

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

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

JUNE 30, 2022

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Report of Independent Auditors

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

We have audited, in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Parsippany-Troy Hills School District in the County of Morris for the year ended June 30, 2022, and have issued our report thereon dated March 13, 2023.

As part of our audit, we performed procedures required by the New Jersey Department of Education and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information and use of the Parsippany-Troy Hills School District's management and Board members and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in blue ink that reads "Scott A. Clelland".

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

A handwritten signature in blue ink that reads "PKF O'Connor Davies, LLP".

PKF O'Connor Davies, LLP

March 13, 2023
Cranford, New Jersey

PKF O'CONNOR DAVIES, LLP
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PARSIPPANY-TROY HILLS SCHOOL DISTRICT

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

Scope of Audit

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

Administrative Practices and Procedures

Insurance

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

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

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

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

P.L.2020, c.44

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

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

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

Tuition Charges

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

Financial Planning, Accounting and Reporting

Examination of Claims

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

PARSIPPANY-TROY HILLS SCHOOL DISTRICT

ADMINISTRATIVE FINDINGS-FINANCIAL, COMPLIANCE AND PERFORMANCE

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

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

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

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

No exceptions were identified during our testing of payroll.

Employee Position Control Roster

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

Reserve for Encumbrances and Accounts Payable

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

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A:23A-16.2(f)* as part of our test of transactions of randomly and haphazardly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-8.3*. As a result of the procedures performed, a transaction error rate of 0.00% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

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

PARSIPPANY-TROY HILLS SCHOOL DISTRICT

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

Treasurer's Records

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

Unemployment Compensation Insurance Trust Fund

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

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

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the Annual Comprehensive Financial Report (ACFR). This section of the ACFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

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

Other Special Federal and/or State Projects

The District's special projects were approved as listed on Schedules A (K-3) and B (K-4) located in the ACFR.

Our audit of the federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

The study of noncompliance for the special projects did not indicate any areas of noncompliance or questioned costs.

T.P.A.F. Reimbursement

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

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

The amount of the expenditure charged to the current year's final reports for all applicable federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by

PARSIPPANY-TROY HILLS SCHOOL DISTRICT

ADMINISTRATIVE FINDINGS-FINANCIAL, COMPLIANCE AND PERFORMANCE

the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

Non-Public State Aid

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

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with *N.J.S.A.* 18A:18A-2 and 18A:18A-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under *N.J.S.A.* 18A:39-3 is \$20,200 for 2021-22.

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

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

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

No exceptions were identified.

School Food Service

Public Health Emergency

In accordance with the Governor's Declaration of Emergency pertaining to the public health emergency all Public, Charter, Non-Public schools were ordered to close effective as of March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, School Food Authorities (SFA) were required to institute alternate procedures to provide meals to eligible students during the period of school closures. Governor Murphy's emergency declaration ended June 4, 2021; however, the United States Department of Agriculture's federal waiver continued through June 30, 2022. Food Service Agencies operated under this federal waiver.

As a result, School Food Authorities (SFAs) were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO). SFAs could also choose to participate in the National School Lunch Program utilizing standard counting and claiming practices.

PARSIPPANY-TROY HILLS SCHOOL DISTRICT

ADMINISTRATIVE FINDINGS-FINANCIAL, COMPLIANCE AND PERFORMANCE

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

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

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records were reviewed on a test-check basis. Cash receipts and bank records were reviewed for timely deposit.

The district utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with *N.J.S.A. 18A:17-34*, and 19-1 through 19-4.1. Provisions of the FSMC Cost Reimbursable Fixed Price or Non-Competitive Emergency Procurement contract/addendum were reviewed and audited. The FSMC contract does not include a guarantee. All vendor discounts, rebates, and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

Expenditures should be separately recorded as food, labor and other costs. Vendor invoices were reviewed, and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

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 Program. The PPP Loan was subsequently forgiven and the FSMC did refund or credit the applicable amounts to the SFA.

Net cash resources did exceed three months average expenditures and was the result of the COVID-19 pandemic. The District is in the process of identifying ways to reduce the excess.

PARSIPPANY-TROY HILLS SCHOOL DISTRICT

ADMINISTRATIVE FINDINGS-FINANCIAL, COMPLIANCE AND PERFORMANCE

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

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

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

USDA Food Donation Program (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

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

Student Body Activities

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

Application for State School Aid

Because the General State Aid cluster was not tested as a major program in the 2022 fiscal year, our audit procedures did not include a test of information reported in the October 15, 2021 Application for State School Aid (ASSA) for on-roll, private schools for the handicapped, low-income and bilingual. We did agree the ASSA summary report to the underlying District working papers without exception. We also performed a review of the District procedures related to its completion.

