

**PASSAIC PUBLIC SCHOOLS
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2023**

**PASSAIC PUBLIC SCHOOLS
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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Honorable President and Members
of the Board of Education
Passaic Public Schools
663 Main Avenue
Passaic, New Jersey 07055

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 Passaic Public Schools as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated January 19, 2024.

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

This report is intended solely for the information of the Board of Education's management, the Board of Trustees and others within the District and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,


LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Public School Accountants


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
January 19, 2024

**PASSAIC PUBLIC SCHOOLS
ADMINISTRATION FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 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 the Schedule of Insurance reported on Exhibit J-20 in the District's Annual Comprehensive Financial Report (the "ACFR").

Officials Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Dr. Edward F. Izbicki	Board Secretary/School Business Administrator (February 1, 2023 to June 30, 2023)	
Ryan Aaron Bowman	Board Secretary/School Business Administrator/ Purchasing Agent (July 1, 2022 to January 31, 2023) Assistant Board Secretary/School Business Administrator/ Purchasing Agent (February 1, 2023 to June 30, 2023)	\$150,000
Lillian D'Elia	Comptroller	150,000
Paul Gabarini	Treasurer of School Monies	1,100,000

There is Public Employee Dishonesty with Faithful Performance coverage with the New Jersey School Boards Association Insurance Group covering all other employees with multiple coverage of \$500,000.

P.L. 2020, c44

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

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

The school district data certification was completed by the Chief School Administrator. The school district submitted the Chapter 44 data in a timely manner.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The Board made a proper adjustment to the billings to sending Districts for the adjustment in per pupil costs in accordance with N.J.A.C. 6:A:23.3(f)3.

**PASSAIC PUBLIC SCHOOLS
ADMINISTRATION FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not reveal any material discrepancies with respect to signatures, certification and proper itemization.

Financial Planning, Accounting and Reporting (Continued)

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of payroll taxes were deposited into the payroll agency account.

All payrolls tested were certified by the President of the Board, the Board Secretary/School Business Administrator, and the Chief School Administrator/Superintendent.

Salary withholdings tested were promptly remitted to the proper agencies, including employee health benefit contribution withholdings due to the General Fund.

The District filed the required Certification (ECERTI) of Compliance with Federal and State Law respecting the reporting of compensation for certain employees.

The District has implemented and maintains a personnel tracking and accounting (position control) system.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered. 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.

Finding 2023-01 – Our audit of noted that in certain instances the balances reported in the District's general ledger for accounts payable and encumbrances were not in agreement with the subsidiary accounts payable and open purchase order reports.

Recommendation – General ledger balances for accounts payable and encumbrances be periodically reconciled with the subsidiary reports to ensure that the balances are in agreement.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2(g) 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-2.4.

Board Secretary's Records

The financial records, books of account and minutes were maintained by the Board Secretary.

Finding 2023-02 – The adjusted/modified budget in the Capital Projects Fund was \$3,871,666 more than funds available. This was due to a prior year cancellation of balances by the Board of Trustees that was not adjusted for in the internal accounting records.

Recommendation – The District periodically reconcile the adjusted budget of the Capital Project Funds to ensure that project budgets are in agreement with available funds.

**PASSAIC PUBLIC SCHOOLS
ADMINISTRATION FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Financial Planning, Accounting and Reporting (Continued)

Board Secretary's Records (Continued)

Acknowledgement of the Board's receipt of the Board Secretary's and Treasurer's monthly financial reports was included in the minutes.

Bids received were summarized in the minutes (N.J.S.A. 18A:18A-21) and agendas made available for audit.

Treasurer's Records

The Treasurer performed cash reconciliations for the general operating account, payroll account and the payroll agency account on a monthly basis.

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

Elementary and Secondary Education Act of (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 projects under Titles I and III of the Elementary and Secondary Education Act, as amended and reauthorized.

Our examination 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 contained in the ACFR represent a true statement of the financial position pertaining to the aforementioned special projects.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Exhibit K-3 and Exhibit K-4 located in the ACFR.

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

The District filed its nonpublic state aid project completion reports by the due date.

The School District's accounting records for Preschool Education Aid were maintained in accordance with N.J.A.C. 6:23-5.5(c) which states that the District must maintain separate program school accounts in the Special Revenue Fund section of the District's budget.

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.

Teacher's Pension and Annuity Fund (TPAF)

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

The reimbursement to the State for 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/Social Security 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 subsequent to the end of the 60 day grant liquidation period, but prior to the 90 days required by N.J.S.A 18A:66-90. Accordingly, the expenditure was made in accordance with state law (90 days) and properly reported in the current year's Final Reports for all federal awards.

