# PASSAIC PUBLIC SCHOOLS
# AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
# JUNE 30, 2025

# PASSAIC PUBLIC SCHOOLS
# TABLE OF CONTENTS

## AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

LERCH, VINCI & BLISS, LLP
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS



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, 2025, and have issued our report thereon dated January 9, 2026.

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

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

Gary J. Vinci

Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
January 9, 2026

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**PASSAIC PUBLIC SCHOOLS**
**ADMINISTRATION FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING**
**FOR THE 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 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

| Name | Position | Amount |
|---|---|---|
| Lamont T. Zachary | School Business Administrator/Board Secretary (January 16, 2025 to June 30, 2025) | $1,400,000 |
| Ann Kluck | Interim School Business Administrator/Board Secretary (November 8, 2024 to January 15, 2025) | 150,000 |
| Kevin Lomski | School Business Administrator/Board Secretary (July 1, 2024 to November 7, 2024) | 150,000 |
| Lillian D'Elia | Comptroller | 1,400,000 |

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 $1,000,000.

### *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, 2025

### 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.

#### 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 (E-CERT1) of Compliance with Federal and State Law Restricting the Reporting of Compensation of Certain Employees.

> **Finding 2025-01** – The New Jersey E-CERT1 form did not include the District's former School Business Administrator who was employed January 1, 2024 to November 7, 2024.
>
> **Recommendation** – The individuals included in the District's annual "Certification of Compliance with Federal and State Law Respecting the Reporting of Compensation of Certain Employees" include all required individuals who were employed during the calendar year.

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

#### Year-End 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 year-end encumbrances and accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

#### 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.

Acknowledgement of the Board's receipt of the Board Secretary'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.

A monthly cash report was prepared and presented to the Board on a monthly basis. The June 30, 2025 cash report was in agreement with the Board Secretary Report.

**Financial Planning, Accounting and Reporting (Continued)**

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").

Teacher's Pension and Annuity Fund (TPAF) Reimbursement to the State for Federal Salary Expenditures

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.

**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 $22,400. The Board has appointed the School Business Administrator as the Qualified Purchasing Agent.

## School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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 school food service program was not selected as a major federal or state program, however, program expenditures exceeded $100,000 in federal and state support.

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

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, 2025 net cash resources exceeded the three-month average of food service expenses. The District has implemented a multi-year fiscal plan which is anticipated to 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.

**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 established the accounting procedures of the 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, 2024 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 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.

**Finding 2025-02 –** Our audit of the Application for State School Aid (ASSA) noted the following:

- The ASSA reported 52 fewer students as low income than were listed on the District's workpapers. Students that qualified as free but were not direct certification were inadvertently omitted from the ASSA. In addition, it appears that numerous students were reported in incorrect grades or special education categories.

- The ASSA reported 15 more students as Low Income – LEP than were listed on the District's workpapers.

**Recommendation –** Greater care be taken in the preparation of the ASSA to ensure that the application is in agreement with the District's supporting workpapers.

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 2024-25 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report. 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.

**Pupil Transportation (Continued)**

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.

Our procedures included a review of the transfers of local funds from the general fund capital reserve account.

**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 review the payroll agency ledger by deduction to ensure that the employee pension withholdings are accurately recorded.

**PASSAIC PUBLIC SCHOOLS**
**SCHEDULE OF MEAL COUNT ACTIVITY**
**FOOD SERVICE FUND**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

| Program | Meals Category | Meals Claimed | Meals Tested | Meals Verified | Difference |
|---|---|---|---|---|---|
| National School Lunch Regular Rate | Free | 1,564,894 | 611,980 | 611,980 | - |
| National School Breakfast Severe Need | Free | 1,146,269 | 458,823 | 458,823 | - |
| After School Snack | Free | 215,724 | 69,819 | 69,819 | - |

