

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

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

JUNE 30, 2023

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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, 2023, and have issued our report thereon dated December 5, 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.

PKF O'Connor Davies, LLP

Cranford, New Jersey
December 5, 2023

Scott A. Clelland

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

PARSIPPANY-TROY HILLS SCHOOL DISTRICT

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

Scope of Audit

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

Administrative Practices and Procedures

Insurance

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

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

| <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. No exceptions were identified.

T.P.A.F. Reimbursement

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

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

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

PARSIPPANY-TROY HILLS SCHOOL DISTRICT

ADMINISTRATIVE FINDINGS-FINANCIAL, COMPLIANCE AND PERFORMANCE

Non-Public State Aid

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

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with *N.J.S.A.* 18A:18A-2 and 18A:18A-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under *N.J.S.A.* 18A:39-3 is \$20,200 for 2022-23.

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

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

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

No exceptions were identified.

School Food Service

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

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

The 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. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the School Food Service Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

PARSIPPANY-TROY HILLS SCHOOL DISTRICT

ADMINISTRATIVE FINDINGS-FINANCIAL, COMPLIANCE AND PERFORMANCE

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.

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.

We inquired of management about the public health emergency procedures/practices at 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.

Student Body Activities

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

Application for State School Aid

Our audit procedures included a test of information reported in the October 14, 2022 Application for State School Aid (ASSA) for on-roll, private schools for students with disabilities, low-income, and bilingual. We also performed a review of the district procedures related to its completion. The information on the ASSA was compared to the district workpapers with no exceptions. The information included as part of the workpapers was verified 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 written procedures appear to be adequate for the recording of student enrollment data.

Pupil Transportation

Because Transportation Aid was not tested as a major program in the 2023 fiscal year, our audit procedures did not include a test of on-roll status reported in the 2022-2023 District Report of Transported Resident Student (DRTRS). We did agree the information presented on the DRTRS by the County/NJDOE and compared to the information presented by the District without exception.

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

PARSIPPANY-TROY HILLS SCHOOL DISTRICT

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

Other Suggestions to Management

For the year ended June 30, 2023, the food service net cash resources exceeded three times the average food service monthly operating expenses. We suggest the District develop a plan for the excess funds to be utilized in the subsequent year's allowable expenses that will further support the operation and enhance the child nutrition program, such as improving the nutritional quality of the food or purchasing equipment for the cafeteria as outlined in 7 CFR 210.14(a).

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 2023 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 14, 2022

| | 2023-24 Application for State School Aid (10/14/22 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 | 43 | | 43 | | | | | 20 | | 20 | | | | | | |
| Full Day Preschool 3 Years Old | | | | | | | | | | | | | | | | |
| Half Day Preschool 4 Years Old | 43 | | 43 | | | | | 24 | | 24 | | | | | | |
| Full Day Preschool 4 Years Old | | | | | | | | | | | | | | | | |
| Half Day Kindergarten | | | | | | | | | | | | | | | | |
| Full Day Kindergarten | 505 | | 505 | | | | | 45 | | 45 | | | | | | |
| One | 454 | | 454 | | | | | 52 | | 52 | | | | | | |
| Two | 490 | | 490 | | | | | 66 | | 66 | | | | | | |
| Three | 501 | | 501 | | | | | 34 | | 34 | | | | | | |
| Four | 504 | | 504 | | | | | 76 | | 76 | | | | | | |
| Five | 466 | | 466 | | | | | 45 | | 45 | | | | | | |
| Six | 458 | | 458 | | | | | 251 | | 251 | | | | | | |
| Seven | 485 | | 485 | | | | | 270 | | 270 | | | | | | |
| Eight | 502 | | 502 | | | | | 248 | | 248 | | | | | | |
| Nine | 393 | | 393 | | | | | 201 | | 201 | | | | | | |
| Ten | 369 | | 369 | | | | | 194 | | 194 | | | | | | |
| Eleven | 408 | 18 | 408 | 18 | | | | 216 | | 216 | | | | | | |
| Twelve | 400 | 20 | 400 | 20 | | | | 176 | | 176 | | | | | | |
| Subtotal | 6,021 | 38 | 6,021 | 38 | - | - | 1,918 | - | 1,918 | - | - | - | - | - | - | - |
| Special Ed - Elementary | 432 | | 432 | | | | | | | | | | 13 | 9 | 9 | |
| Special Ed - Middle School | 239 | | 239 | | | | | | | | | | 10 | 7 | 7 | |
| Special Ed - High School | 267 | 9 | 267 | 9 | | | | | | | | | 29 | 24 | 24 | |
| Subtotal | 938 | 9 | 938 | 9 | - | - | - | - | - | - | - | - | 52 | 40 | 40 | - |
| Co. Voc. - Regular | | | | | | | | | | | | | | | | |
| Co. Voc. Ft. Post Sec. | | | | | | | | | | | | | | | | |
| Totals | 6,959 | 47 | 6,959 | 47 | - | - | 1,918 | - | 1,918 | - | - | - | 52 | 40 | 40 | - |
| 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 14, 2022

