

**AUDITORS MANAGEMENT REPORT  
ON ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
SCHOOL DISTRICT OF THE  
BOROUGH OF PROSPECT PARK  
COUNTY OF PASSAIC, NEW JERSEY  
JUNE 30, 2024**

**SCHOOL DISTRICT OF THE BOROUGH OF PROSPECT PARK**  
**COUNTY OF PASSAIC, NEW JERSEY**

**AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS**  
**- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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## REPORT OF INDEPENDENT AUDITORS

Honorable President and  
Members of the Board of Education  
Prospect Park School District  
County of Passaic, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Prospect Park School District in the County of Passaic for the year ended June 30, 2024, and have issued our report thereon dated January 9, 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 report is intended for the information of the Prospect Park Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

*Steven D. Wielkatz*

Steven D. Wielkatz, C.P.A.  
Licensed Public School Accountant  
No. 816

*Wielkatz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

January 9, 2025



**ADMINISTRATIVE FINDINGS -**  
**FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING**

**GENERAL COMMENTS**

**Scope of Audit**

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

**Administrative Practices and Procedures**

**Insurance**

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

**Officials Bonds**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Richard Giglio	School Business Administrator (1/1/23-6/30/23)	\$500,000
Anand Shah	Treasurer of School Monies	500,000

There is a Public Employees' Dishonesty coverage with the New Jersey School Boards Association Insurance Group covering all other employees with multiple coverage of \$100,000.

**P.L. 2020, c.44**

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A. 18A:16-13.3 (Chapter 44) submitted for the 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.

## **Financial Planning, Accounting and Reporting**

### **Examination of Claims**

An examination of claims paid 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 all 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.

**Finding 2024-001:** The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators of the NJ Department of Treasury was not filed by the March 15 due date.

**Recommendation:** The Board of Education should designate someone to prepare and submit the certification as required by N.J.S.A. 18A:14.4 and submit the E-CERT1 if not yet submitted.

**Finding 2024-002:** Supporting documentation that all payrolls were approved by the Superintendent and were certified by the President of the Board and Board Secretary/Business Administrator and Chief School Administrator was not prepared.

**Recommendation:** All payrolls should be approved by the Superintendent and certified by the President to the Board, the Board Secretary/Business Administrator and the Chief School Administrator.

Payrolls were delivered to the Treasurer of School Moneys who then deposited with warrants in separate bank accounts for net payroll and withholdings.

Reporting of employee compensation for income tax related purposes did comply with federal and state regulations regarding the compensation which is required to be reported.

### **Position Control Roster**

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

### **Reserve for Encumbrances, Liability for Accounts Payable**

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

## **Financial Planning, Accounting and Reporting (continued)**

### **Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. As a result of the procedures performed, a transaction error rate of 0% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

### **Board Secretary's Records**

Our review of the financial and accounting records maintained by the board secretary disclosed the following items:

**Finding 2024-003:** Amounts recorded in the Special Revenue Fund subsidiary ledger do not agree to award amounts and/or approved carryover amounts.

**Recommendation:** Amounts recorded in the subsidiary ledger be compared to award letters and/or carryover amount authorizations to ensure proper amounts are available for expenditures.

**Finding 2024-004:** The district made board approved line-item transfers during the year but did not maintain a monthly transfer report and year-to-date transfers in a format prescribed by the Commissioner or approved by the Executive County Superintendent.

**Recommendation:** The district should maintain a monthly and year-to-date report of all line item transfers in a format prescribed by the Commissioner or approved by the Executive County Superintendent.

### **Treasurer's Records**

The Treasurer's Records were in agreement with the records of the Board Secretary.

**Finding 2024-005:** The Treasurer's records were not in agreement with the records of the Board Secretary. Also, the Treasurer's cash balance for the general operating account was not in agreement with the reconciled cash balance as determined during the audit.

**Recommendation:** The Treasurer should reconcile cash records with the reconciled bank statements and the cash records of the Board Secretary.

### **Fixed Assets**

The capital asset records were updated for the additions and disposals of capital assets made during the year.

## **Financial Planning, Accounting and Reporting, (continued)**

### **Elementary and Secondary Education Act (E.S.E.A.) as Amended by the Every Student Succeeds Act (ESSA)**

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

The study of compliance for E.S.E.A. indicated that there were no areas of noncompliance and/or questionable costs.