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

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

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2021-22 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.

PARSIPPANY-TROY HILLS SCHOOL DISTRICT

ADMINISTRATIVE FINDINGS-FINANCIAL, COMPLIANCE AND PERFORMANCE

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. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

Testing for Lead of All Drinking Water in Educational Facilities

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

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

Follow-up on Prior Year Findings

There were no prior year findings.

There were no audit reports issued by the Office of Fiscal Accountability and Compliance (OFAC) during the 2022 fiscal year.

Acknowledgment

We received the complete cooperation of all the officials of the School District and we greatly appreciate the courtesies extended to the members of the audit team.

PARSIPPANY-TROY HILLS SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2021

Note: Detailed testing over ASSA was not performed for the fiscal year ended June 30, 2022 as the General State Aid Cluster was not tested as a major program in the current year for Single Audit purposes.

	2022-23 Application for State School Aid (10/15/21 data)						Sample for Verification				Private Schools for Disabled						
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi-cation	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Half Day Preschool 3 Years Old	39		39		-												
Full Day Preschool 3 Years Old																	
Half Day Preschool 4 Years Old	41		41		-												
Full Day Preschool 4 Years Old																	
Half Day Kindegarten																	
Full Day Kindegarten	459		459		-												
One	493		493		-												
Two	507		507		-												
Three	498		498		-												
Four	486		486		-												
Five	453		453		-												
Six	489		489		-												
Seven	502		502		-												
Eight	491		491		-												
Nine	364		364		-												
Ten	431		431		-												
Eleven	401	19	401	19	-	-											
Twelve	408	15	408	15	-	-											
Subtotal	6,062	34	6,062	34	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Ed - Elementary	413		413		-								14				
Special Ed - Middle School	221		221		-								9				
Special Ed - High School	281	7	281	7	-	-							31				
Subtotal	915	7	915	7	-	-	-	-	-	-	-	-	54	-	-	-	-
Co. Voc. - Regular																	
Co. Voc. Ft. Post Sec.																	
Totals	6,977	41	6,977	41	-	-	-	-	-	-	-	-	54	-	-	-	-
Percentage Error					0.00%	0.00%							0.00%	0.00%			0.00%

PARSIPPANY-TROY HILLS SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY (continued)

ENROLLMENT AS OF OCTOBER 15, 2021

Note: Detailed testing over ASSA was not performed for the fiscal year ended June 30, 2022 as the General State Aid Cluster was not tested as a major program in the current year for Single Audit purposes.

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool	1	1	-									
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten	48	48	-				19	19	-			
One	39	39	-				16	16	-			
Two	55	55	-				25	25	-			
Three	62	62	-				15	15	-			
Four	50	50	-				13	13	-			
Five	64	64	-				11	11	-			
Six	51	51	-				4	4	-			
Seven	60	60	-				5	5	-			
Eight	66	66	-				7	7	-			
Nine	64	64	-				8	8	-			
Ten	55	55	-				6	6	-			
Eleven	61	61	-				12	12	-			
Twelve	46	46	-				6	6	-			
Subtotal	<u>722</u>	<u>722</u>	-	-	-	-	<u>147</u>	<u>147</u>	-	-	-	-
Special Ed - Elementary	74	74	-				10	10	-	-	-	-
Special Ed - Middle	49	49	-				1	1	-	-	-	-
Special Ed - High	71	71	-				1	1	-	-	-	-
Subtotal	<u>194</u>	<u>194</u>	-	-	-	-	<u>12</u>	<u>12</u>	-	-	-	-
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	<u>916</u>	<u>916</u>	-	-	-	-	<u>159</u>	<u>159</u>	-	-	-	-
Percentage Error			<u>0.00%</u>						<u>0.00%</u>			<u>0.00%</u>

<u>Transportation</u>								<u>Reported</u>	<u>Recalculated</u>
Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors				
Reg. - Public Schools	1,946	1,946	-	228	228	-	Reg Avg.(Mileage) = Regular Including Grade PK students	4.2	4.2
Reg - Special Education	56	56	-	7	7	-	Reg Avg.(Mileage) = Regular Excluding Grade PK students	4.2	4.2
Transported - Non-Public	33	33	-	4	4	-	Spec Avg. = Special Ed with Special Needs	4.1	4.1
AIL-Non - Public	155	155	-	18	18	-			
Special Ed- Sp. Needs- Private	295	295	-	34	34	-			
Totals	<u>2,485</u>	<u>2,485</u>	-	<u>291</u>	<u>291</u>	-			
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			

PARSIPPANY-TROY HILL SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 15, 2021

Note: Detailed testing over ASSA was not performed for the fiscal year ended June 30, 2022 as the General State Aid Cluster was not tested as a major program in the current year for Single Audit purposes.