**PASSAIC PUBLIC SCHOOLS**
**FOOD SERVICE ENTERPRISE FUND**
**CALCULATION OF NET CASH RESOURCES**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

| | | |
|---|---|---|
| **Current Assets** | | |
| Cash and Cash Equivalents | $ | 5,818,407 |
| Intergovernmental Receivables | | 1,030,316 |
| **Current Liabilities** | | |
| Less: | | |
| Accounts Payable | | (474,994) |
| Accrued Salaries and Wages | | (28,955) |
| Due to Other Funds | | (1,078,482) |
| **Net Cash Resources** | $ | 5,266,292 |
| **Adjusted Total Operating Expenses:** | | |
| Total Operating Expenses | $ | 13,284,444 |
| Less Depreciation | | (89,072) |
| Adjusted Total Operating Expenses | $ | 13,195,372 |
| **Average Monthly Operating Expenses:** | $ | 1,319,537 |
| **Three Times Monthly Average:** | $ | 3,958,612 |
| Total Net Cash Resources | $ | 5,266,292 |
| Three Times Monthly Average | | 3,958,612 |
| Amount Above Allowable Net Cash Resources | $ | 1,307,680 |

**PASSAIC PUBLIC SCHOOLS**
**APPLICATION FOR STATE SCHOOL AID**
**SCHEDULE OF AUDITED ENROLLMENTS**
**ENROLLMENT AS OF OCTOBER 15, 2024**

| | 2024-2025 Application for State School Aid | | | | | | Sample for Verification | | | | | | 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 | | Reported on A.S.S.A. as Private Schools | Sample for Verification | Sample Verfied | Sample Errors |
| | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Full | Shared | | | | |
| Full Day Preschool 3 yrs | 340 | | 340 | | | | 52 | | 52 | | | | | | | |
| Full Day Preschool 4 yrs | 447 | | 447 | | | | 79 | | 79 | | | | | | | |
| Full Day Kindergarten | 609 | | 609 | | | | 163 | | 163 | | | | | | | |
| Grade 1 | 600 | | 600 | | | | 59 | | 59 | | | | | | | |
| Grade 2 | 705 | | 705 | | | | 55 | | 55 | | | | | | | |
| Grade 3 | 625 | | 625 | | | | 46 | | 46 | | | | | | | |
| Grade 4 | 689 | | 689 | | | | 111 | | 111 | | | | | | | |
| Grade 5 | 644 | | 644 | | | | 157 | | 157 | | | | | | | |
| Grade 6 | 652 | | 652 | | | | 63 | | 63 | | | | | | | |
| Grade 7 | 708 | | 708 | | | | 173 | | 173 | | | | | | | |
| Grade 8 | 728 | | 728 | | | | 52 | | 52 | | | | | | | |
| Grade 9 | 669 | | 669 | | | | 130 | | 130 | | | | | | | |
| Grade 10 | 760 | | 761 | | (1) | | 132 | | 132 | | | | | | | |
| Grade 11 | 747 | | 749 | | (2) | | 526 | | 526 | | | | | | | |
| Grade 12 | 751 | | 751 | | | | 501 | | 501 | | | | | | | |
| Subtotal | 9,674 | - | 9,677 | - | (3) | - | 2,299 | - | 2,299.0 | - | - | - | - | | - | - |
| Special Ed - Elementary | 817 | | 817 | | - | - | 128 | | 128 | - | - | - | 38 | 12 | 12 | - |
| Special Ed - Middle | 389 | | 390 | | (1.0) | - | 35 | | 35 | - | - | - | 17 | 5 | 5 | - |
| Special Ed - High | 543 | | 543 | - | - | - | 5 | | 5 | - | - | - | 88 | 27 | 27 | - |
| Subtotal | 1,749 | - | 1,750 | - | (1.0) | - | 168 | - | 168 | - | - | - | 143 | 44 | 44 | - |
| Totals | 11,423 | - | 11,427 | - | (4.0) | - | 2,467 | - | 2,467 | - | - | - | 143 | 44 | 44 | - |
| Percentage Error | | | | | -0.04% | 0.00% | | | | | 0.00% | 0.00% | | | | 0.00% |

# PASSAIC PUBLIC SCHOOLS
# APPLICATION FOR STATE SCHOOL AID
# SCHEDULE OF AUDITED ENROLLMENTS
# ENROLLMENT AS OF OCTOBER 15, 2024

