> (M)

Section 2

Total General Fund - Fund Balances @ 6/30/2022 (Per ACFR Budgetary Comparison Schedule C-1)	<u>\$ 22,229,906</u> (C)	
Decreased by:		
Year - End Encumbrances	<u>\$ 1,550,237</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>\$ 6,724,032</u> (C4)	
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C5)	
Total Unassigned Fund Balance [(C) - (C1) - (C2) - (C3) - (C4) - (C5)]		<u>\$9,422,522</u> (U1)

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2022
 (Continued)

Section 3

Restricted Fund Balance - Excess Surplus [(U1 - (M)) IF NEGATIVE, ENTER \$ - 0 -	<u>\$ 4,533,115</u> (E)
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Recapitulation of Excess Surplus as of June 30, 2022

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

Detail of Allowable Adjustments

Impact Aid	\$ -0- (H)
Sale and Lease-Back	<u>\$ -0-</u> (I)
Extraordinary Aid	<u>\$ -0-</u> (J1)
Additional Nonpublic School Transportation Aid	<u>\$ -0-</u> (J1)
 Total Adjustments [(H) + (I) + (J1) + (J2)]	 <u>\$ -0-</u> (K)

Detail of Other Restricted Fund Balance

Statutory Restrictions:	
Approved Unspent Separate Proposal	\$ -0-
Sale/Lease-Back Reserve	<u>\$ -0-</u>
Capital Reserve	<u>\$ 4,121,829</u>
Maintenance Reserve	<u>\$ 2,235,122</u>
Emergency Reserve	<u>\$ -0-</u>
Tuition Reserve	<u>\$ -0-</u>
Unemployment Compensation	<u>\$ 367,081</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>\$ 6,724,032</u> (C4)

HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2022

It is recommended that:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

2022-001: Purchase orders are prepared and approved prior to the date of the respective invoice to ensure the availability of funds.

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

2022-004: The DRTRS be carefully reviewed for accuracy prior to being submitted.

8. Facilities and Capital Assets

None

9. Miscellaneous

None

10. Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding the District reviewing policies and controls over the release of checks prior to approval through bill lists, the District maintaining an accurate compensated absence liability report, the District following proper procedures for purchase of all items over the bid threshold, the District including either a specific total or a 'not to exceed' amount in their approval of all professional services contracts, the District only paying overtime to eligible employees, and the District maintaining a capital asset record that accounts for all assets owned by the District and properly calculating depreciation expense were fully resolved and are not included as current year recommendations.