**PASSAIC PUBLIC SCHOOLS
ADMINISTRATION FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

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 \$20,200. The Board has appointed the School Business Administrator as the Qualified Purchasing Agent.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Board 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.

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. Our examination did reveal, however, that purchases were made through the use of State contracts.

School Food Service

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

Cash receipts and bank records were reviewed for timely deposit.

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.

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.

U.S.D.A. Food Distribution Program commodities were received and a single inventory was maintained on a first-in, first-out basis.

The June 30, 2023 net cash resources exceeded the three-month average of food service expenses. The District has implemented a fiscal plan which will eliminate the excess by the 2025/26 school year.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education.

The number of meals claimed for reimbursement was verified against meal count records. Reimbursement claims were submitted/certified in a timely manner.

**PASSAIC PUBLIC SCHOOLS
ADMINISTRATION FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

School Food Service (Continued)

The District operates the Child Nutrition Program under the Community Eligibility Provision (CEP). To be eligible for the CEP, schools must have a minimum of forty percent of identified students directly certified for free meals in the prior school year; agree to serve free lunches and breakfasts to all students; and agree to cover with non-federal funds any costs of providing free meals to all students that exceed the Federal reimbursement. Reimbursement is based on meals claimed.

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

Exhibits reflecting Child Nutrition Program operations are included in the section, of the District's ACFR entitled Enterprise Funds (Exhibits B-4, B-5 and B-6). Program and non-program revenue and cost of goods sold are shown separately on ACFR Exhibit B-5. In addition, ACFR Exhibit G-2 details the operations of the Food Service Enterprise Fund by program type.

Student Body Activities

The Board has a policy which clearly established the regulation of student activity and athletic funds.

Cash receipts and disbursements records for certain schools were maintained in good condition.

Scholarship

Cash receipts and disbursement records for the District's scholarship fund were maintained in good condition.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2022 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, limited English proficient 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 immaterial exceptions noted. The information that was included on the workpapers was verified with immaterial exceptions noted. The results of our procedures are presented in the Schedule of Audited Enrollments.

The district maintains workpapers in the prescribed state forms or their equivalents. The district has adequate written procedures for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2022-23 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with an immaterial exception. The information that was included on the workpapers was verified without exceptions. 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.

Facilities and Capital Assets

The District is designated as a School Based Budget District and as a result all major construction related expenditures are financed by the State of New Jersey. This grant activity is reported in the District's financial statements as on behalf State Aid revenue and expenditures in the District's Capital Projects Fund.

**PASSAIC PUBLIC SCHOOLS
ADMINISTRATION FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Facilities and Capital Assets (Continued)

Finding 2023-03 – The District’s capital asset records have depreciation expense recorded on projects that are currently in progress. In addition, the capital asset additions did not agree with the amounts recorded as capital expenditures in the District’s financial statements (GAAP Basis).

Recommendation – Continued efforts be made to reconcile the capital expenditures with the capital asset accounting records. Furthermore, internal control procedures be reviewed to ensure that capital assets are not depreciated until the project is substantially complete and in service.

Miscellaneous

Testing for Lead of All Drinking Water in Educational Facilities

The 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.

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

Suggestions to Management

- The District periodically reconcile the vendor payment report to the check registers.

**PASSAIC PUBLIC SCHOOLS
SCHEDULE OF MEAL COUNT ACTIVITY
FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Program</u>	<u>Meals Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>
National School Lunch Regular Rate	Free	<u>1,566,328</u>	<u>625,426</u>	<u>625,426</u>	<u>-</u>
National School Breakfast Severe Need	Free	<u>1,127,609</u>	<u>453,177</u>	<u>453,177</u>	<u>-</u>
After School Snack	Free	<u>212,834</u>	<u>78,315</u>	<u>78,315</u>	<u>-</u>
Seamless Summer Option (SSO)					
Breakfast	Severe Need	641,308	57,500	57,500	-
Lunch	Free	<u>649,366</u>	<u>57,500</u>	<u>57,500</u>	<u>-</u>
		<u>1,290,674</u>	<u>115,000</u>	<u>115,000</u>	<u>-</u>