| | Resident 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 | Sample Errors | Reported on A.S.S.A as LEP Low Income | Reported on Workpapers as LEP Low Income | Errors | Sample Selected from Worpapers | Verified to Test Score and Register | Errors |
| Full Day Kindergarten | 453 | 469 | (16) | 4 | 4 | - | 200 | 200 | | 5 | 5 | |
| Grade 1 | 470 | 499 | (29) | 4 | 4 | - | 208 | 208 | | 5 | 4 | 1 |
| Grade 2 | 511 | 553 | (42) | 5 | 5 | - | 221 | 222 | (1) | 6 | 6 | |
| Grade 3 | 495 | 533 | (38) | 4 | 3 | 1 | 251 | 251 | | 6 | 5 | 1 |
| Grade 4 | 513 | 571 | (58) | 5 | 4 | 1 | 251 | 251 | | 6 | 6 | |
| Grade 5 | 503 | 542 | (39) | 4 | 4 | - | 184 | 184 | | 5 | 5 | |
| Grade 6 | 491 | 519 | (28) | 4 | 3 | 1 | 153 | 153 | | 3 | 3 | |
| Grade 7 | 551 | 583 | (32) | 5 | 4 | 1 | 165 | 165 | | 4 | 3 | 1 |
| Grade 8 | 568 | 576 | (8) | 5 | 4 | 1 | 161 | 161 | | 4 | 4 | |
| Grade 9 | 531 | 519 | 12 | 5 | 5 | - | 142 | 142 | | 4 | 4 | |
| Grade 10 | 572 | 546 | 26 | 5 | 5 | - | 143 | 142 | 1 | 4 | 4 | |
| Grade 11 | 558 | 499 | 59 | 5 | 4 | 1 | 115 | 108 | 7 | 3 | 3 | |
| Grade 12 | 533 | 509 | 24 | 5 | 5 | - | 84 | 82 | 2 | 3 | 3 | |
| Subtotal | 6,749 | 6,918 | (169) | 60.0 | 54.0 | 6.0 | 2,278 | 2,269 | 9 | 58 | 55 | 3 |
| Special Ed - Elementary | 648 | 556 | 92 | 5.0 | 3.0 | 2.0 | 266 | 264 | 2 | 6 | 5 | 1 |
| Special Ed - Middle | 322 | 326 | (4) | 3.0 | 3.0 | - | 159 | 158 | 1 | 4 | 4 | |
| Special Ed - High | 426 | 397 | 29 | 4.0 | 4.0 | - | 135 | 132 | 3 | 3 | 3 | |
| Subtotal | 1,396 | 1,279 | 117 | 12.0 | 10.0 | 2.0 | 560 | 554 | 6 | 13 | 12 | 1 |
| DCF Regional Day School | 3 | 3 | | | | | | | | | | |
| Train Sch/Secure Care | 1 | 1 | | | | | | | | | | |
| Juvenile Detention Ctr | 3 | 3 | - | | | | | | | | | |
| Totals | 8,152 | 8,204 | (52) | 72.0 | 64.0 | 8.0 | 2,838 | 2,823 | 15 | 71 | 67 | 4 |
| Percentage Error | | | -0.64% | | | 11.11% | | | 0.53% | | | 5.63% |

| | Transportation | | | | | |
|---|---|---|---|---|---|---|
| | Reported on DRTRS by DOE/County | Reported on DRTRS by District | Errors | Tested | Verified | Errors |
| Reg. - Public Schools | 679.0 | 679.0 | - | 33.0 | 33.0 | - |
| Transported - Non - Public | 22.0 | 22.0 | - | 1.0 | 1.0 | - |
| Special Ed. - w/o Spec Needs | 25.0 | 25.0 | - | 1.0 | 4.0 | (3.0) |
| Special Ed - w/ Spec Needs | 708.0 | 708.0 | - | 35.0 | 31.0 | 4.0 |
| | 1,434.0 | 1,434 | - | 70.0 | 69.0 | 1.0 |
| Percentage Error | | | 0% | | | 1% |

**PASSAIC PUBLIC SCHOOLS**
**APPLICATION FOR STATE SCHOOL AID**
**SCHEDULE OF AUDITED ENROLLMENTS**
**ENROLLMENT AS OF OCTOBER 15, 2024**

