

LINCOLN PARK BOROUGH SCHOOL DISTRICT
COUNTY OF MORRIS
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2024

LINCOLN PARK BOROUGH SCHOOL DISTRICT
COUNTY OF MORRIS
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2024
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October 17, 2024

The Honorable President and Members
of the Board of Education
Lincoln Park Borough School District
County of Morris, NJ

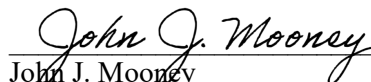
We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Lincoln Park Borough School District in the County of Morris for the fiscal year ended June 30, 2024, and have issued our report thereon dated October 17, 2024.

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 17, 2024, on the financial statements of the Board.

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

This report is intended for the information of the Lincoln Park Borough 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


John J. Mooney
Licensed Public School Accountant #2602
Certified Public Accountant

LINCOLN PARK BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2024

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, 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>
Nicole C. Schoening	Business Administrator/Board Secretary (Ending 9/15/23)	\$ 220,000
Devanshu Modi	Business Administrator/Board Secretary (9/18/2023-4/19/24)	220,000
Debra Andreniuk	Business Administrator/Board Secretary (4/22/24-9/16/24)	220,000
Dr. Victor J. Anaya	Interim Business Administrator/Board Secretary (from 9/16/24)	220,000
Kelly Murphy	Treasurer of School Monies	220,000

P.L. 2020, c.44

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A. 18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by the school district.

The school district data certification was completed by the chief school administrator. The school district Chapter 44 data was submitted timely.

The data certification date does not reflect a submission date later than 60 days after the end of the enrollment period.

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.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Payroll Account and Position Control Roster (Cont'd)

Payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/School Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the General Fund.

Finding: 2024-001

After review of the payroll records for the District, it was revealed that an employee was being paid for a stipend that was not in accordance with the Board approved salary contract.

Recommendation:

It is recommended that the Business Administrator carefully review all payrolls to ensure that employees are paid in accordance with the Board approved contract.

Management's Response:

The Business Administrator will review all payrolls and ensure that employees are being paid in according to the Board approved contracts.

Finding: 2024-002

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 not filed by March 15th.

Recommendation:

It is recommended that the required certification (E-CERT1) is filed annually by March 15th with the NJ Department of Treasury.

Management's Response:

The District will ensure that the E-CERT1 is filed annually with the NJ Department of Treasury by March 15th.

Classification of Expenditures General and Administration

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-8.2. Overall compliance was noted.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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 the following comments.

Finding: 2024-003

There were several line items within the General Fund budget that were over-expended, causing overall appropriations to be over-expended as of June 30, 2024.

Recommendation:

It is recommended that greater care be taken when monitoring the budget and recording accounts payable purchase orders to ensure that appropriation lines are not over-expended.

Management's Response:

The District will ensure that the budget and recording daily transactions are monitored to prevent appropriation line over-expenditures as well as the total General Fund appropriations budget over-expenditures.

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 the following comments.

Finding: 2024-004

During our review of the District's records, it was noted that bank reconciliations for the General Fund account were not completed in a timely manner and the treasurer's reports are not properly supported by bank reconciliations.

Recommendation:

It is recommended that the General Fund bank reconciliations be completed in a timely manner and that the treasurer's report is properly supported by bank reconciliations.

Management's Response:

The District will ensure the General Fund bank reconciliations are completed in a timely manner and that the treasurer's report is properly supported by bank reconciliations.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2024
(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 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.

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 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 study of compliance for the special projects did not indicate any areas of noncompliance except as noted below.

Finding: 2024-005

During our review of the District's records, it was noted that the grant budget in the Special Revenue Fund accounting records was not in agreement with the approved grant budgets which required reclassifications of certain expenditures from Title I, Title II, and ARP ESSER to the General Fund at the direction of the Business Administrator. As the District is currently working on reviewing the grant budget in their accounting records, no formal recommendation is deemed necessary at this time.

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 State for Federal Salary Expenditures

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, 2024. The reimbursement form was reviewed, and no exceptions were noted.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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"

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 2022-23.

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. 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.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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.

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.

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 the procedures, we have no comments except noted herein.

Application for State School Aid

Our audit procedures included a test of information reported in the October 16, 2023 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, bilingual education and low income 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 exceptions. The information that was included on the workpapers was verified with exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

Finding: 2024-006

During our review of the District's records, it was noted that the reported amounts on the ASSA Summary did not agree to the on-roll registers.

Recommendation:

It is recommended that the District take greater care when preparing the ASSA Summary to ensure the reported students agree to the on-roll registers.

Management's Response:

The District will ensure greater care is taken when preparing the ASSA.

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.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2023-2024 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report on a test basis 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. No exceptions were noted in our review of transportation related purchases of goods and services.