**PASSAIC PUBLIC SCHOOLS
FOOD SERVICE ENTERPRISE FUND
CALCULATION OF NET CASH RESOURCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Current Assets	
Cash and Cash Equivalents	\$ 6,654,261
Intergovernmental Receivables	2,228,676
Current Liabilities	
Less:	
Accounts Payable	(603,520)
Accrued Salaries, Wages and Benefits	(275,415)
Due to Other Funds	<u>(2,346,311)</u>
Net Cash Resources	<u>\$ 5,657,691</u>
 <u>Adjusted Total Operating Expenses:</u>	
Total Operating Expenses	\$ 15,560,762
Less Depreciation	<u>(86,393)</u>
Adjusted Total Operating Expenses	<u>\$ 15,474,369</u>
 <u>Average Monthly Operating Expenses:</u>	 <u>\$ 1,547,437</u>
 <u>Three Times Monthly Average:</u>	 <u>\$ 4,642,311</u>
Total Net Cash Resources	\$ 5,657,691
Three Times Monthly Average	<u>4,642,311</u>
Amount Above Allowable Net Cash Resources	<u>\$ 1,015,380</u>

**PASSAIC PUBLIC SCHOOLS
APPLICATION FOR STATE SCHOOL AID
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2022**

	2022-2023 Application for State School Aid						Sample for Verification						On Roll - Special Education			Private Schools for Disabled			
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Register On Roll		Errors per Registers On Roll		Sample for Verifi- cation	Sample Verified	Sample Errors	Reported on A.S.S.A. as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared							
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared							
Full Day Preschool 3 Years Old	315		315				23		23										
Full Day Preschool 4 Years Old	620		620				71		71										
Full Day Kindergarten	720		720				101		101										
Grade 1	667		667				78		78										
Grade 2	679		679				47		47										
Grade 3	685		685				96		96										
Grade 4	668		668				37		37										
Grade 5	686		686				62		62										
Grade 6	709		709				39		39										
Grade 7	760		760				56		56										
Grade 8	883		883				52		52										
Grade 9	781		781				557		557										
Grade 10	806		806				369		369										
Grade 11	782		782				504		504										
Grade 12	600		600				361		361										
Subtotal	10,361	-	10,361	-	-	-	2,453	-	2,453	-	-	-							
Sp Ed - Elementary	765		765				9		9				20	18	2	24	15	15	
Sp Ed - Middle School	404		404				6		6				23	21	2	16	10	10	
Sp Ed - High School	606		606				2		2				25	25	-	87	20	20	
Subtotal	1,775	-	1,775	-	-	-	17	-	17	-	-	-	68	64	4	127	45	45	-
Totals	12,136	-	12,136	-	-	-	2,470	-	2,470	-	-	-	68	64	4	127	45	45	-
Percentage Error							0.00%		0.00%				5.88%						0.00%

**PASSAIC PUBLIC SCHOOLS
APPLICATION FOR STATE SCHOOL AID
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2022**

	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	Sample Errors
Full Day Kindergarten	537.0	537.0		5	5	
Grade 1	622.0	622.0		4	4	-
Grade 2	616.0	616.0		4	4	
Grade 3	648.0	648.0		5	5	
Grade 4	617.0	616.0	1	4	4	
Grade 5	658.0	658.0		5	5	
Grade 6	650.0	650.0		4	4	
Grade 7	679.0	679.0		5	5	-
Grade 8	723.0	723.0		6	6	
Grade 9	647.0	647.0		5	5	
Grade 10	661.0	661.0		5	5	
Grade 11	607.0	607.0		5	5	
Grade 12	536.0	537.0	(1)	4	4	
Subtotal	8,201	8,201	-	61	61	-
Sp Ed - Elementary	678.0	695	(17)	4	4	
Sp Ed - Middle School	364.0	366	(2)	4	4	
Sp Ed - High School	562.0	542	20	4	4	
Subtotal	1,604	1,603	1	12	12	-
Train Sch/Secure Care	2	2				
Juvenile Community Center	2	2				
Juvenile Detention Center	3	3				
Subtotal	7	7	-	-	-	-
Totals	9,812	9,811	1	73	73	-
Percentage Error			0.01%			0.00%

	Resident LEP Low Income			Sample for Verification		
	Reported on ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected	Verified to Test Score and Register	Errors
	219	219		5	5	-
	309	309		6	6	
	293	293		6	6	
	285	285		6	6	
	280	280		5	5	
	229	229		5	5	
	205	205		5	5	
	193	193		4	4	
	149	149		4	4	
	115	115		3	3	
	80	80		3	3	
	82	82		3	3	
	58	58		2	2	
	2,497	2,497	-	57	57	-
	292	292		6	6	
	164	164		5	5	
	70	70		3	3	
	526	526	-	14	14	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	3,023	3,023	-	71	71	-
Percentage Error			0.00%			0.00%

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	873	873	-	40	40	
Regular - NonPublic	1	1				
Regular - Special Ed	1	1		1	1	
Special Needs	685	685		25	25	
Subtotal	1,560	1,560	-	66	66	-
Percentage Error			0.00%			0.00%