### **Other Special Federal and/or State Projects**

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

Our audit of the federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

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

### **T.P.A.F. Reimbursement**

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for the 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 amount of the expenditure charged to the current year's Final Reports for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

### **Nonpublic State Aid**

Project completion reports were finalized and transmitted to the State Department of Education by the due date.

**Finding 2024-006:** The Project Completion Reports did not agree to the District's accounting records.

**Recommendation:** Expended amounts included on the Project Completion Report should agree to the District's accounting records.

## **School Purchasing Programs**

### **Contracts and Agreements Requiring Advertisement for Bids**

N.J.S.A. 18A:18A-2 contains definitions for terms used throughout N.J.S.A. 18A:18A-1 et seq. It includes as subsection (p) the term ‘competitive contracting’, which is defined as “the method described in N.J.S.A. 18A:18A-4.1 through 18A:18A-4.5 and in rules promulgated by DCA at N.J.A.C. 5:34-4 of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal proposals are evaluated by the purchasing agent or counsel or school business administrator; and the board of education awards a contract to a vendor or vendors from among the formal proposals received.” Also, subsection (aa) defines the term ‘concession’ to exclude vending machines.

N.J.S.A. 18A:18A-3(a) sets forth the bid threshold and requires award by board resolution. There is a higher threshold when there is a “Qualified Purchasing Agent” (QPA) in the district as defined at N.J.A.C. 5:34-1.1 and certified upon approval of an application submitted to DCA. Pursuant to N.J.S.A. 18A:18A-3(b), the bid threshold may be adjusted by the Governor, in consultation with the Department of Treasury, every five years.

N.J.S.A. 18A:18A-4.4 provides boards of education the authority to pass a resolution authorizing the use of competitive contracting. “In order to initiate competitive contracting, the board of education shall pass a resolution authorizing the use of competitive contracting each time specialized goods or services enumerated in sections 45 of L. 1999, c.440 are desired to be contracted.”

Effective July 1, 2020 and thereafter, 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 currently \$22,400.

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 Solicitor's opinion should be sought before a commitment is made.

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

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



## **School Food Service**

School Food Authorities (SFAs) were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A. 18A:18A-7. The SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all students during the emergency.

The school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims.

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. Exceptions were not noted.

The statement of revenues, expenses, and changes in fund net position (ACFR exhibit 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 Program. We also inquired if the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA.

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

Cash receipts and bank records were reviewed for timely deposit.

The District utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34 and 19-1 through 19-4.1. Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit. All vendor discounts, rebates and credits from the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

### **School Food Service, (continued)**

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 non-profit status of the school food service.

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.

Time sheets were reviewed, and labor costs verified. Payroll records were maintained on all School Food Services 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. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

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 times the number of operating days, on a school by school basis. The free and reduced price meal was reviewed for uniform administration throughout the school system. The required verification procedures for free and reduced price applications was not completed and not available for review.

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

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

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section G of the ACFR.

### **Student Body Activities**

During our review of the Student Activity Funds, no exceptions were noted.

## **Application for State School Aid**

Our audit procedures included a test of information reported in the October 13, 2023 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, bilingual and low-income. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers with exceptions noted. The information that was included on the workpapers was verified with exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

**\*Finding 2024-007 (ACFR Finding 2024-001):** The district did not provide the required documentation to support the number of students reported on the ASSA.

**Recommendation:** The District should compile a set of workpapers and provide an audit trail for testing the enrollments on the ASSA in accordance with the instructions provided by the Office of School Finance.

## **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 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 expectations were noted in our review of transportation related purchases of goods and services.

## **Testing for Lead of All Drinking Water in Educational Facilities**

The school district adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

## **Miscellaneous**

The School District complied with continuing disclosure agreements made in relation to prior year(s) bond issuances.

## **SUGGESTIONS TO MANAGEMENT**

The meetings of the Board of Education should be recorded in a bound or acceptable minute book and signed by the Board Secretary.

### **Follow-up on Prior Year Findings**

In accordance with Government Auditing Standards, our procedures included a review of all prior year recommendations including findings. Corrective action has been taken on all prior year findings with the exception of the following, which are repeated in this year's recommendations noted as a current year findings "2024-007:"

The District should compile a set of workpapers and provide an audit trail for testing the enrollments on the ASSA in accordance with the instructions provided by the Office of School Finance.

