

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
COUNTY OF SOMERSET
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
COUNTY OF SOMERSET
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021
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December 13, 2021

The Honorable President and Members
of the Board of Education
North Plainfield Borough School District
County of Somerset, NJ

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Board of Education of the North Plainfield Borough School District in the County of Somerset for the fiscal year ended June 30, 2021, and have issued our report thereon dated December 13, 2021.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents. This letter does not affect our report dated December 13, 2021, on the financial statements of the Board.

We will review the status of the comments during our next audit engagement. We have already discussed these 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 suggestions and recommendations.

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

Nisivoccia, LLP

NISIVOCCIA LLP

Kathryn L. Mantell

Kathryn L. Mantell

Licensed Public School Accountant #884

Certified Public Accountant

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021

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, 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 CAFR.

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Eileen Rogalski	Treasurer of School Monies	\$ 350,000
Pamela Graziano	Board Secretary/Business Administrator	25,000

Tuition Charges

A comparison of 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:23A-3.1(f)3.

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 and 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.

The required certification (E-Cert1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents, and business administrator) to the New Jersey Department of Treasury was filed by the March 15 due date.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Reserve for Encumbrances and Accounts Payable

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

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. In addition to randomly selecting a test sample, we also reviewed administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. As a result of the procedures performed, no errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

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.

Treasurer's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Treasurer's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

Finding #2021-001:

The Flexible Spending and Scholarship bank accounts were not reconciled by the Treasurer each month.

Recommendation:

It is recommended that the Treasurer reconciles all bank accounts held by the District each month.

Management's Response:

The District will ensure that the Treasurer reconciles all bank accounts on a consistent monthly basis.

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

The E.S.E.A. financial exhibits are contained herein within the Special Revenue Section of the District's CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I, Title II, Title III, and Title IV of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for the E.S.E.A. did not indicate any area of noncompliance.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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 CAFR.

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 CAFR. This section of the CAFR 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.

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

The T.P.A.F. Reimbursement to the State for Federal Salary Expenditures form was remitted to the State of New Jersey prior to the required deadline of October 1, 2021. The reimbursement form was reviewed, and one exception was noted.

Finding #2021-002:

Salaries for the State Preschool Education Aid Program were erroneously included in the calculation of the T.P.A.F. reimbursement to the State for Federal Salary Expenditures. Since the Preschool Education Aid Program is a state grant, the salaries charged should not have been included in the calculation of the T.P.A.F. reimbursement to the State for Federal Salary Expenditures.

Recommendation:

It is recommended that only salaries charged to federal grants are included in the calculation of the T.P.A.F. Reimbursement to the State for Federal Salary Expenditures.

Management's Response:

The District will ensure that only salaries charged to federal grants are included in the calculation of the T.P.A.F. Reimbursement to the State for Federal Salary Expenditures.

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

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

School Purchasing Programs (Cont'd)

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

Education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Commencing in the fifth year after the year in which P.L.1999, c. 440 takes effect and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made"

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the Board of Education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law"

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is \$19,600 for 2020-21.

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. General compliance was noted.

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

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

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered 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.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

School Food Service

The financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit. No exceptions were noted.

The District utilizes a food service management company (FMSC) 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 FMSC Non-Competitive Emergency Procurement contract/addendum were reviewed and audited. The FMSC contract includes an operating results provision which guarantees that the food service program will breakeven/return a profit of at least \$125,000. The operating results provision has been met. No exceptions were noted. 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. No exceptions were noted.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified on a test basis. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used. No exceptions were noted.

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 nonprofit status of the School Food Service Fund. No exceptions were noted.

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 not apply for or receive a loan in accordance with the Payroll Protection Plan.

Finding #2021-003:

Net cash resources of the Food Service Fund exceeded the State's maximum of three months' average expenditures by \$369,186. The District is aware of the situation and is in the process of evaluating and implementing a continued plan to reduce net cash resources; therefore, a formal recommendation is not warranted.

Time sheets and labor costs provided to the District by the Food Service contractor were reviewed on a test basis without exception. Payroll records were maintained on all School Food Service 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 on a test basis. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner. No exceptions were noted.

