

HACKETTSTOWN SCHOOL DISTRICT
COUNTY OF WARREN
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

HACKETTSTOWN SCHOOL DISTRICT
COUNTY OF WARREN
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FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
TABLE OF CONTENTS

	<u>Page</u>
Cover Letter	1
General Comments:	2
Scope of Audit	2
Administrative Practices and Procedures:	2
Insurance	2
Officials in Office and Surety Bonds	2
P.L. 2020, Chapter 44	2
Tuition Charges	2
Financial Planning, Accounting and Reporting:	3-4
Examination of Claims	3
Payroll Account and Position Control Roster	3
Year End for Encumbrances and Accounts Payable	3
Classification of General and Administrative Expenditures	3
Board Secretary's Records	3
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	4
School Purchasing Programs:	4-5
Contracts and Agreements Requiring Advertisement for Bids	4-5
School Food Service	5-6
Student Body Activities	6
Application for State School Aid	6
Pupil Transportation	6
Facilities and Capital Assets	7
Testing for Lead of all Drinking Water in Educational Facilities	7
Travel Expense and Reimbursement Policy	7
Management Suggestions	7-8
Status of Prior Year's Findings/Recommendations	8
Schedule of Meal Count Activity (Not Applicable)	
Schedule of Net Cash Resources (Not Applicable)	
Schedule of Audited Enrollments	9-13
Excess Surplus Calculation	14-15
Summary of Recommendations	16

November 5, 2025

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Board of Education of the Hackettstown School District in the County of Warren for the fiscal year ended June 30, 2025, and have issued our report thereon dated November 5, 2025.

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 November 5, 2025 on the financial statements of the Board.

We will review the status of the comments, if any, during our next audit engagement. We have already discussed any comments and suggestions with various management personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations and suggestions, if any.

This report is intended for the information of the Hackettstown School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Nisivoccia LLP
NISIVOCIA LLP

Heidi A. Wohlleb

Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

HACKETTSTOWN SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Scope of Audit

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

Administrative Practices and Procedures

Insurance

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

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Timothy Havlusch	Business Administrator (to 11/1/24)	\$ 300,000

Finding 2025-001:

During our review of the surety bonds, it was noted that surety bond coverage was not obtained for the Interim Business Administrator. As the District bonded the Business Administrator for fiscal year 2026, a formal recommendation is not deemed to be warranted.

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. The school district Chapter 44 data was submitted timely. The data certification date does not reflect a submission date later than 60 days after the end of the enrollment period.

Tuition Charges

A comparison of tuition tentative tuition charges and actual certified tuition charges was made. The actual costs were different than estimated costs. The Board made a proper adjustment to the billings to sending districts for the change in per pupil costs in accordance with N.J.A.C.6A:23-3.1(f)3.

HACKETTSTOWN SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the General Fund except as noted in the below finding.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendent, and business administrator) to the NJ Department of Treasury was filed in a timely manner.

Year-End Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made on a test basis as of June 30, for proper classification of orders as year-end encumbrances and accounts payable.

Classification of General and Administrative Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, we reviewed administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2.

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.

HACKETTSTOWN SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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, III and IV of the Elementary and Secondary Education Act as amended and reauthorized.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the 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.

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.

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, 2025. 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 . . ."

HACKETTSTOWN SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

School Purchasing Programs (Cont'd)

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

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 2024-2025.

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.

In as much as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4. Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained.

School Food Service

The school food service program was not selected as a major federal and/or state program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, 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.

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.

HACKETTSTOWN SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

School Food Service (Cont'd)

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.

Finding 2025-002

The District has a student accounts receivable balance of \$20,887 at June 30, 2025. As the District has already implemented procedures to address these balances in fiscal year 2025-26, no formal recommendation is 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.

Application for State School Aid

Our audit procedures included a test of enrollments and related services reported in the October 15, 2024 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, bilingual and low income. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers with one exception. The information that was included on the workpapers was verified on a test basis with a few 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 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 2024-2025 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.

HACKETTSTOWN SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

Facilities and Capital Assets

Our procedures included a review of the NJSDA grant agreements for consistency with recording NJSDA revenue, transfer of local funds from the General Fund or from the Capital Reserve Account and awarding of contracts for eligible facilities construction.

Testing for Lead of All Drinking Water in Educational Facilities

The District did not submit the annual Statement of Assurance to the NJ Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal travel policy and procedure pertaining to travel expenses and reimbursements for its employees and board members. The regulations require the District to establish a maximum travel amount for the year and to account for these expenses within a separate account in the budget to ensure that the maximum is not exceeded. The regulations also require that all travel be approved by the Board prior to the event and that the approval list the event, total event cost and the individuals attending. Employees and board members attending an event are then required to complete a post event report to be submitted to a designated person within the District. Overall compliance was noted.

Management Suggestions:

Federal Grant Receivables

It is suggested that federal grant requests for reimbursements are submitted on a regular basis to ensure timely collection, to lessen the impact on cash flows and to ensure full compliance with federal and state cash management requirements.