### **Acknowledgment**

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

*Steven D. Wielkatz*

Steven D. Wielkatz, C.P.A.  
Public School Accountant

*Wielkatz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

SCHEDULE OF AUDITED ENROLLMENTS

**BOROUGH OF PROSPECT PARK SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 13, 2023**

Year Ended June 30, 2024

Enrollment Category	2024-2025 Application for State School Aid						Sample for Verification				Private Schools for Disabled			
	Reported on ASSA		Reported on		Errors		Sample		Verified		Reported on		Sample	
	Full	Shared	Full	Shared	Full	Shared	Selected from	Shared	per Registers	On Roll	Private	Shared	for	Sample
							Workpapers		On Roll		Schools		Verification	Errors
Half Day Preschool	91				91									
Full Day Preschool	86				86									
Full Day Kindergarten	62				62									
One	56				56									
Two	56				56									
Three	56				56									
Four	66				66									
Five	67				67									
Six	58				58									
Seven	81				81									
Eight														
Subtotal	679				679									
Special Ed. Elementary	145				145						7		7	7
Special Ed. Middle	86				86						8		8	8
Subtotal	231				231						15		15	15
Totals	910				910						15		15	15
Percentage Error					100%									100.00%

**SCHEDULE OF AUDITED ENROLLMENTS**

**BOROUGH OF PROSPECT PARK  
BOARD OF EDUCATION**

Application for State School Aid Summary  
Enrollment as of October 13, 2023

Year ended June 30, 2024

Enrollment category	Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A. as Low Income	Reported on workpapers as Low Income	Errors	Sample selected from workpapers	Verified to Application and Register	Errors	Reported on A.S.S.A as LEP low Income	Reported on Workpapers LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test score and Register	Sample Errors
Full Day Kindergarten	17		17									
One	19		19									
Two	27		27				2		2			2
Three	29		29				3		3			3
Four	39		39				2		2			2
Five	34		34				5		5			5
Six	35		35				1		1			1
Seven	32		32				1		1			1
Eight	48		48				4		4			4
Special Ed. Elementary	65		65				6		6			6
Special Ed. Middle School	61		61				8		8			8
	406		406				32		32			32
	406		406				32		32			32
Percentage			100%						100%			

Category	Transportation					
	Reported on DRTS by DOE/county	Reported on DRTS by District	Errors	Tested	Verified	Errors
Regular - Public Schools, col. 1	1.0	1.0		1	1	
Transported- Non-Public						
Special needs, col. 6	18.0	18.0		15	15	
Totals	19.0	19.0		16	16	
Percentage						

**SCHEDULE OF AUDITED ENROLLMENTS**

**BOROUGH OF PROSPECT PARK  
BOARD OF EDUCATION**

Application for State School Aid Summary  
Enrollment as of October 13, 2023

Year ended June 30, 2024

Enrollment category	Resident LEP Not Low Income			Sample for Verification		
	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 score and Register	Sample Errors
Full Day Kindergarten						
One						
Two	1		1			
Three	1		1			
Four	2		2			
Five	1		1			
Six	1		1			
Seven						
Eight	5		5			
Special Ed. Elementary	2		2			
Special Ed. Middle School	2		2			
	<u>15</u>		<u>15</u>			
	<u>15</u>		<u>15</u>			
<b>Percentage</b>			<u>100%</u>			

**PROSPECT PARK BOARD OF EDUCATION  
EXCESS SURPLUS CALCULATION**

**REGULAR DISTRICT**

**SECTION 1**

**A. 2% Calculation of Excess Surplus**

2023-24 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ 19,185,120	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$	(B1b)
Transfer from General Fund to SRF for PreK-Regular	\$	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$	(B1d)
Decreased by:		
On-Behalf TPAF Pension & Social Security	\$ 3,146,728	(B2a)
Assets Acquired Under Capital Leases	\$	(B2b)
Adjusted 23-24 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$ 16,038,392	(B3)
2% of Adjusted 2022-23 General Fund Expenditures [(B3) times .02]	\$ 320,768	(B4)
Enter Greater of (B4) or \$250,000	\$ 320,768	(B5)
Increased by: Allowable Adjustment *	\$ 133,385	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]	\$ 454,153	(M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-24 (Per ACFR Budgetary Comparison Schedule C-1))	\$ 1,223,043	(C)
Decreased by:		
Year-end Encumbrances	\$ 34,373	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$	(C3)
Other Restricted Fund Balances****	\$ 387,374	(C4)
Assigned Fund Balance - Unreserved -- Designated for Subsequent Year's Expenditures	\$ 203,484	(C5)
Total Unassigned Fund Balance [( C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ 597,812	(U1)



