

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
COUNTY OF SOMERSET
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2025

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
COUNTY OF SOMERSET
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
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
Tuition Charges	2
P.L. 2020, Chapter 44	2
Financial Planning, Accounting and Reporting:	2-4
Examination of Claims	2
Payroll Account and Position Control Roster	2-3
Reserve for Encumbrances and Accounts Payable	3
Classification of Expenditures:	3
General Classifications	3
Board Secretary's Records	3
Treasurer's Records	3
Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act	3
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 Fund	5-6
Student Body Activities	6
Application for State School Aid	6
Pupil Transportation	6
Facilities and Capital Assets	6
Travel Expense and Reimbursement Policy	7
Testing for Lead of all Drinking Water in Educational Facilities	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

October 31, 2025

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, 2025, and have issued our report thereon dated October 31, 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 October 31, 2025, 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.

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
NISIVOCIA 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, 2025

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 ACFR.

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Eileen Rogalski	Treasurer of School Monies	\$ 400,000
Pamela Graziano	Business Administrator/Board Secretary	400,000

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.

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 under audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted included all health benefit plans offered by the District.

The District's data certification was completed by the Superintendent, and the District's Chapter 44 data was submitted timely.

The data submission date did not exceed 60 days after the software was available.

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.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Payroll Account and Position Control Roster (Cont'd)

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.

Reserve for Encumbrances and Accounts Payable

A review of outstanding purchase orders issued 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.

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 ACFR. This section of the ACFR 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, 2025
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Other Special Federal and/or State Projects

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

The District's Special Projects were approved as listed on 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

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, 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 . . ."

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
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 2024-25.

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.

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 total 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.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
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.

Exhibits reflecting the child Nutrition Program operations are included in the section entitled "Proprietary Funds", Section G of the ACFR.

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, 2024 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 minor exceptions. The information that was included on the workpapers was verified on a test basis without error. 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 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. 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.

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. No exceptions were noted.

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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:

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.

Budgetary Comparison Information

Must present variance between original and final budget amounts as well as variance between final budget and actual amounts. An explanation of significant variances must be included in the Notes to the Required Supplementary Information (RSI).

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

Management Suggestions: (Cont'd)

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.

Status of Prior Year Findings/Recommendations

The prior year recommendation regarding implementing review process that validates that all expenditures to be submitted for reimbursement conform to any limitations, exclusions or rules set forth in the grant to ensure that costs submitted for reimbursement are allowable has been resolved in the current fiscal year.

NORTH PLAINFIELD BOROUGH 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		Reported on		Errors		Sample		Verified per		Errors per	
	A.S.A. On Roll	Shared	Workpapers On Roll	Shared	Full	Shared	Selected from Workpapers	Shared	Registers On Roll	Shared	Registers On Roll	Shared
Full Day Preschool 4 Years Old	44		44				44		44			
Full Day Kindergarten	230		230				230		230			
Grade One	231		231				231		231			
Grade Two	219		219				219		219			
Grade Three	218		218				218		218			
Grade Four	228		228				228		228			
Grade Five	191		191				191		191			
Grade Six	217		217				217		217			
Grade Seven	226		226				226		226			
Grade Eight	238		238				238		238			
Grade Nine	217	3	217	3			217	3	217	3		
Grade Ten	226	5	226	5			226	5	226	5		
Grade Eleven	230	7	230	7			230	7	230	7		
Grade Twelve	252	1	252	1			252	1	252	1		
Subtotal	2,967	16	2,967	16			2,967	16	2,967	16		
Special Ed - Elementary	189		189				10		10			
Special Ed - Middle School	114		114				6		6			
Special Ed - High School	196	2	196	2			11		11			
Subtotal	499	2	499	2			27.0		27.0			
Totals	3,466	18	3,466	18	- 0 -	- 0 -	2,994	16	2,994	16	- 0 -	- 0 -
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, 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	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten										
Grade One					184	183	(1)	2	2	2
Grade Two					202	203	1	2	2	2
Grade Three					193	192	(1)	1	1	1
Grade Three					183	183		2	2	2
Grade Four					185	186	1	1	1	1
Grade Five					171	171		1	1	1
Grade Six					184	184		1	1	1
Grade Seven					191	192	1	2	2	2
Grade Eight					197	197		1	1	1
Grade Nine					170	169	(1)	1	1	1
Grade Ten					171	170	(1)	2	2	2
Grade Eleven					180	177	(3)	2	2	2
Grade Twelve					192	192		2	2	2
Subtotal					2,403	2,399	(4)	20	20	
Special Ed:										
Elementary	10	2	2		161	161		2	2	
Middle	5	1	1		99	99		1	1	
Special Ed - High School	10	2	2		160	160		2	2	
Subtotal	25	5	5		420	420		5	5	
Totals	25	5	5	- 0 -	2,823	2,819	(4)	25	25	- 0 -
Percentage Error				0.00%			-0.12%			0.00%

