

NETCONG BOROUGH SCHOOL DISTRICT
COUNTY OF MORRIS
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NETCONG BOROUGH SCHOOL DISTRICT
COUNTY OF MORRIS
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
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December 9, 2022

The Honorable President and Members
of the Board of Education
Netcong Borough School District
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 basic financial statements of the Board of Education of the Netcong Borough School District in the County of Morris for the year-ended June 30, 2022, and have issued our report thereon dated December 9, 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 9, 2022, 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 these comments and suggestions, if any, 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 suggestions and recommendations.

This report is intended for the information of Netcong Borough 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
NISIVOCCIA, LLP

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

NETCONG BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Scope of Audit

The audit covered the financial transactions of the School Business Administrator/Board Secretary and Treasurer, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

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

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
René Metzgar	Treasurer of School Monies	\$ 200,000
Paul Stabile	Business Administrator/Board Secretary	200,000

P.L. 2020, Chapter 44

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

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

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

The data certification date does not reflect a submission date later than 60 days after the end of the enrollment period.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid on a test basis, during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account and Position Control Roster

The net salaries of employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account. Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the General Fund.

NETCONG BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Payroll Account and Position Control Roster (Cont'd)

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

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendents, assistant superintendents and business administrator) to the New Jersey Department of Treasury was filed by March 15th due date.

Upon review of the District's payroll records, we noted the following circumstances:

Finding 2022-001:

During our review of the Payroll Agency bank account activity, we noted that a summary of Payroll Agency deposits, payment and balances owed to various agencies is not prepared to ensure the accuracy and timeliness of payroll agency payments.

Recommendation:

It is recommended that the Business Administrator prepare a summary of Payroll Agency bank account deposits, payments and balances owed to various agencies monthly.

Management's Responses:

The Business Administrator will prepare a summary of Payroll Agency bank account deposits, payments and balances owed to various agencies monthly.

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 Classifications and Administrative Classifications

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. 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. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. As a result of the procedures performed, no errors were noted, and no additional procedures were deemed necessary to test the propriety of expenditure classifications.

NETCONG BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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 except as noted below.

Finding 2022-002:

During our review of the Board Secretary's records, there were several transactions and journal entries not accurately posted in the general ledger and were not reconciled with the Treasurer's Reports during the year.

Recommendations:

It is recommended that transactions and journal entries are accurately posted in the general ledger and reconciled with the Treasurer's Reports monthly.

Management's Responses:

The District will ensure that all transactions and journal entries are accurately posted to the general ledger and reconciled with the Treasurer's Reports.

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 under the Board Secretary's records.

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

The E.S.E.A. financial exhibits are contained herein within the Special Revenue Section of the District's ACFR. This section of the ACFR documents the financial position pertaining to projects under Title I, Title II and Title IV 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 special projects.

NETCONG BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FOR THE 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. We have no comments except as noted below.

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.

As per N.J.S.A. 18A:18A-3, the Board passed a resolution authorizing the Business Administrator as a qualified purchasing agent and increasing the bid threshold to \$44,000.

NETCONG BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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FOR THE 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 by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained.

School Food Service

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

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

We inquired of management about the public health emergency procedures/practices that the SFA instituted to provide meals to all students, maintenance of all applicable production records, meal counts, noncompetitive procurements, modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations. We also inquired if the FSMC received a loan in accordance with the Payroll Protection Plan and whether the funds were used to pay for costs applicable to the Food Service Programs. We also inquired if the PPP Loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA if the FSMC received a PPP loan.

Non-program foods were not purchased, prepared, and offered for sale.

NETCONG BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

School Food Service (Cont'd)

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

Finding 2022-003:

Net cash resources of the Food Service Fund exceeded three months average expenditures by \$20,857. As the District already has plans in place to reduce the excess, a formal recommendation is not judged to be warranted.

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 handicapped, bilingual and low-income students. 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 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 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. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

The School District does not have any active Schools Development Authority ("SDA") grant agreements; therefore, we did not review for consistency with recording of the revenue and awarding of contracts for eligible facilities construction. Based on these procedures, we have no comments.

NETCONG BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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 a maximum travel for the year and to ensure that the maximum amount is not exceeded. The regulations also require that all travel be preapproved by the Board of Education and Superintendent and that a brief report detailing the key issues addressed at the travel event must be submitted after the travel event has occurred.

Our review of the travel policies and records revealed that the District is in compliance with the travel regulations.

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

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.

Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding the Business Administrator reviewing all payrolls to ensure that employees are paid in accordance with their Board approved contracts, the Business Administrator carefully reviewing all quarterly pension reports prior to the submission to the State Pension System to ensure the accuracy of reported pensionable salaries and the District ensuring that required B-6T and B-8T forms are on file for non-public transported students have been resolved in the current year.

