Auditor's Management Report

for the

Borough of Hawthorne School District

in the

County of Passaic
New Jersey

for the

Fiscal Year Ended
June 30, 2025

AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS – FINANCIAL AND COMPLIANCE

TABLE OF CONTENTS

Tax ID Number 22-6001974

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Hawthorne Board of Education
Hawthorne, New Jersey 07506

We have audited, in accordance with U.S. generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Borough of Hawthorne School District in the County of Passaic for the year ended June 30, 2025, and have issued our report dated February 13, 2026.

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

This report is intended solely for the information of the Borough of Hawthorne School District, County of Passaic, New Jersey, the New Jersey Department of Education and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. . However, this report is a matter of public record and its distribution is not limited.

CERTIFIED PUBLIC ACCOUNTANTS

PUBLIC SCHOOL ACCOUNTANT NO. 948

February 13, 2026

Independent Auditor's Management Report of Administrative Findings – Financial and Compliance

Scope of Audit

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

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on the Insurance Schedule (Exhibit J-20) contained in the District's Annual Comprehensive Financial Report (ACFR).

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

Name	Position	Amount of Bonds
Patricia Ratcliffe-Lee	Interim Business Administrator/Board Secretary	$300,000.00

There is a Public Employees' Blanket Position Bond with Selective Insurance Company covering all other employees with multiple coverage of $100,000.

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 fiscal year of 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.

Financial Planning, Accounting and Reporting

Examination of Claims

Our audit of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Independent Auditor's Management Report of Administrative Findings – Financial and Compliance

Financial Planning, Accounting and Reporting (Continued)

Payroll Accounts

The net salaries of all employees of the Board were deposited in the Net 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, the Board Secretary/Business Administrator and the Chief School Administrator.

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

Payrolls were delivered to the secretary of the board with a warrant made to her order for the full amount of each payroll.

2025-001 Finding: An analysis of the balance on deposit in the Salary and Payroll Agency accounts was not maintained in a timely manner.

2025-001 Recommendation: That balances on deposit in the Salary and Payroll Agency accounts be analyzed monthly.

Position Control Roster

The Position Control Roster was reviewed and compared to payroll records, employee benefit records and charges made to the general ledger to ensure proper and consistent financial reporting and that employee benefits are only offered to current employees.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserve for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

Independent Auditor's Management Report of Administrative Findings – Financial and Compliance

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 selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. As a result of the procedures performed, no errors were noted and no additional procedures were deemed necessary to the test the propriety of expenditure classification.

Board Secretary's Records

The following items were noted during our review of the records of the Board Secretary

2025-002 Finding: The District has not updated its compensated absence valuation to comply with the recognition and measurement requirements of GASB 101

2025-002 Recommendation: That the District update its compensated absence valuation to comply with the recognition and measurement requirements of GASB 101.

2025-003 Finding: Our audit revealed instances of missing journal entries, which resulted in several inaccurate account balances.

2025-003 Recommendation: That the business office implement controls to ensure all journal entries are made to the accounting records on a timely basis.

Treasurer's Records

The records maintained by the Treasurer were agreement with the records maintained by the Board Secretary/Business Administrator.

***2025-004 Finding**: We noted that monthly bank reconciliations were not maintained in a timely manner and contained reconciling items due between bank accounts that were not cleared in the following month.

***2025-004 Recommendation**: That monthly bank reconciliations be maintained timely and all reconciling items on the bank reconciliations be cleared in a timely manner.

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 ACFR. This section of the ACFR documents the financial position pertaining to the projects under Title I and Title VI of the Elementary and Secondary Education Act as amended and reauthorized.

Independent Auditor's Management Report of Administrative Findings – Financial and Compliance

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Exhibits K-3 and 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.

***2025-005 Finding:** We noted that there was no reconciliation between what was recorded on the Districts' accounting records for federal grant expenditures and what was draw down for reimbursement on the State of New Jersey, Department of Education, Office of Grant Management EWEG system.

***2025-005 Recommendation:** That the District reconcile what was recorded on the Districts' accounting records for Federal grant expenditures with what was drawn down for reimbursement on the State of New Jersey, Department of Education, Office of Grant Management EWEG system.