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

	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
Full Day Kindergarten						
Grade One	104	104		2	2	
Grade Two	112	112		3	3	
Grade Three	107	107		2	2	
Grade Four	103	103		2	2	
Grade Five	86	86		2	2	
Grade Six	63	63		1	1	
Grade Seven	56	56		1	1	
Grade Eight	64	64		1	1	
Grade Nine	44	44		1	1	
Grade Ten	52	52		1	1	
Grade Eleven	50	50		1	1	
Grade Twelve	55	55		1	1	
Subtotal	39	39		2	2	
	935	935		20	20	
Special Ed - Elementary	46	46		2	2	
Special Ed - Middle School	9	9		1	1	
Special Ed - High School	1	1				
Subtotal	56	56		3	3	
Totals	991	991	- 0 -	23	23	- 0 -
Percentage Error			0.00%			0.00%

NORTH PLAINFIELD BOROUGH 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 LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Full Day Kindergarten	18	18		2	2	
Grade One	9	9		1	1	
Grade Two	9	9		1	1	
Grade Three	9	9		1	1	
Grade Four	8	8		1	1	
Grade Five	0	0				
Grade Six	11	11		2	2	
Grade Seven	4	4		1	1	
Grade Eight	3	3		2	2	
Grade Nine	8	8		2	2	
Grade Ten	9	9		1	1	
Grade Eleven	4	4		2	2	
Grade Twelve	14	14		2	2	
Subtotal	106	106		18	18	
Special Education: Elementary	5	5		1	1	
Special Ed - Middle School						
Subtotal	5	5		1	1	
Totals	111	111	- 0 -	19	19	- 0 -
Percentage Error			0.00%			0.00%

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
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	120	120		9	9	
Regular - Special Education	15	15		2	2	
AIL - Non Public	120	120		8	8	
Special Needs (Public)	69	69		4	4	
Special Needs (Private)	28	28		2	2	
Totals	352	352	- 0 -	25	25	- 0 -
Percentage Error			0.00%			0.00%

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	6.0	6.0
Average Mileage - Regular Excluding Grade PK Students	6.0	6.0
Average Mileage - Special Education with Special Needs	6.9	6.9

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
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	<u>\$ 106,350,232</u>	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ 8,215,170</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>\$ 369,123</u>	(B1c)
Decreased by:		
On-Behalf TPAF Pension and Social Security	<u>\$ 16,589,022</u>	(B2a)
Assets Acquired Under Financed Purchases, Leases & SBITAs	<u>\$ - 0 -</u>	(B2b)
Adjusted 2024-2025 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 98,345,503</u>	(B3)
2% of Adjusted 2024-2025 General Fund Expenditures [(B3) times .02]	<u>\$ 1,966,910</u>	(B4)
Enter Greater of (B4) or \$250,000	<u>\$ 1,966,910</u>	(B5)
Increased by: Allowable Adjustments	<u>\$ 972,750</u>	(K)
Maximum Unassigned Fund Balance [(B5)+(K)]		<u>\$ 2,939,660</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6/30/2025 (Per ACFR Budgetary Comparison Schedule C-1)	<u>\$ 30,904,815</u>	(C)
Decreased by:		
Year-End Encumbrances	<u>\$ 3,008,514</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ - 0 -</u>	(C2)
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 750,000</u>	(C3)
Other Restricted Fund Balance	<u>\$ 17,406,757</u>	(C4)
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ 6,049,884</u>	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		<u>\$ 3,689,660</u> (U1)

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

SECTION 3

Restricted Fund Balance - Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0- \$ 750,000 (E)

Recapitulation of Excess Surplus as of June 30, 2025

Excess Surplus - Designated for Subsequent Year's Expenditures \$ 750,000 (C3)

Excess Surplus [(E)] \$ 750,000 (E)

Total [(C3)+(E)] \$ 1,500,000 (D)

Detail of Allowable Adjustments

Impact Aid \$ - 0 - (H)

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

Extraordinary Aid \$ 916,710 (J1)

Additional Nonpublic School Transportation Aid \$ 56,040 (J2)

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

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

Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)] \$ 972,750 (K)

Detail of Other Restricted Fund Balances

Statutory Restrictions:

Approved Unspent Separate Proposal \$ - 0 -

Sale/Lease-back Reserve \$ - 0 -

Capital Reserve \$ 16,681,477

Waiver Offset Reserve \$ - 0 -

Emergency Reserve \$ - 0 -

Maintenance Reserve \$ 368,351

Tuition Reserve \$ - 0 -

Unemployment Compensation \$ 356,929

Other State/Government Mandated Reserve \$ - 0 -

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

Total Other Restricted Fund Balances \$ 17,406,757 (C4)

NORTH PLAINFIELD BOROUGH SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
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. Status of Prior Year's Findings/Recommendations

The prior year recommendation regarding implementing review process that validates that all expenditures to be submitted for reimbursement conform to any limitations, exclusions or rules set forth in the grant to ensure that costs submitted for reimbursement are allowable has been resolved in the current fiscal year.