NETCONG BOROUGH SCHOOL DISTRICT
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 SCHEDULE OF AUDITED ENROLLMENTS
 ENROLLMENT AS OF OCTOBER 15, 2021

2022-2023 Application for State School Aid

	Reported on				Sample				Sample for Verification			
	A.S.S.A.		Workpapers		Selected from		Verified per		Registers		Errors per	
	Full	Shared	On Roll	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool 3YR												
Full Day Preschool 3YR	8		8		8		8		8			
Full Day Preschool 4YR	14		14		14		14		14			
Full Day Kindergarten	34		34		34		34		34			
Grade One	24		24		24		24		24			
Grade Two	17		17		17		17		17			
Grade Three	23		23		23		23		23			
Grade Four	23		23		23		23		23			
Grade Five	19		19		19		19		19			
Grade Six	25		25		25		25		25			
Grade Seven	29		29		29		29		29			
Grade Eight	19		19		19		19		19			
Subtotal	235		235		235		235		235			
Special Ed - Elementary	26		26		5		5		5			
Special Ed - Middle School	16		16		3		3		3			
Subtotal	42		42		8		8		8			
Totals	277	- 0 -	277	- 0 -	243	- 0 -	243	- 0 -	243	- 0 -	- 0 -	- 0 -
Percentage Error					0.00%		0.00%		0.00%		0.00%	0.00%

NETCONG BOROUGH SCHOOL DISTRICT
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 SCHEDULE OF AUDITED ENROLLMENTS
 ENROLLMENT AS OF OCTOBER 15, 2021

	Private Schools for Disabled			Reported on A.S.S.A. as Private Schools		Reported on A.S.S.A. as Low Income		Reported on Workpapers as Low Income		Resident Low Income		
	Sample for Verification	Sample Verified	Sample Errors	Sample for Verification	Sample Verified	Sample Errors	Sample for Verification	Sample Verified	Sample Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten												
Grade One				5	5		5	8				
Grade Two				8	8		8	5				
Grade Three				5	6		6	11		1	1	
Grade Four				6	11		11	6		2	2	
Grade Five				11	6		6	6		1	1	
Grade Six				6	6		6	9		2	2	
Grade Seven				9	2		2	2				
Grade Eight				2	58		58			6	6	
Subtotal				58	58		58	72		72	72	
Special Ed - Elementary				11	11		11	3		1	1	
Special Ed - Middle School	2	1	1	3	3		3	14		1	1	
Subtotal	2	1	1	14	14		14					
Totals	2	1	1	72	72		72			7	7	-0-
Percentage Error												0.00%

NETCONG BOROUGH SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2021

	Resident LEP Low Income					
	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers as LEP Low Income	Sample Selected from Workpapers Errors	Verified to Test Scores, Application and Register	Sample Errors	
Full Day Kindergarten						
Grade Two	2	2	1	1		
Grade Three	2	2				
Grade Four	3	3	1	1		
Grade Six	2	2	1	1		
Grade Seven	1	1				
Subtotal	<u>10</u>	<u>10</u>	<u>4</u>	<u>4</u>		
Special Ed - Elementary	1	1	1	1		
Special Ed - Middle School						
Subtotal	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>		
Totals	<u>11</u>	<u>11</u>	<u>\$ - 0 -</u>	<u>5</u>	<u>5</u>	<u>\$ - 0 -</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	Resident LEP Not Low Income					
	Reported on A.S.S.A. as LEP Not Low Income	Reported on Workpapers as LEP Not Low Income	Sample Selected from Workpapers Errors	Verified to Test Scores and Register	Sample Errors	
Half Day Preschool						
Full Day Kindergarten	2	2	1	1		
Grade One	2	2	1	1		
Grade Four	1	1				
Grade Five	1	1	1	1		
Grade Seven	1	1				
Subtotal	<u>7</u>	<u>7</u>	<u>3</u>	<u>3</u>		
Totals	<u>7</u>	<u>7</u>	<u>- 0 -</u>	<u>3</u>	<u>3</u>	<u>- 0 -</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

NETCONG BOROUGH SCHOOL DISTRICT
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	2	2		2	2	
Transported - Non Public	7	7		2	2	
AIL - Non Public	3	3		1	1	
Special Needs - Public	2	2		1	1	
Special Needs - Private	3	3		1	1	
Totals	<u>17</u>	<u>17</u>	<u>- 0 -</u>	<u>7</u>	<u>7</u>	<u>- 0 -</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	<u>Reported</u>	<u>Re- calculated</u>
Average Mileage - Regular Including Grade PK Students	7.9	7.9
Average Mileage - Regular Excluding Grade PK Students	7.9	7.9
Average Mileage - Special Education with Special Needs	10.7	10.7