Finding #2021-004:

In testing the meal count records, the District overclaimed reimbursement of \$2,755 for meals. Since the overclaim is not material, a formal recommendation is not warranted.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

School Food Service (Cont'd)

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 days, on a school-by-school basis. The free and reduced-price meal policy was reviewed for uniform administration throughout the school district. 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. No exceptions were noted.

U.S.D.A. Food Distribution Program commodities (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

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

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

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 information reported in the October 15, 2020 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low income, and bilingual students. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers with one error. The information that was included on the workpapers was verified on a test basis with a no 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's 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 2020-2021 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with no errors. 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. The bid specifications for the purchase of buses complied with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

Facilities and Capital Assets

There were no School Development Authority Projects for the fiscal year ended June 30, 2021.

Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal policy and procedure pertaining to travel and expense reimbursement for its employees and board members. The regulations include requirements for the District to establish a maximum travel amount for the year and to ensure that the maximum amount is not exceeded. The regulations also require that all travel must be preapproved by the Board of Education and Superintendent and that a brief report detailing the key issues addressed at the travel event must be submitted after the travel event has occurred. Based on our testing of these regulations, general compliance was noted.

Testing for Lead of All Drinking Water in Education Facilities

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

Management Suggestions:

Surety Bond Coverage

It is suggested that the District increase the Treasurer's surety bond to \$400,000 to ensure adequate coverage in accordance with the State's minimum requirements and increase the Business Administrator's surety bond to the same amount.

Governmental Accounting Standards Board (GASB) Statements

GASB Statement No. 87, *Leases*, is effective for the fiscal year ended June 30, 2022. Under this statement, the District will be required to recognize a lease liability and an intangible right-to-use asset for each lease agreement with a lease term in excess of 12 months. This statement will enhance the comparability of financial statements among governments by requiring the reporting of leases under a single model. Additionally, certain leases that are currently not reported will be under this statement.

COVID-19 Federal Funding

It is likely that the District will undergo some review of its COVID-19 federal funding if only at a desk review level by state and/or federal agencies. We strongly suggest that the District ensures that these funds are utilized in accordance with the applicable federal requirements especially with respect to procurement. Additionally, we strongly suggest that the District ensures that these funds are accounted for in the state account numbers designated by the NJ Department of Education and that any applicable Board policies are current with respect to federal grant requirements.

Sick and Vacation Leave

It is suggested that the District consult with its attorney to ensure that its negotiated labor contracts, individual employee agreements and employee policies, as applicable, are in accordance with New Jersey statutes regarding unused sick and vacation leave.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

Status of Prior Year Findings/Recommendations

The prior year recommendation regarding charging salaries to the correct budget lines and enrolling all eligible employees in the pension system was resolved and has not been included in the current year's audit report.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SCHEDULE OF MEAL COUNT ACTIVITY
FISCAL YEAR ENDED JUNE 30, 2021

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - FEDERAL

<u>Program</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over)/ Under Claim</u>
National School Lunch:						
Seamless Summer Option	145,722	60,612	60,021	(591)	\$ 3.53	\$ (2,086)
HHFKA	145,722	60,612	60,021	(591)	0.07	(41)
School Breakfast:						
Seamless Summer Option	145,722	60,612	60,334	<u>(278)</u>	2.26	<u>(628)</u>
Total Net Overclaim				<u><u>(869)</u></u>		<u><u>\$ (2,755)</u></u>

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SCHEDULE OF NET CASH RESOURCES
FISCAL YEAR ENDED JUNE 30, 2021

Net Cash Resources:

CAFR	*	Current Assets		
B-4		Cash & Cash Equiv.	\$	491,058
B-4		Due from Other Gov'ts		122,343
CAFR		Current Liabilities		
B-4		Less Accounts Payable		(616)
B-4		Less Unearned Revenue		<u>(12,539)</u>
		Net Cash Resources	\$	<u>600,246</u> (A)

Net Adj. Total Operating Expense:

B-5		Tot. Operating Exp.	\$	787,691	(1)
B-5		Less Depreciation		<u>(17,493)</u>	
		Adj. Tot. Oper. Exp.	\$	<u>770,198</u>	(B)

Average Monthly Operating Expense:

B / 10	\$	<u>77,020</u>	(C)
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Three times monthly Average:

3 X C	\$	<u>231,060</u>	(D)
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TOTAL IN BOX A	\$	600,246	(A)
LESS TOTAL IN BOX D		<u>(231,060)</u>	(D)
NET	\$	<u>369,186</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.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2020

	2021-2022 Application for State School Aid						Sample for Verification					
	Reported on A.S.A.		Reported on Workpapers		Errors		Sample Selected from Workpapers		Verified per Registers		Errors per Registers	
	On Roll	Shared	On Roll	Shared	Full	Shared	Full	Shared	On Roll	Shared	Full	Shared
Half Day Preschool 4 Yr Old	53		53									
Full Day Kindergarten	191		191					53			53	
Grade One	210		210					191			191	
Grade Two	198		198					210			210	
Grade Three	183		183					198			198	
Grade Four	196		196					183			183	
Grade Five	160		160					196			196	
Grade Six	200		200					160			160	
Grade Seven	215		215					200			200	
Grade Eight	211		211					215			215	
Grade Nine	197	3	197	3				211			211	
Grade Ten	242		242					197	3		197	3
Grade Eleven	235	2	235	2				242			242	
Grade Twelve	221	2	221	2				235	2		235	2
Subtotal	2,712	7	2,712	7				221	2		221	2
								2,712	7		1,817	7
Special Ed - Elementary	210		210								210	
Special Ed - Middle School	155		155					210			155	
Special Ed - High School	233	2	233	2				155			233	
Subtotal	598	2	598	2				233			598	
Totals	3,310	9	3,310	9	- 0 -	- 0 -		3,310	7		2,415	7
Percentage Error					0.00%	0.00%					0.00%	0.00%

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2020

	Private Schools for Disabled				Resident Low Income				
	Reported on A.S.A. as Private Schools	Reported on Workpapers as Private Schools	Sample for Verification	Sample Verified	Sample Errors	Reported on A.S.A. as Low Income	Reported on Workpapers as Low Income	Sample Selected from Workpapers	Sample Errors
Full Day Kindergarten						65	65	1	1
Grade One						141	141	1	1
Grade Two						147	147		
Grade Three						120	119	1	
Grade Four						136	136		
Grade Five						112	112		
Grade Six						134	133	1	
Grade Seven						144	144	1	1
Grade Eight						136	136	1	1
Grade Nine						134	134		
Grade Ten						153	153	1	1
Grade Eleven						148.5	146.5	2	
Grade Twelve						137	137		
Subtotal						1708	1704	4	5
Special Ed:									
Elementary	4	4	1	1		159	156	3	2
Middle	1	1	1	1		119	117	2	1
Special Ed - High School	20	20				160	159	1	
Subtotal	25	25	2	2	0	438	432	6	3
Totals	25	25	2	2	- 0 -	2,145	2,136	10	8
Percentage Error					0.00%			0.44%	0.00%

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2020

	Resident LEP Low Income				
	Reported on A.S.A. as LEP Low Income	Reported on Workpapers LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register
	Sample Errors	Sample Errors	Sample Errors	Sample Errors	Sample Errors
Full Day Kindergarten	23	23		1	1
Grade One	61	61			
Grade Two	60	60		1	1
Grade Three	40	40		1	1
Grade Four	28	28			
Grade Five	18	18		1	1
Grade Six	22	22		1	1
Grade Seven	17	17		1	1
Grade Eight	20	20		1	1
Grade Nine	26	26			
Grade Ten	33	33		1	1
Grade Eleven	31	31		1	1
Grade Twelve	27	27		1	1
Subtotal	406	406		10	10
Special Ed - Elementary	24	23	1	1	1
Special Ed - Middle School	3	3			
Special Ed - High School	6	6			
Subtotal	33	32	1	1	1
Totals	439	438	1	11	11
Percentage Error			0.23%		- 0 -
			0.00%		