**PASSAIC PUBLIC SCHOOLS
APPLICATION FOR STATE SCHOOL AID
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 16, 2022**

	Resident LEP Not Low Income			Sample for Verification	
	Reported on ASSA as NOT Low Income	Reported on Workpapers as NOT low Income	Errors	Sample Selected From Workpapers	Verified to Application Errors
Full Day Kindergarten	114	114	-	6	6
Grade 1	56	56		4	4
Grade 2	67	67		4	4
Grade 3	75	75		5	5
Grade 4	61	61		4	4
Grade 5	55	55		4	4
Grade 6	59	59		4	4
Grade 7	70	70		5	5
Grade 8	105	105		6	6
Grade 9	74	74		5	5
Grade 10	78	78		6	6
Grade 11	88	88		6	6
Grade 12	74	74		9	9
Subtotal	976	976	-	68	68
Sp Ed - Elementary	40	40			
Sp Ed - Middle School	25	25			
Sp Ed - High School	7	7			
	72	72			
Totals	1,048	1,048	-	68	68
Percentage Error			<u>0%</u>		<u>0%</u>

**PASSAIC PUBLIC SCHOOLS
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

2022-2023 Total General Fund Budgetary Expenditures	\$	347,067,492	
Adjustments			
Transfers to Special Revenue Fund		4,120,479	
Transfer to Capital Projects from Capital Reserve		9,500,000	
Expenditures allocated to restricted Federal Sources as reported on Exhibit D-2		<u>(9,102,730)</u>	
2022-2023 Adjusted General Fund Budgetary Expenditures			\$ 351,585,241
Decreased by:			
On-Behalf TPAF Pension and Social Security			<u>(60,968,446)</u>
Adjusted 2022-2023 General Fund Budgetary Expenditures			<u>\$ 290,616,795</u>
2% of Adjusted 2022-2023 General Fund Budgetary Expenditures			5,812,336
Allowable Adjustments			
Extraordinary Aid			<u>2,307,562</u>
Maximum Unreserved/Undesignated Fund Balance			8,119,898
Total General Fund - Fund Balances at June 30, 2023 (Budgetary Basis)	\$	103,488,218	
Decreased by:			
Encumbrances	\$	2,403,597	
Other Restricted Fund Balances			
Capital Reserve		22,311,000	
Maintenance Reserve		12,876,956	
Emergency Reserve		1,000,000	
Excess Surplus - Designated for Subsequent Year's Budget		7,239,022	
Assigned - Designated for Subsequent Year's Budget		<u>33,441,749</u>	
		<u>79,272,324</u>	
Total Unassigned Fund Balance			<u>24,215,894</u>
Excess Surplus, June 30, 2023			<u>\$ 16,095,996</u>
 <u>Analysis of Excess Surplus</u>			
Excess Surplus	\$		16,095,996
Excess Surplus - Designated for Subsequent Year's Budget			<u>7,239,022</u>
	\$		<u>23,335,018</u>

**PASSAIC PUBLIC SCHOOLS
SCHEDULE OF ENCUMBRANCES - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Description	Total by Category	Amount Encumbered	Balance of Encumbrances
Cleaning, Repairs and Maintenance	\$ 443,468	\$ 443,468	
Unaudited	<u>1,960,129</u>	<u>1,960,129</u>	<u>-</u>
	<u>\$ 2,403,597</u>	<u>\$ 2,403,597</u>	<u>\$ -</u>
 Fund Balance, Encumbrances, June 30, 2023			
Assigned			<u>\$ 2,403,597</u>

**PASSAIC PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

RECOMMENDATIONS

I. Administration Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. General ledger balances for accounts payable and encumbrances be periodically reconciled with the subsidiary reports to ensure that the balances are in agreement.
2. The District periodically reconcile the adjusted budget of the Capital Project Funds to ensure that project budgets are in agreement with available funds.

III. School Purchasing System

There are none.

IV. Food Services Fund

There are none.

V. Student Body Activities

There are none.

VI. Scholarship

There are none.

VI. Application for State School Aid

There are none.

VII. Transportation

There are none.

VIII. Miscellaneous

There are none.

IX. Facilities and Capital Assets

3. It is recommended that continued efforts be made to reconcile the capital expenditures with the capital asset accounting records. Furthermore, internal control procedures be reviewed to ensure that capital assets are not depreciated until the project is substantially complete and in service.

X. Status of Prior Years' Audit Findings/Recommendations

A review was performed on all prior years' recommendations and corrective action was taken on all prior year recommendations.

**PASSAIC PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

ACKNOWLEDGEMENT

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