NETCONG BOROUGH SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE FISCAL 8-ENDED JUNE 30, 2022

EXCESS SURPLUS CALCULATION

REGULAR DISTRICT

SECTION 1

A. 4% Calculation of Excess Surplus

2021-22 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ 6,748,988 (B)	
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$ -0- (B1a)	
Transfer from Capital Reserve to Capital Projects Fund	\$ -0- (B1b)	
Transfer from General Fund to SRF for PreK-Regular	\$ -0- (B1c)	
Transfer from General Fund to SRF for PreK-Inclusion	\$ 83,436 (B1d)	
Decreased by:		
On-Behalf TPAF Pension and Social Security	\$ 1,358,777 (B2a)	
Assets Acquired Under Financed Purchases	\$ -0- (B2b)	
Adjusted 21-22 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 5,473,647 (B3)</u>	
4% of Adjusted 2021-22 General Fund Expenditures [(B3) times .04]	\$ 218,946 (B4)	
Enter Greater of (B4) or \$250,000	\$ 250,000 (B5)	
Increased by: Allowable Adjustment	<u>\$ 61,142 (K)</u>	
Maximum Unassigned Fund Balance [(B5)+(K)]		<u>\$ 311,142 (M)</u>

SECTION 2

Total General Fund - Fund Balances @ 6/30/22 (Per CAFR Budgetary Comparison Schedule C-1)	\$ 2,181,149 (C)	
Decreased by:		
Year End Encumbrances	\$ 175,629 (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ -0- (C2)	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures	\$ -0- (C3)	
Other Restricted Fund Balances	\$ 1,494,378 (C4)	
Assigned - Designated for Subsequent Year's Expenditures	\$ 100,000 (C5)	
Additional Assigned Fund Balance - Designated for Subsequent Year's Expenditures July 1, 2022 - August 1, 2022	<u>\$ -0- (C6)</u>	
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		<u>\$ 411,142 (U1)</u>

NETCONG BOROUGH SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

SECTION 3

Restricted Fund Balance - Excess Surplus [(U2)-(M)] IF NEGATIVE, ENTER -0- \$ 100,000 (E)

Recapitulation of Excess Surplus as of June 30, 2022

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

Restricted 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 \$ 58,602 (J1)

Additional Nonpublic School Transportation Aid \$ 2,540 (J2)

Current Year School Bus Advertising Revenue Recognized \$ -0- (J3)

Family Crisis Transportation Aid \$ -0- (J4)

Total Adjustments ((H)+(I)+(J1)+(J2)+(J3)+(J4)) \$ 61,142 (K)

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved Unspent Separate Proposal \$ -0-

Sale/Lease-Back Reserve \$ -0-

Capital Reserve \$ 1,152,063

Maintenance Reserve \$ 342,315

Emergency Reserve \$ -0-

Tuition Reserve \$ -0-

Unemployment Compensation \$ -0-

School Bus Advertising 50% Fuel Offset Reserve - Current Year \$ -0-

School Bus Advertising 50% Fuel Offset Reserve - Prior Year \$ -0-

Impact Aid General Fund Reserve (Sections 8002 and 8003) \$ -0-

Impact Aid Capital Fund Reserve (Sections 8007 and 8008) \$ -0-

Other State/Governmental Mandated Reserve \$ -0-

Other Restricted Fund Balance Not Noted Above \$ -0-

Total Other Restricted Fund Balance \$ 1,494,378 (C4)

NETCONG BOROUGH SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

It is recommended that:

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
2022-001: The Business Administrator prepare a summary of Payroll Agency bank account deposits, payments and balances owed to various agencies monthly.
2022-002: Transactions and journal entries are accurately posted in the general ledger and reconciled with the Treasurer's Reports monthly.
3. School Purchasing Program
None
4. School Food Service
None
5. Student Body Activities
None
6. Application for State School Aid
None
7. Pupil Transportation
None
8. Facilities and Capital Assets
None
9. Travel Expense and Reimbursement Policy
None
10. Status of Prior Year's Findings/Recommendations
The prior year recommendations regarding the Business Administrator reviewing all payrolls to ensure that employees are paid in accordance with their Board approved contracts, the Business Administrator carefully reviewing all quarterly pension reports prior to the submission to the State Pension System to ensure the accuracy of reported pensionable salaries and the District ensuring that required B-6T and B-8T forms are on file for non-public transported students have been resolved in the current year.