Note: Detailed testing over DRTRS was not performed for the fiscal year ended June 30, 2023 as Transportation Aid 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 | Reported on | Errors | Sample | Verified to | Sample | Reported on | Reported on | Errors | Sample | Verified to | Sample |
| | A.S.S.A. as | Workpapers as | | | | | A.S.S.A. as | Workpapers as | | | | |
| Low | Low | Income | Income | Application | and Register | Income | Income | Income | Workpapers | and Register | Errors | |
| Half Day Preschool | | | | | | | | | | | | |
| Full Day Preschool | | | | | | | | | | | | |
| Half Day Kindergarten | | | | | | | | | | | | |
| Full Day Kindergarten | 51 | 51 | | 13 | 13 | | 19 | 19 | | 7 | 7 | |
| One | 69 | 69 | | 22 | 22 | | 29 | 29 | | 14 | 14 | |
| Two | 50 | 50 | | 15 | 15 | | 22 | 22 | | 9 | 9 | |
| Three | 71 | 71 | | 19 | 19 | | 28 | 28 | | 11 | 11 | |
| Four | 70 | 70 | | 19 | 19 | | 9 | 9 | | 3 | 3 | |
| Five | 56 | 56 | | 12 | 12 | | 7 | 7 | | 2 | 2 | |
| Six | 63 | 63 | | 13 | 13 | | 11 | 11 | | 2 | 2 | |
| Seven | 55 | 55 | | 14 | 14 | | 7 | 7 | | 4 | 4 | |
| Eight | 67 | 67 | | 15 | 15 | | 5 | 5 | | | | |
| Nine | 77 | 77 | | 22 | 22 | | 14 | 14 | | 10 | 10 | |
| Ten | 60 | 60 | | 14 | 14 | | 8 | 8 | | 4 | 4 | |
| Eleven | 52 | 52 | | 9 | 9 | | 8 | 8 | | 3 | 3 | |
| Twelve | 68 | 68 | | 20 | 20 | | 14 | 14 | | 11 | 11 | |
| Subtotal | 809 | 809 | - | 207 | 207 | - | 181 | 181 | - | 80 | 80 | - |
| Special Ed - Elementary | 96 | 96 | | 22 | 22 | | 13 | 13 | | 4 | 4 | |
| Special Ed - Middle | 55 | 55 | | 11 | 11 | | 1 | 1 | | | | |
| Special Ed - High | 72 | 72 | | 14 | 14 | | 1 | 1 | | 1 | 1 | |
| Subtotal | 223 | 223 | - | 47 | 47 | - | 15 | 15 | - | 5 | 5 | - |
| Co. Voc. - Regular | | | | | | | | | | | | |
| Co. Voc. Ft. Post Sec. | | | | | | | | | | | | |
| Totals | 1,032 | 1,032 | - | 254 | 254 | - | 196 | 196 | - | 85 | 85 | - |
| Percentage Error | | | 0.00% | | | 0.00% | | | 0.00% | | | 0.00% |