T.P.A.F. Reimbursement

Our audit procedures included a test of the semi-monthly reimbursement filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund.

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

The amount of the expenditure charged to the current year's Final Report(s) for all 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 60 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement. No exceptions were noted.

Independent Auditor's Management Report of Administrative
Findings – Financial and Compliance

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

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 therefor, except as is provided otherwise in this chapter or specifically by any other law.

The Board of Education may, by resolution, approve by the majority of the board of education and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the board of education finds that it has had negative prior experience with the bidder."

Effective July 1, 2021, the bid threshold in accordance with N.J.S.A. 18A:18A-3(a) and (c) is $32,000.00. In accordance with N.J.S.A. 40A:11-9 (b) the bid threshold for all purchases made by the District's qualified purchasing agent is $44,000.00. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18:39-3 is currently $22,400.00.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal 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.

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.

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 provisions 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. Our examination did reveal however, that the district made purchases through the use of state contracts.

Independent Auditor's Management Report of Administrative Findings – Financial and Compliance

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 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 or indirect costs. There were no exceptions 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.

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. 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.

School Food Service (Continued)

The school district maintains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

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

2025-006 Finding: We noted that cash receipts for the months of April, May and June were not posted to the accounting system in a timely manner.

2025-006 Recommendation: That cash receipts be posted to the accounting system in a timely manner.

2025-007 Finding: Our examination of the District's food service fund balances at year end revealed that the net cash resources exceeds three months average expenditures.

2025-007 Recommendation: That the District review procedures to ensure that net cash resources in the food service fund do not exceed three months average expenditures in compliance with 7CFR210:14.

Student Body Activities

The records for the Student Body Activities were maintained in satisfactory condition.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2024 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. 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 minor exceptions. The information that was included on the workpapers was verified with minor exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

The district had written procedures for the recording of student enrollment.

Independent Auditor's Management Report of Administrative Findings – Financial and Compliance

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 with minor exceptions.

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.

Capital Assets and Facilities

Our procedures included a review of the SDA grant agreements for consistency with recording of SDA revenue, transfer of local funds from the general or capital reserve account, and awarding of contracts for eligible facilities construction.

2025-008 Finding: We noted that District continues to accumulate costs in the Construction in Progress account for projects that have substantially been completed.

2025-008 Recommendation: That the District establish and implement formal procedures to ensure that capital projects are reviewed at least annually to determine whether they have been completed and placed into service. Upon completion, costs should be promptly reclassified from Construction in Progress to the appropriate capital asset category and depreciated in accordance with the District's capitalization and depreciation policies.

Miscellaneous

The school district adhered to 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 Prior Year's Audit Findings

Corrective action has been taken on all prior year findings except those marked with an (*).

HAWTHORNE BOARD OF EDUCATION
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENTS AS OF 10/15/2024

		2025-2026 Application for State School Aid (10/15/2024 data)						Sample for Verification						Private School for Disabled			
		Reported as 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 Yr	8		8	0	-	-	1	0	1	0	-	-	0	0	0	-
	Half Day Preschool - 4 Yr	8		8	0	-	-	1	0	1	0	-	-	0	0	0	-
144	Full Day Kindergarten	144		144	0	-	-	19	0	19	0	-	-	0	0	0	-
130	One	130		130	0	-	-	17	0	17	0	-	-	0	0	0	-
158	Two	158		158	0	-	-	21	0	21	0	-	-	0	0	0	-
136	Three	136		136	0	-	-	18	0	18	0	-	-	0	0	0	-
138	Four	138		138	0	-	-	18	0	18	0	-	-	0	0	0	-
136	Five	136		136	0	-	-	18	0	18	0	-	-	0	0	0	-
	Six	158		158	0	-	-	21	0	21	0	-	-	0	0	0	-
	Seven	136		136	0	-	-	18	0	18	0	-	-	0	0	0	-
164	Eight	138		138	0	-	-	18	0	18	0	-	-	0	0	0	-
	Nine	110		110	0	-	-	15	0	15	0	-	-	0	0	0	-
	Ten	116		116	0	-	-	15	0	15	0	-	-	0	0	0	-
	Eleven	129		129	0	-	-	17	0	17	0	-	-	0	0	0	-
	Twelve	119		119	0	-	-	16	0	16	0	-	-	0	0	0	-
	Subtotal	**1,764**	**0**	**1,764**	**0**	**0**	**0**	**233**	**0**	**233**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Sp. Ed - Elementary	180	0	179	0	1	-	24	0	24	0	-	-	9	8	8	-
	Sp. Ed - Middle School	89	0	89	0	-	-	12	0	12	0	-	-	0	0		-
	Sp. Ed - High School	93	0	94	0	(1)	-	13	0	13	0	-		10	9	9	-
	Subtotal	**362**	**0**	**362**	**0**	**0**	**0**	**49**	**0**	**49**	**0**	**0**	**0**	**19.0**	**17**	**17**	**0**
	Co. Voc. - Regular		0		0	-	-	0	0	0	0	-	-	0	0.0	0	-
	Co. Voc. Ft. Post Sec.		0		0	-	-	0	0	0	0	-	-	0	0.0	0	-
	Totals	**2,126**	**0**	**2,126**	**0**	**0**	**0**	**282**	**0**	**282**	**0**	**0**	**0**	**19.0**	**17**	**17**	**0**
	Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%