Confirming Orders

It has come to our attention that a number of school districts in New Jersey are being cited by the State Department of Education for the purchasing of goods or services prior to the issuance of an approved purchase order. We are taking this opportunity to reiterate to our clients that a valid, approved purchase order must be prepared prior to obligating the District for the purchase of goods or services to be in compliance with the requirements of the State.

HACKETTSTOWN SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

Management Suggestions: (Cont'd)

Governmental Accounting Standards Board (GASB) Statements effective for Fiscal Year Ending June 30, 2026

GASB Statement No. 103, Financial Reporting Model Improvements

Management's Discussion and Analysis (MD&A)

Information in MD&A is limited to five sections – Overview of Financial Statements, Financial Summary, Detailed Analyses, Significant Capital Assets and Long-Term Financing Activity and Currently Known Facts. Standard emphasizes that the detailed analyses should explain why balances and results of operations changed. Also, only the most relevant information should be presented.

Unusual or Infrequent Items

Statement provides a definition of these items and the presentation of these items in the financial statements.

Proprietary Fund Statement of Revenue, Expenses and Changes in Net Position

Provides a definition of both operating and nonoperating revenue and expenses. New requirement for subtotals for Operating Income/(Loss) and Noncapital subsidies be presented before reporting other nonoperating revenues and expenses. Provides a definition of subsidies.

GASB Statement No. 104, Disclosure of Certain Capital Assets

Standard requires lease assets as well as subscription assets to be disclosed separately in the capital assets note disclosures. The standard also requires a disclosure for capital assets held for sale where it is probable that the sale will be finalized within one year of the financial statement date.

SDA Grant Receivables

During our review of SDA grant receivables, it was noted that there are several open projects with large grant receivable balances in the Capital Projects Fund. It is suggested that the District ensure that all of the required project cost documentation is submitted to the Schools Development Authority for reimbursement.

Status of Prior Year's Findings/Recommendations

The prior year recommendation regarding the preparation of a monthly Payroll Agency analysis of balance as well as extra care being taken to ensure that transfers to the payroll accounts are only for the amount needed to fund a specific payroll was resolved.

HACKETTSTOWN SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2024

	2025-2026 Application for State School Aid						Sample for Verification					
	Reported on A.S.S.A.		Reported on Workpapers		Errors		Sample Selected from Workpapers		Verified per Registers		Errors per Registers	
	On Roll	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Full Day Preschool 3 Years Old	8		8				8		8			
Full Day Preschool 4 Years Old	14		13		1		14		13			
Full Day Kindergarten	93		93				93		93			
Grade One	105		105				105		105			
Grade Two	87		87				87		87			
Grade Three	93		93				93		93			
Grade Four	81		81				81		81			
Grade Five	109		109				109		109			
Grade Six	110		110				110		110			
Grade Seven	102		102				102		102			
Grade Eight	96		96				96		96			
Grade Nine	198		198				198		198			
Grade Ten	167		167				167		167			
Grade Eleven	173		173				173		173			
Grade Twelve	164		164				164		164			
Subtotal	1,600		1,599		1		1,600		1,599			
Special Education:												
Elementary	144		144				9		9			
Middle School	63		63				6		6			
High School	161		161				10		10			
Subtotal	368		368				25		25			
Totals	1,968	-0-	1,967	-0-	1	-0-	1,625	-0-	1,624	-0-	-0-	-0-
Percentage Error					0.05%	0.00%			0.00%	0.00%		

HACKETTSTOWN SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2024

	Private Schools for Disabled				Resident Low Income				
	Reported on A.S.S.A. as Private Schools	Sample for Verification	Sample Verified	Sample Errors	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Preschool 3 Years Old					1	1			
Full Day Preschool 4 Years Old					1	1			
Full Day Kindergarten					43	43	1	1	
Grade One					42	42	2	1	1
Grade Two					43	43	2	2	
Grade Three					39	39	2	2	
Grade Four					33	33	2	2	
Grade Five					45	45	2	2	
Grade Six					54	54	5	5	
Grade Seven					51	51	2	2	
Grade Eight					34	34	1	1	
Grade Nine					63	63	1		1
Grade Ten					55	55	2	2	
Grade Eleven					45	45	4	4	
Grade Twelve					40	40	1	1	
Subtotal					589	589	27	25	2
Special Education:									
Elementary	6	6	2		79	79	3	3	
Middle School					32	32	1	1	
High School	11	11	3		60	60	2	2	
Subtotal	17	17	5		171	171	6	6	
Totals	17	17	5	-0-	760	760	33	31	2
Percentage Error				0.00%			-0-		6.06%