### **SECTION 3**

Restricted Fund Balance - Excess Surplus\*\*\* [(U1)-(M)] IF NEGATIVE ENTER -0- \$ 143,659 (E)

#### **Recapitulation of Excess Surplus as of June 30, 2024**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$	<u>-</u>	(C3)
Reserved Excess Surplus ***[(E)]	\$	<u>143,659</u>	(E)
Total [(C3) + (E)]	\$	<u>143,659</u>	(D)

- \* Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:
- (H) Federal Impact Aid. The passage of P.L.2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve - General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
  - (I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);
  - (J1) Extraordinary Aid;
  - (J2) Additional Nonpublic School Transportation Aid;
  - (J3) Recognized current year School Bus Advertising Revenue; and
  - (J4) Family Crisis Transportation Aid
  - (J5) Maintenance of Equity Aid and State Military Impact Aid
- Notes to auditor: Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid, and Additional Nonpublic School Transportation Aid.

#### **Detail of Allowable Adjustments**

Impact Aid	\$	<u>                    </u>	(H)
Sale & Lease-back	\$	<u>                    </u>	(I)
Extraordinary Aid	\$	<u>133,385</u>	(J1)
Additional Nonpublic School Transportation Aid	\$	<u>                    </u>	(J2)
Current Year School Bus Advertising Revenue Recognized	\$	<u>                    </u>	(J3)
Family Crisis Transportation Aid	\$	<u>                    </u>	(J4)
Supplemental Stabilization Aid and Maintenance of Equity Aid	\$	<u>                    </u>	(J5)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]	\$	<u>133,385</u>	(K)

\*\* This amount represents the June 30, 2024 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

\*\*\* Amounts must agree to the June 30, 2024 ACFR and must agree to Audit Summary Worksheet Line 90030.

\*\*\*\* Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by an other type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Division of Finance prior to September 30.

**Detail of Other Reserved Fund Balance**

Statutory restrictions:	
Approved unspent separate proposal	\$ _____
Sale/Lease-back reserve	\$ _____
Capital Reserve	\$ <u>291,460</u>
Maintenance Reserve	\$ <u>95,914</u>
Emergency Reserve	\$ _____
Tuition Reserve	\$ _____
School Bus Advertising 50% Fuel Offset Reserve - current year	\$ _____
School Bus Advertising 50% Fuel Offset Reserve - prior year	\$ _____
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ _____
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$ _____
Other state/government mandated reserve	\$ _____
Reserve for Unemployment Fund	\$ _____
[Other Restricted Fund Balance not noted above]****	\$ _____
 Total Other Restricted Fund Balance	 \$ <u>387,374</u> (C4)

**PROSPECT PARK BOARD OF EDUCATION  
AUDIT RECOMMENDATIONS SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Recommendations:

1. Administrative Practices and Reporting

The Board of Education should designate someone to prepare and submit the certification as required by N.J.S.A. 18A:14.4 and submit the E-CERT1 if not yet submitted.

All payrolls should be approved by the Superintendent and certified by the President to the Board, the Board Secretary/Business Administrator and the Chief School Administrator.

2. Financial Planning, Accounting and Reporting

Amounts recorded in the subsidiary ledger be compared to award letters and/or carryover amount authorizations to ensure proper amounts are available for expenditures.

The district should maintain a monthly and year-to-date report of all line item transfers in a format prescribed by the Commissioner or approved by the Executive County Superintendent.

The Treasurer should reconcile cash records with the reconciled bank statements and the cash records of the Board Secretary.

Expended amounts included on the Project Completion Report should agree to the district's accounting records.

2. School Purchasing Programs

None

3. School Food Service

None

4. Student Body Activities

None

**PROSPECT PARK BOARD OF EDUCATION  
AUDIT RECOMMENDATIONS SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Recommendations (continued):

5. Application for State School Aid

\*The District should complete a set of workpapers and provide an audit trail for testing the enrollments reported on the ASSA in accordance with the instructions provided by the Office of School Finance.

6. Pupil Transportation

None

7. Miscellaneous

None

8. Status of Prior Year Audit Findings/Recommendations

A review was performed on the prior year recommendations and corrective action was take on all prior year findings, with the exception of the recommendations preceded with an “\*”.