| | <u>Transportation</u> | | | | | | Reg Avg.(Mileage) = Regular Including Grade PK students | Reg Avg.(Mileage) = Regular Excluding Grade PK students | Spec Avg. = Special Ed with Special Needs | Reported | Recalculated |
|--------------------------------|-----------------------|-------------|--------|--------|----------|--------|---|---|---|----------|--------------|
| | Reported on | Reported on | Errors | Tested | Verified | Errors | | | | 4.3 | 4.3 |
| | DRTRS by | DRTRS by | | | | | | | | | |
| | DOE/County | District | | | | | | | | | |
| Reg. - Public Schools | 1,798 | 1,798 | | | | | | | | | |
| Reg - Special Education | 143 | 143 | | | | | | | | | |
| Transported - Non-Public | 24 | 24 | | | | | | | | | |
| ALL-Non - Public | 235 | 235 | | | | | | | | | |
| Special Ed- Sp. Needs- Private | 325 | 325 | | | | | | | | | |
| Totals | 2,525 | 2,525 | - | - | - | - | | | | | |
| Percentage Error | | | 0.00% | | | 0.00% | | | | | |

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

ENROLLMENT AS OF OCTOBER 14, 2022

| | <u>Resident LEP NOT Low Income</u> | | | <u>Sample for Verification</u> | | |
|-------------------------|---|---|--------------|---------------------------------------|--|------------------|
| | 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 | 72 | 72 | | 32 | 32 | |
| One | 60 | 60 | | 21 | 21 | |
| Two | 50 | 50 | | 20 | 20 | |
| Three | 31 | 31 | | 7 | 7 | |
| Four | 22 | 22 | | 9 | 9 | |
| Five | 9 | 9 | | 2 | 2 | |
| Six | 10 | 10 | | 4 | 4 | |
| Seven | 7 | 7 | | 2 | 2 | |
| Eight | 3 | 3 | | 1 | 1 | |
| Nine | 5 | 5 | | 2 | 2 | |
| Ten | 10 | 10 | | 4 | 4 | |
| Eleven | 6 | 6 | | 2 | 2 | |
| Twelve | 4 | 4 | | | | |
| Subtotal | <u>289</u> | <u>289</u> | <u>-</u> | <u>106</u> | <u>106</u> | <u>-</u> |
| Special Ed - Elementary | 11 | 11 | | 6 | 6 | |
| Special Ed - Middle | | | | | | |
| Special Ed - High | | | | | | |
| Subtotal | <u>11</u> | <u>11</u> | <u>-</u> | <u>6</u> | <u>6</u> | <u>-</u> |
| Co. Voc. - Regular | | | | | | |
| Co. Voc. Ft. Post Sec. | | | | | | |
| Totals | <u>300</u> | <u>300</u> | <u>-</u> | <u>112</u> | <u>112</u> | <u>-</u> |
| Percentage Error | | | <u>0.00%</u> | | | <u>0.00%</u> |

PARSIPPANY-TROY HILLS SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2023

SECTION 1

A. 2% Calculation of Excess Surplus

| | | |
|--|----------------|---------|
| 2022-23 Total General Fund Expenditures per the ACFR, Ex. C-1 | \$ 198,134,730 | (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 | \$ 35,639,304 | (B2a) |
| Assets Acquired Under Financed Purchases Payable | \$ 1,000,000 | (B2b) |
| Adjusted 2022-23 General Fund Expenditures [(B) + (B1s) - (B2s)] | \$ 161,495,426 | (B3) |
| 2% of Adjusted 2022-23 General Fund Expenditures [(B3) times .02] | \$ 3,229,909 | (B4) |
| Enter Greater of (B4) or \$250,000 | \$ 3,229,909 | (B5) |
| Increased by: Allowable Adjustment* | \$ 1,773,192 | (K) |
| Maximum Unassigned Undesignated - Unreserved Fund Balance [(B5) + (K)] | \$ 5,003,101 | (M) |