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 require the District to establish a maximum travel for the year and to ensure that the maximum is not exceeded. The regulations also require that all travel be preapproved by the Board of Education and that the approval must be itemized by event, event total cost, and individuals attending. Overall compliance was noted in our testing.

Testing for Lead of All Drinking Water in Educational 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).

Facilities and Capital Assets

The District did not have any active SDA projects.

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.

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.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Management Suggestions (Cont'd)

Fund Balance

The budget of the Lincoln Park School District has been reliant upon usage of its own funds in the previous budget years, which were found to be insufficient as the District prepared its 2024-25 budget. In the 2024-25 budget we have learned the District has made cuts to staff and other various line items to keep from being in a fund balance deficit in the General Fund. These cuts, along with the use of attainable revenue amounts and use of sustainable fund balance, enabled the District to pass a 2024-25 balanced budget. We suggest that for future budget years, the District continue utilizing a sustainable amount of Fund Balance in the construction of future budgets. Further, we suggest that the District budget for the following year, with the consideration of the impact on the budgets subsequent to that.

Status of Prior Year's Findings/Recommendations

None

LINCOLN PARK BOROUGH SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 16, 2023

	2024-2025 Application for State School Aid						Sample for Verification					
	Reported on		Reported on		Errors		Sample		Verified per		Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool 3 Years Old	10		10				10		10			
Half Day Preschool 4 Years Old	9		9				9				9	
Full Day Kindergarten	85		85				85		85			
Grade One	67		66		1		66		66			
Grade Two	83		83				83		83			
Grade Three	75		75				75		75			
Grade Four	82		82				82		82			
Grade Five	79		79				79		79			
Grade Six	62		62				62		62			
Grade Seven	76		76				76		76			
Grade Eight	79		79				79		79			
Subtotal	707		706		1		706		697		9	
Special Education:												
Elementary	130		131		-1		13		13			
Middle	51		51				5		5			
Subtotal	181		182		(1)		18		18			
Totals	888	-0-	888	-0-	-0-	-0-	724	-0-	715	-0-	9	-0-
Percentage Error					0.00%	0.00%					1.26%	0.00%

LINCOLN PARK BOROUGH SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 16, 2023

Private Schools for Disabled							Resident Low Income					
Reported on ASSA as Private Schools	Reported on Workpapers as Private Schools	Errors	Sample for Verification	Sample Verified	Sample Errors		Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten							10	10		1	1	
	Grade One						17	12	-5	2	2	
	Grade Two						17	11	-6	2	2	
	Grade Three						10	10		1	1	
	Grade Four						8	15	7	1	1	
	Grade Five						15	10	-5	1	1	
	Grade Six						13	10	-3	1	1	
	Grade Seven						14	8	-6	1	1	
	Grade Eight						17	9	-8	2	2	
Subtotal						121	95	-26	12	12		
Special Education:												
	Elementary School	7	10	3	2	2	25	25		3	3	
	Middle School	1	2	1	2	2	12	10	-2	1	1	
	Subtotal	8	12	4	4	4	37	35	-2	4	4	
Totals	8	12	4	4	4	158	130	-28	16	16		
Percentage Error			50.00%		0.00%			-17.72%			0.00%	

LINCOLN PARK BOROUGH SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 16, 2023

	Resident LEP Low Income					
	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Errors
Full Day Kindergarten	2	2		1	1	
Grade One	4	4		1	1	
Grade Two	2	2		1	1	
Grade Four	3	3		1	1	
Grade Six	1	1				
Grade Eight	1	1				
Subtotal	13	13		4	4	
Special Education:						
Elementary School	2		-2			
Subtotal	2		-2			
Totals	15	13	(2)	4	4	
Percentage Error			-13.33%			0.00%

LINCOLN PARK BOROUGH SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 16, 2023

	Resident LEP Not Low Income					
	Reported on ASSA 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	5	5		1	1	
Grade One	3	3		1	1	
Grade Two	6	6		1	1	
Grade Three	1	1				
Grade Four	4	4		1	1	
Grade Five	2	2				
Grade Seven	1	1				
Grade Eight	2	2				
Subtotal	24	24		4	4	
Totals	24	24		4	4	
Percentage Error			0.00%			0.00%

LINCOLN PARK BOROUGH SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 16, 2023

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	668	668		20	18	2
Regular - Special Education	41	41		1	1	
Transported - Non Public						
AIL - Non Public	53	53		1	1	
Special Needs - Public	67	67		2	2	
Special Needs - Private	11	11		1	1	
Totals	840	840		25	23	2
Percentage Error			0.00%			8.00%

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	5.6	5.6
Average Mileage - Regular Excluding Grade PK Students	5.6	5.6
Average Mileage - Special Education with Special Needs	4.1	4.1