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten	77	77	-			
One	51	51	-			
Two	48	48	-			
Three	29	29	-			
Four	22	22	-			
Five	8	8	-			
Six	8	8	-			
Seven	5	5	-			
Eight	2	2	-			
Nine	9	9	-			
Ten	8	8	-			
Eleven	8	8	-			
Twelve	3	3	-			
Subtotal	278	278	-	-	-	-
Special Ed - Elementary	11	11	-			
Special Ed - Middle	3	3	-			
Special Ed - High	1	1	-			
Subtotal	15	15	-	-	-	-
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	293	293	-	-	-	-
Percentage Error			0.00%			0.00%

PARSIPPANY-TROY HILLS SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2022

SECTION 1

A. 4% Calculation of Excess Surplus

2021-22 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ 188,667,519	(B)
Increased by:		
Transfer from Capital Reserve to Capital Projects	\$ -	(B1a)
Transfer from Capital Outlay to Capital Projects	\$ -	(B1b)
Transfer from General Fund to SRF for PreK-Regular	\$ -	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$ -	(B1d)
Decreased by:		
On-Behalf TPAF Pension & Social Security	\$ 34,779,705	(B2a)
Assets Acquired Under Capital Leases	\$ 995,113	(B2b)
Adjusted 2021-22 General Fund Expenditures [(B) + (B1s) - (B2s)]	\$ 152,892,701	(B3)
4% of Adjusted 2021-22 General Fund Expenditures [(B3) times .04]	\$ 6,115,708	(B4)
Enter Greater of (B4) or \$250,000	\$ 6,115,708	(B5)
Increased by: Allowable Adjustment*	\$ 1,824,146	(K)
Maximum Unassigned Undesignated - Unreserved Fund Balance [(B5) + (K	\$ 7,939,854	(M)

SECTION 2

Total General Fund - Fund Balances at 6-30-22 (Per ACFR Budgetary Comparison Schedule C-1)	\$ 34,726,254	(C)
Decreased by:		
Assigned-Year End Encumbrances	\$ 2,070,994	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ -	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ 6,178,441	(C3)
Other Restricted Fund Balances****	\$ 9,762,288	(C4)
Assigned Fund Balance-Unreserved- Designated for Subsequent Year's Expenditures	\$ 1,258,728	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ 15,455,803	(U1)

PARSIPPANY-TROY HILLS SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2022

SECTION 3

Restricted Fund Balance - Excess Surplus ***	
[(U1)-(M)] IF NEGATIVE ENTER -0-	\$ <u>7,515,949</u> (E)

Recapitulation of Excess Surplus as of June 30, 2022

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>6,178,441</u> (C3)
Reserved Excess Surplus *** [(E)]	\$ <u>7,515,949</u> (E)
 Total Excess Surplus [(C3)+(E)]	 \$ <u>13,694,390</u> (D)

Footnotes:

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

Detail of Allowable Adjustments

Impact Aid	\$ <u> </u> - (H)
Sales & Lease-back	\$ <u> </u> - (I)
Extraordinary Aid	\$ <u>1,769,832</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>54,314</u> (J2)
Current Year School Bus Advertising Revenue Recognized	\$ <u> </u> - (J3)
Family Crisis Transportation Aid	\$ <u> </u> - (J4)
Maintenance of Equity and State Military Impact Aid Received in July 2022	\$ <u> </u> - (J5)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]	\$ <u>1,824,146</u> (K)

** This amount represents the June 30, 2021 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amount must agree to the June 30, 2022 ACFR and must agree to Audit Summary Line 90030.

Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by another type of government, such as the judicial branch of government, must have departmental approval. District requests should be submitted to the Division of Administration and Finance prior to

**** September 30.

PARSIPPANY-TROY HILLS SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2022

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$	-
Sale/lease-back reserve	\$	-
Capital reserve	\$	8,029,845
Emergency reserve	\$	-
Maintenance reserve	\$	-
Unemployment reserve	\$	1,732,443
Tuition reserve	\$	-
School Bus Advertising 50% Fuel Offset Reserve-current year	\$	-
School Bus Advertising 50% Fuel Offset Reserve-prior year	\$	-
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$	-
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$	-
Other State / government mandated reserve	\$	-
[Other Restricted Fund Balance not noted above]****	\$	-
Total Other Restricted Fund Balance	\$	9,762,288 (C4)

SCHEDULE OF MEAL COUNT ACTIVITY

PARSIPPANY-TROY HILLS SCHOOL DISTRICT
FOOD SERVICE FUND

NUMBER OF MEALS SERVED - FEDERAL
ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
National School Lunch (Severe Needs Rate)	Paid	-	-	-	-	\$ 0.37	\$ -
National School Lunch (Severe Needs Rate)	Reduced	-	-	-	-	3.28	-
National School Lunch (Severe Needs Rate)	Free	-	-	-	-	3.68	-
	TOTAL	-	-	-			-
National School Lunch	HHFKA - PB Lunch Only	-	-	-	-	\$ 0.07	\$ -
After School Snack	Free	44,319	44,319	44,319	-	\$ 1.00	\$ -
School Breakfast (Regular Rate)	Paid	-	-	-	-	\$ 0.33	\$ -
	Reduced	-	-	-	-	1.67	-
	Free	-	-	-	-	1.97	-
	TOTAL	-	-	-			-
School Breakfast (Severe Need Rate)	Paid	-	-	-	-	\$ 0.33	\$ -
	Reduced	-	-	-	-	2.05	-
	Free	-	-	-	-	2.35	-
	TOTAL	-	-	-			-
Summer Food Service Program	Lunch - Free	927,621	927,621	927,621	-	\$ 4.56	\$ -
	Breakfast - Free	713,023	713,023	713,023	-	2.61	-
	TOTAL	1,640,644	1,640,644	1,640,644			-
Total Net Underclaim/(Overclaim)							\$ -

SCHEDULE OF MEAL COUNT ACTIVITY

PARSIPPANY-TROY HILLS SCHOOL DISTRICT
FOOD SERVICE FUND

NUMBER OF MEALS SERVED - STATE
ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>PROGRAM</u>	<u>MEAL</u> <u>CATEGORY</u>	<u>MEALS</u> <u>CLAIMED</u>	<u>MEALS</u> <u>TESTED</u>	<u>MEALS</u> <u>VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER)</u> <u>UNDER</u> <u>CLAIM (b)</u>
State Reimbursement - National School Lunch (Regular Rate)	Paid	-	-	-	-	\$ 0.05	\$ -
State Reimbursement - National School Lunch (Regular Rate)	Reduced	-	-	-	-	0.055	-
State Reimbursement - National School Lunch (Regular Rate)	Free	-	-	-	-	0.255	<u>-</u>
	TOTAL	<u>-</u>	<u>-</u>	<u>-</u>			

Total Net Underclaim/(Overclaim)

\$ -

PARSIPPANY-TROY HILLS SCHOOL DISTRICT

NET CASH RESOURCE SCHEDULE

Net cash resources did exceed three months of expenditures
Enterprise Fund - Food Service
Year ended June 30, 2022

<u>Net Cash Resources:</u>		<u>Food Service</u>		
		<u>B - 4/5</u>		
CAFR	*	Current Assets		
B-4		Cash and Cash Equiv.	\$ 3,025,411	
B-4		Accounts Receivable - State	8,215	
B-4		Accounts Receivable - Federal	502,298	
B-4		Accounts Receivable - Other	<u>2,117</u>	
CAFR		Current Liabilities		
B-4		Less Unearned Revenue	<u>(83,236)</u>	
		Net Cash Resources	<u><u>\$ 3,454,805</u></u>	(A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	\$ 4,482,320	
B-5	Less Depreciation	<u>(86,087)</u>	
	Adj. Tot. Oper. Exp.	<u><u>\$ 4,396,233</u></u>	(B)

Average Monthly Operating Expense:

B / 10	<u><u>\$ 439,623</u></u>	(C)
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Three times monthly Average:

3 X C	<u><u>\$ 1,318,870</u></u>	(D)
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TOTAL IN BOX A	\$ 3,454,805
LESS TOTAL IN BOX D	\$ 1,318,870
NET	<u><u>\$ 2,135,935</u></u>

From above:

A is greater than D, cash exceeds 3 X average monthly operating expenses.
D is greater than A, cash does not exceed 3 X average monthly operating expenses.

* Inventories are not to be included in total current assets.

SOURCE - USDA resource management comprehensive review form.

PARSIPPANY-TROY HILLS SCHOOL DISTRICT

Audit Recommendations Summary

Year Ended June 30, 2022

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Programs

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

None

10. Status of Prior Year Audit Findings/Recommendations

There were no prior year findings.