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2020

	Resident LEP Not Low Income					
	Reported on	Reported on	Sample		Verified to	Sample
	A.S.A. as	Workpapers	Selected	from	Test Scores	Errors
LEP Not Low	LEP Not Low			and Register	Errors	
Income	Income			Workpapers	Workpapers	
Full Day Kindergarten	57	57	2		2	
Grade One	14	14	1		1	
Grade Two	7	7	1		1	
Grade Three	15	15	1		1	
Grade Four	5	5	1		1	
Grade Five	6	6				
Grade Six	5	5				
Grade Seven	8	8	1		1	
Grade Eight	3	3				
Grade Nine	12	12				
Grade Ten	17	17				
Grade Eleven	10	10				
Grade Twelve	7	7				
Subtotal	166	166	7		7	
Special Education:						
Elementary	6	6				
Special Ed - Middle School	1	1				
Special Ed - High School	1	1				
Subtotal	8	8				
Totals	174	174	-0-	7	7	-0-
Percentage Error			0.00%			0.00%

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2020

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	702	702		15	15	
Regular - Special Education	192	192		5	5	
AIL - Non Public	56	56		1	1	
Transported - Non Public	5	5		1	1	
Special Needs (Public)	103	103		2	2	
Special Needs (Private)	5	5		1	1	
Totals	1,063	1,063	- 0 -	25	25	- 0 -
Percentage Error			0.00%			0.00%

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	3.4	3.4
Average Mileage - Regular Excluding Grade PK Students	3.4	3.4
Average Mileage - Special Education with Special Needs	2.9	2.9

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2021

REGULAR DISTRICT

SECTION 1

4% Calculation of Excess Surplus

2020-2021 Total General Fund Expenditures per the CAFR, Ex. C-1	<u>\$ 72,507,678</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)	
Transfer from General Fund to SRF for Pre-K Inclusion	<u>\$ 97,377</u> (B1c)	
Decreased by:		
On-Behalf TPAF Pension and Social Security	<u>\$ 11,236,233</u> (B2a)	
Assets Acquired Under Capital Leases	<u>\$ -0-</u> (B2b)	
Adjustment for Disallowed Expenditures per S1701	<u>\$ -0-</u> (B2c)	
Adjusted 2020-2021 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 61,368,822</u> (B3)	
4% of Adjusted 2020-2021 General Fund Expenditures [(B3) times .04]	<u>\$ 2,454,753</u> (B4)	
Enter Greater of (B4) or \$250,000	<u>\$ 2,454,753</u> (B5)	
Increased by: Allowable Adjustments	<u>\$ 515,628</u> (K)	
Maximum Unassigned Fund Balance [(B5)+(K)]		<u>\$ 2,970,381</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6/30/2021 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 10,371,716</u> (C)	
Decreased by:		
Year-End Encumbrances	<u>\$ 937,302</u> (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C2)	
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 1,824,000</u> (C3)	
Other Restricted Fund Balance	<u>\$ 2,056,107</u> (C4)	
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ 417,935</u> (C5)	
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		<u>\$ 5,136,372</u> (U1)

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

SECTION 3

Restricted Fund Balance - Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0- \$ 2,165,991 (E)

Recapitulation of Excess Surplus as of June 30, 2021

Excess Surplus - Designated for Subsequent Year's Expenditures \$ 1,824,000 (C3)

Excess Surplus [(E)] \$ 2,165,991 (E)

Total [(C3)+(E)] \$ 3,989,991 (D)

Detail of Allowable Adjustments

Impact Aid \$ -0- (H)

Sale & Lease-back \$ -0- (I)

Extraordinary Aid \$ 493,878 (J1)

Additional Nonpublic School Transportation Aid \$ 21,750 (J2)

Above Average Enrollment Growth \$ -0- (J3)

Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)] \$ 515,628 (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 \$ 1,877,097

Waiver Offset Reserve \$ -0-

Emergency Reserve \$ -0-

Maintenance Reserve \$ -0-

Tuition Reserve \$ -0-

Unemployment Compensation \$ 179,010

Other State/Government Mandated Reserve \$ -0-

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

Total Other Restricted Fund Balance \$ 2,056,107 (C4)

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2021

It is recommended that:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

2021-001: The Treasurer reconciles all bank accounts held by the District each month.

2021-002: Only salaries charged to federal grants are included in the calculation of the T.P.A.F. Reimbursement to the State for Federal Salary Expenditures.

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. Status of Prior Year's Findings/Recommendations

The prior year recommendation regarding charging salaries to the correct budget lines and enrolling all eligible employees in the pension system was resolved and has not been included in the current year's audit report.