HACKETTSTOWN SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2024

	Resident LEP Low Income					Sample Errors
	Reported on A.S.A. as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	
Full Day Kindergarten	23	23		2	2	
Grade One	22	22		3	3	
Grade Two	18	18		2	2	
Grade Three	16	16		2	2	
Grade Four	11	11		2	1	1
Grade Five	11	11		1	1	
Grade Six	12	12		1	1	
Grade Seven	18	18		1	1	
Grade Eight	7	7		1	1	
Grade Nine	21	21		1	1	
Grade Ten	14	14		1		1
Grade Eleven	10	10		2	2	
Grade Twelve	6	6				
Subtotal	189	189		19	17	2
Special Ed - Elementary	19	19		3	3	
Special Ed - Middle School	6	6		1	1	
Special Ed - High School	2	2		1	1	
Subtotal	27	27		5	5	
Totals	216	216	-0-	24	22	2
Percentage Error			0.00%			8.33%

HACKETTSTOWN SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2024

	Resident LEP Not Low Income				
	Reported on A.S.A. as LEP Not Low Income	Reported on Workpapers as LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores and Register
					Sample Errors
Full Day Kindergarten					
Grade One	2	2			
Grade Two	7	7			
Grade Three	3	3			
Grade Three	5	5			
Grade Four	2	2		1	1
Grade Five	1	1			
Grade Six	4	4		1	1
Grade Nine	3	3		2	2
Grade Ten	3	3		1	1
Grade Eleven	2	2			
Grade Twelve	2	2		2	2
Subtotal	34	34		7	7
Special Ed - Elementary	1	1		1	1
Special Ed - High School	2	2			
Subtotal	3	3		1	1
Totals	37	37	-0-	8	-0-
Percentage Error			0.00%		0.00%

HACKETTSTOWN SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	80	80		12	12	
Regular - Special Education	11	11		2	2	
Transported - Non Public	1	1		1	1	
AIL - Non Public	19	19		2	2	
Special Needs - Public	28	28		5	5	
Special Needs - Private	17	17		3	3	
Totals	156	156	-0-	25	25	-0-
Percentage Error			0.00%			0.00%

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	7.1	7.1
Average Mileage - Regular Excluding Grade PK Students	7.1	7.1
Average Mileage - Special Education with Special Needs	11.5	11.5

HACKETTSTOWN SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

REGULAR DISTRICT

SECTION 1

2% Calculation of Excess Surplus

2024-2025 Total General Fund Expenditures per the ACFR	<u>\$ 54,495,696</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>\$ 9,118,293</u> (B2a)
Assets Acquired Under Leases and Finance Purchases	<u>\$ -0-</u> (B2b)
Adjusted 2024-2025 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u><u>\$ 45,377,403</u></u> (B3)
2% of Adjusted 2024-2025 General Fund Expenditures [(B5) times .02]	<u>\$ 907,548</u> (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 907,548</u> (B5)
Increased by: Allowable Adjustment	<u>\$ 325,563</u> (K)
Maximum Unassigned Fund Balance [(B5)+(K)]	<u><u>\$ 1,233,111</u></u> (M)

Section 2

Total General Fund - Fund Balances @ 6/30/2025	<u>\$ 7,164,680</u> (C)
(Per ACFR Budgetary Comparison Schedule C-1)	
Decreased by:	
Year-End Encumbrances	<u>\$ 738,591</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C2)
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 300,000</u> (C3)
Other Restricted Fund Balances	<u>\$ 4,531,796</u> (C4)
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ 61,182</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	<u><u>\$ 1,533,111</u></u> (U1)

HACKETTSTOWN SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section 3

Restricted Fund Balance-Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0- \$ 300,000 (E)

Recapitulation of Excess Surplus as of June 30, 2025

Excess Surplus - Designated for Subsequent Year's Expenditures \$ 300,000 (C3)

Excess Surplus [(E)] \$ 300,000 (E)

Total [(C3)+(E)] \$ 600,000 (D)

Detail of Allowable Adjustments

Impact Aid \$ -0- (H)

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

Extraordinary Aid \$ 316,690 (J1)

Additional Nonpublic School Transportation Aid \$ 8,873 (J2)

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

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

Total Adjustments ((H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)) \$ 325,563 (K)

Detail of Other Restricted Fund Balance

Statutory Restrictions:

Approved Unspent Separate Proposal \$ -0-

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

Sale/Lease-Back Reserve \$ -0-

Capital Reserve \$ 3,577,654

Maintenance Reserve \$ 836,962

Emergency Reserve \$ -0-

Tuition Reserve \$ -0-

Unemployment Compensation \$ 117,180

Other State/Governmental Mandated Reserve \$ -0-

Emergency Reserve \$ -0-

Total Other Restricted Fund Balance \$ 4,531,796 (C4)

HACKETTSTOWN SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

It is recommended that:

1. Administrative Practices and Procedures

None
2. Financial Planning, Accounting and Reporting

None
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. Miscellaneous

None
10. Status of Prior Year's Findings/Recommendations

The prior year recommendation regarding the preparation of a monthly Payroll Agency analysis of balance and determining whether the large unallocated balance in the payroll agency account is due to a withholding agency or should be remitted to the General Fund as well as extra care being taken to ensure that transfers to the payroll accounts are only for the amount needed to fund a specific payroll was resolved.