HAWTHORNE BOARD OF EDUCATION
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENTS AS OF 10/15/2024

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	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 - 3 Yr			-	0		-			-	0		-
Half Day Preschool - 4 Yr			-	0		-			-	0		-
Full Day Kindergarten	51	51	-	13	13	-	7	7	-	6	6	-
One	53	53	-	14	14	-	7	7	-	6	6	-
Two	62	62	-	16	16	-	9	9	-	8	8	-
Three	52	52	-	13	14	(1)	6	6	-	5	5	-
Four	67	67	-	17	17	-	7	7	-	6	6	-
Five	52	52	-	14	14	-	4	4	-	2	2	-
Six	60	61	(1)	16	16	-	1	1	-	1	1	-
Seven	52	51	1	14	14	-	2	2	-	2	2	-
Eight	51	51	-	12	13	(1)	3	3	-	3	3	-
Nine	51	51	-	13	13	-	5	5	-	4	4	-
Ten	53	53	-	14	14	-	10	10	-	9	9	-
Eleven	43	43	-	11	11	-	5	5	-	3	3	-
Twelve	49	49	-	12	13	(1)	4	4	-	3	3	-
Subtotal	**696.0**	**696.0**	**0.0**	**179**	**182**	**(3)**	**70**	**70**	**0**	**58**	**58**	**0**
Sp. Ed - Elementary	99	99	-	26	26	-	2	2	-	2	2	-
Sp. Ed - Middle School	44	44	-	11	11	-			-	0	0	-
Sp. Ed - High School	51	51	-	13	13	-	1	1	-	1	1	-
Subtotal	**194.0**	**194.0**	**0.0**	**50**	**50**	**0**	**3.0**	**3**	**0.0**	**3.0**	**3**	**0.0**
DYFS Residential Center	0	0	0	0	0	0	0	0	0.0	0.0	0	0.0
	0	0	0	0	0	0	0	0	0	0	0	0
Totals	**890.0**	**890.0**	**0.0**	**229**	**232**	**(3)**	**73.0**	**73**	**0.0**	**61.0**	**61**	**0.0**
Percentage Error			0.00%			-1.31%			0.00%			0.00%

	Transportation					
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools, col. 1	234	234	0	94	94	0
Reg - SpEd, col. 4	7	7	0	3	3	0
Transported - Non-Public, col. 3	159	159	0	64	60	4
Special Ed Spec, col. 6	88	88	0	36	36	0
Totals	**488**	**488**	-	**197**	**193**	**4**
Percentage Error			0.00%			2.03%

HAWTHORNE BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENTS AS OF 10/15/2024

	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 - 3 Yr			-			-
Half Day Preschool - 4 Yr			-			-
Full Day Kindergarten	3	3	-	3	3	-
One	3	3	-	3	3	-
Two	2	2	-	2	2	-
Three			-			-
Four			-			-
Five	2	2	-	2	2	-
Six			-			-
Seven			-			-
Eight	3	3	-	3	3	-
Nine	7	7	-	6	6	-
Ten	1	1	-	1	1	-
Eleven	4	4	-	3	3	-
Twelve			-			-
Subtotal	**25**	**25**	**0**	**23**	**23**	**0**
Special Ed - Elementary			-	0		-
Special Ed - Middle			-	0		-
Special Ed - High			-	0		-
Subtotal	**0**	**0**	**0**	**0**	**0**	**0**
Co. Voc. - Regular			-	0		-
Co. Voc. Ft. Post Sec.			-	0		-
Totals	**25.0**	**25**	**0.0**	**23.0**	**23**	**0**
Percentage Error			**0.00%**			**0.00%**