SECTION 2

| | | |
|---|---------------|--------|
| Total General Fund - Fund Balances at 6-30-23 (Per ACFR Budgetary Comparison Schedule C-1) | \$ 33,993,117 | (C) |
| Decreased by: | | |
| Assigned-Year End Encumbrances | \$ 5,297,617 | (C1) |
| Legally Restricted - Designated for Subsequent Year's Expenditures | \$ _____ | - (C2) |
| Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures** | \$ 7,515,949 | (C3) |
| Other Restricted Fund Balances**** | \$ 7,745,678 | (C4) |
| Assigned Fund Balance-Unreserved- Designated for Subsequent Year's Expenditures | \$ 4,614,488 | (C5) |
| Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)] | \$ 8,819,385 | (U1) |

PARSIPPANY-TROY HILLS SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2023

SECTION 3

| | |
|--|-------------------------|
| Restricted Fund Balance - Excess Surplus *** | |
| [(U1)-(M)] IF NEGATIVE ENTER -0- | \$ <u>3,816,284</u> (E) |

Recapitulation of Excess Surplus as of June 30, 2023

| | |
|--|------------------------------|
| Reserved Excess Surplus - Designated for Subsequent Year's Expenditures ** | \$ <u>7,515,949</u> (C3) |
| Reserved Excess Surplus *** [(E)] | \$ <u>3,816,284</u> (E) |
| Total Excess Surplus [(C3)+(E)] | \$ <u>11,332,233</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 Supplemental Stabilization Aid received April 2023 and Maintenance of Equity Aid received July 2023. Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid and Additional Nonpublic School Transportation Aid.

Detail of Allowable Adjustments

| | |
|---|--------------------------|
| Impact Aid | \$ _____ - (H) |
| Sales & Lease-back | \$ _____ - (I) |
| Extraordinary Aid | \$ <u>1,694,963</u> (J1) |
| Additional Nonpublic School Transportation Aid | \$ <u>78,229</u> (J2) |
| Current Year School Bus Advertising Revenue Recognized | \$ _____ - (J3) |
| Family Crisis Transportation Aid | \$ _____ - (J4) |
| Supplemental Stabilization Aid received April 2023 & Maintenance of Equity Aid received July 2023 | \$ _____ - (J5) |
| Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)] | \$ <u>1,773,192</u> (K) |

** This amount represents the June 30, 2022 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amount must agree to the June 30, 2023 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, 2023

Detail of Other Restricted Fund Balance

Statutory restrictions:

| | |
|---|-------------------|
| Approved unspent separate proposal | \$ - |
| Sale/lease-back reserve | \$ - |
| Capital reserve | \$ 6,029,845 |
| Emergency reserve | \$ - |
| Maintenance reserve | \$ - |
| Unemployment reserve | \$ 1,715,833 |
| Tuition reserve | \$ - |
| School Bus Advertising 50% Fuel Offset Reserve-current year | \$ - |
| School Bus Advertising 50% Fuel Offset Reserve-prior year | \$ - |
| Impact Aid General Fund Reserve (Sections 8002 and 8003) | \$ - |
| Impact Aid Capital Fund Reserve (Sections 8007 and 8008) | \$ - |
| Other State / government mandated reserve | \$ - |
| [Other Restricted Fund Balance not noted above]**** | \$ - |
| Total Other Restricted Fund Balance | \$ 7,745,678 (C4) |

PARSIPPANY-TROY HILLS SCHOOL DISTRICT

Administrative Findings – Financial, Compliance and Performance

June 30, 2023

Audit Recommendations Summary

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Programs

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

None

10. Status of Prior Year Audit Findings/Recommendations

There were no prior year findings.