LINCOLN PARK BOROUGH SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
YEAR ENDED JUNE 30, 2024

EXCESS SURPLUS CALCULATION

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2023-2024 Total General Fund Expenditures per the ACFR, Ex. C-1 \$ 30,335,244 (B)

Increased by:

Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -0- (B1a)</u>
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ -0- (B1b)</u>
Transfer from General Fund to SRF for PreK-Regular	<u>\$ -0- (B1c)</u>
Transfer from General Fund to SRF for PreK-Inclusion	<u>\$ -0- (B1d)</u>

Decreased by:

On-Behalf TPAF Pension and Social Security	<u>\$ 4,224,356 (B2a)</u>
Assets Acquired Under Leases, Financed Purchases & SBITAs	<u>\$ -0- (B2b)</u>

Adjusted 2023-2024 General Fund Expenditures [(B)+(B1's)-(B2's)] \$ 26,110,888 (B3)

2% of Adjusted 2023-2024 General Fund Expenditures [(B3) times .02] \$ 522,218 (B4)

Enter Greater of (B4) or \$250,000 \$ 522,218 (B5)

Increased by: Allowable Adjustment \$ 127,036 (K)

Maximum Unassigned Fund Balance [(B5)+(K)] \$ 649,254 (M)

SECTION 2

Total General Fund - Fund Balances @ 6/30/2024 \$ 1,372,961 (C)

(Per ACFR Budgetary Comparison Schedule C-1)

Decreased by:

Year End Encumbrances	<u>\$ 1,039 (C1)</u>
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0- (C2)</u>
Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ -0- (C3)</u>
Other Restricted Fund Balances	<u>\$ 884,084 (C4)</u>
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ 242,986 (C5)</u>

Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)] \$ 244,852 (U1)

LINCOLN PARK BOROUGH SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
YEAR ENDED JUNE 30, 2024
(Continued)

SECTION 3

Restricted Fund Balance - Excess Surplus [(U2)-(M)] IF NEGATIVE, ENTER -0-	\$ <u>-0-</u> (E)
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Recapitulation of Excess Surplus as of June 30, 2024

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	\$ <u>-0-</u> (C3)
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Restricted Excess Surplus [(E)]	\$ <u>-0-</u> (E)
---------------------------------	-------------------

Total [(C3)+(E)+(F)]	\$ <u>-0-</u> (D)
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Detail of Allowable Adjustments

Impact Aid	\$ <u>-0-</u> (H)
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Sale and Lease Back	\$ <u>-0-</u> (I)
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Extraordinary Aid	\$ <u>124,265</u> (J1)
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Additional Nonpublic School Transportation Aid	\$ <u>2,771</u> (J2)
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Current Year School Bus Advertising Revenue Recognized	\$ <u>-0-</u> (J3)
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Family Crisis Transportation Aid	\$ <u>-0-</u> (J4)
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Total Adjustments ((H)+(I)+(J1)+(J2)+(J3)+(J4))	\$ <u>127,036</u> (K)
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Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$ <u>-0-</u>
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Sale/lease-back reserve	\$ <u>-0-</u>
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Capital reserve	\$ <u>567,356</u>
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Maintenance reserve	\$ <u>63,094</u>
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Emergency reserve	\$ <u>-0-</u>
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Tuition reserve	\$ <u>250,000</u>
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School Bus Advertising 50% Fuel Offset Reserve – current year	\$ <u>-0-</u>
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School Bus Advertising 50% Fuel Offset Reserve – prior year	\$ <u>-0-</u>
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Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ <u>-0-</u>
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Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$ <u>-0-</u>
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Unemployment compensation	\$ <u>3,634</u>
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Other state/governmental mandated reserve	\$ <u>-0-</u>
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Other Restricted Fund Balance not noted above	\$ <u>-0-</u>
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Total Other Restricted Fund Balance	\$ <u>884,084</u> (C4)
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LINCOLN PARK BOROUGH SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
YEAR ENDED JUNE 30, 2024

It is recommended that:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

2024-001: The Business Administrator carefully review all payrolls to ensure that employees are paid in accordance with the Board approved contract.

2024-002: The required certification (E-CERT1) is filed annually by March 15th with the NJ Department of Treasury.

2024-003: The District take greater care when monitoring the budget and recording accounts payable purchase orders to ensure that appropriation lines are not over-expended.

2024-004: The District ensure that the General Fund bank reconciliations are completed in a timely manner and that the monthly Treasurer's reports are properly supported by bank reconciliations.

3. School Purchasing Program

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

2024-006: The District take greater care when preparing the ASSA Summary to ensure the reported students agree to the on-roll registers.

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Status of Prior Year's Findings/Recommendations

None