HAWTHORNE SCHOOL DISTRICT

SCHEDULE OF CALCULATION OF EXCESS SURPLUS

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, Ex. C-1	$ 60,956,633.06	
Decreased by:		
On-Behalf TPAF Pension & Social Security	$ 10,779,610.85	
Adjusted 2024 - 2025 General Fund Expenditures		$ 50,042,572.40
2% of Adjusted 2024 - 2025 General Fund Expenditures		$ 1,000,851.45
Greater of Line Above or $250,000.00		$ 1,000,851.45
Increased by: Allowable Adjustment		$ 1,177,911.00
Maximum Unreserved/Undesignated Fund Balance		$ 2,178,762.45

SECTION 2

Total General Fund - Fund Balances @ 6-30-2025	$ 11,132,101.86	
Decreased by:		
Year-End Encumbrances	$ 176,905.74	
Legally Restricted-Excess Surplus-Designated for Subsequent Year's Expenditures	$ 1,059,401.97	
Other Restricted Fund Balances	$ 5,527,399.67	
Assigned Fund Balance - Unreserved-Designated for Subsequent Year's Expenditures	$ 1,089,632.03	
Total Unassigned Fund Balance		$ 3,278,762.45

SECTION 3

Restricted Fund Balance-Excess Surplus	$ 1,100,000.00

Recapitulation of Excess Surplus as of June 30, 2025

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	$ 1,059,401.97
Restricted Excess Surplus	$ 1,100,000.00
Total Excess Surplus	$ 2,159,401.97

Detail of Allowable Adjustments

Extraordinary Aid	$ 1,103,658.00
Additional Non-Public School Transportation Aid	74,253.00
	$ 1,177,911.00

Detail of Other Restricted Fund Balance:

Capital Reserve	$ 3,170,528.78
Reserve for Unemployment Fund	174,770.32
Maintenance Reserve	2,182,100.57
	$ 5,527,399.67

Independent Auditor's Management Report of Administrative Findings – Financial and Compliance

Recommendations

1. **Administrative Practices and Procedures**

   None

2. **Financial Planning, Accounting and Reporting**

   2025-001 Recommendation: That balances on deposit in the Salary and Payroll Agency accounts be analyzed monthly.

   2025-002 Recommendation: That the District update its compensated absence valuation to comply with the recognition and measurement requirements of GASB 101.

   2025-003 Recommendation: That the business office implement controls to ensure all journal entries are made to the accounting records on a timely basis.

   ***2025-004 Recommendation**: That all reconciling items on the bank reconciliations be cleared in a timely manner.

   ***2025-005 Recommendation:** That the District reconcile what was recorded on the Districts' accounting records for Federal grant expenditures with what was drawn down for reimbursement on the State of New Jersey, Department of Education, Office of Grant Management EWEG system.

3. **School Purchasing Program**

   None

4. **School Food Service**

   2025-006 Recommendation: That cash receipts be posted to the accounting system in a timely manner.

   2025-007 Recommendation: That the District review procedures to ensure that net cash resources in the food service fund do not exceed three months average expenditures in compliance with 7CFR210:14.

5. **Student Body Activities**

   None

6. **Application for State School Aid**

   None

7. **Pupil Transportation**

   None

8. **Capital Assets and Facilities**

   2025-008 Recommendation: That the District establish and implement formal procedures to ensure that capital projects are reviewed at least annually to determine whether they have been completed and placed into service. Upon completion, costs should be promptly reclassified from Construction in Progress to the appropriate capital asset category and depreciated in accordance with the District's capitalization and depreciation policies.

9. **Miscellaneous**

   None

10. **Status of Prior Year's Findings/Recommendations**

    Items notated above with an '*' are repeated/unresolved findings.