| | Resident LEP NOT Low Income | | | Sample for Verification | | |
|---|---|---|---|---|---|---|
| | Reported on A.S.S.A as NOT Low Income | Reported on Workpapers as NOT Low Income | Errors | Sample Selected from Worpapers | Verified to Application and Register | Errors |
| Full Day Kindergarten | 131 | 131 | | 5 | 5 | |
| Grade 1 | 121 | 121 | | 5 | 5 | |
| Grade 2 | 141 | 141 | | 6 | 6 | |
| Grade 3 | 115 | 115 | | 5 | 5 | |
| Grade 4 | 139 | 139 | | 6 | 6 | |
| Grade 5 | 108 | 108 | | 4 | 4 | |
| Grade 6 | 103 | 103 | | 4 | 4 | |
| Grade 7 | 95 | 95 | | 4 | 4 | |
| Grade 8 | 123 | 123 | | 5 | 5 | |
| Grade 9 | 97 | 98 | (1) | 4 | 4 | |
| Grade 10 | 114 | 114 | | 5 | 5 | |
| Grade 11 | 127 | 127 | | 5 | 5 | |
| Grade 12 | 95 | 95 | | 4 | 4 | |
| Adult School | | | | | | |
| Subtotal | 1,509 | 1,510 | (1) | 62 | 62 | - |
| Special Ed - Elementary | 79 | 79 | | 3 | 3 | |
| Special Ed - Middle | 56 | 56 | | 2 | 2 | |
| Special Ed - High | 40 | 40 | | 2 | 2 | |
| Subtotal | 175 | 175 | - | 7 | 7 | - |
| Totals | 1,684 | 1,685 | (1) | 69 | 69 | - |
| Percentage Error | | | -0.06% | | | 0.00% |

## PASSAIC PUBLIC SCHOOLS
## SCHEDULE OF YEAR-END ENCUMBRANCES - GENERAL FUND
## FOR THE FISCAL YEAR ENDED JUNE 30, 2025

| Decsription | Total by Category | Amount Encumbered | Balance of Encumbrances |
|---|---|---|---|
| Construction Services | $ 384,000 | $ 384,000 | $ - |
| Unaudited | 1,843,599 | 1,843,599 | - |
| | $ 2,227,599 | $ 2,227,599 | $ - |
| Fund Balance, Encumbrances, June 30, 2025 | | | |
| Assigned | | $ 2,227,599 | |

**PASSAIC PUBLIC SCHOOLS**
**EXCESS SURPLUS CALCULATION**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

| | | | |
|---|---|---|---|
| Total General Fund Budgetary Expenditures | | $ 377,370,072 | |
| Adjustments | | | |
| Transfers to Special Revenue Fund | | 2,490,353 | |
| Capital Reserve Transfer to Capital Projects | | 2,000,000 | |
| Right-to-Use Lease | | (964,946) | |
| Expenditures Allocated to Restricted Federal Sources as reported on Exhibit D-2 | | (9,665,722) | |
| Adjusted General Fund Budgetary Expenditures | | | $ 371,229,757 |
| Decreased by: | | | |
| On-Behalf TPAF Pension and Social Security | | | (61,895,666) |
| Adjusted General Fund Budgetary Expenditures | | | $ 309,334,091 |
| 2% of Adjusted General Fund Budgetary Expenditures | | | 6,186,682 |
| Allowable Adjustments | | | |
| Extraordinary Aid | | | 1,787,282 |
| Maximum Unreserved/Undesignated Fund Balance | | | 7,973,964 |
| Total General Fund - Fund Balances at June 30, 2025 (Budgetary Basis) | | $ 109,792,785 | |
| Decreased by: | | | |
| Encumbrances | $ 2,227,599 | | |
| Other Restricted Fund Balances | | | |
| Capital Reserve | 32,479,903 | | |
| Maintenance Reserve | 9,779,451 | | |
| Emergency Reserve | 1,000,000 | | |
| Excess Surplus - Designated for Subsequent Year's Budget | 22,713,917 | | |
| | | 68,200,870 | |
| Total Unassigned Fund Balance | | | 41,591,915 |
| Excess Surplus, June 30, 2025 | | | $ 33,617,951 |

**Analysis of Excess Surplus**

| | |
|---|---|
| Excess Surplus | $ 33,617,951 |
| Excess Surplus - Designated for Subsequent Year's Budget | 22,713,917 |
| | $ 56,331,868 |

## RECOMMENDATIONS

I. **Administration Practices and Procedures**

There are none.

II. **Financial Planning, Accounting and Reporting**

1. It is recommended that The individuals included in the District's annual "Certification of Compliance with Federal and State Law Respecting the Reporting of Compensation of Certain Employees" include all required individuals who were employed during the calendar year.

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.

VII. **Application for State School Aid**

2. It is recommended that greater care be taken in the preparation of the ASSA to ensure that the application is in agreement with the District's supporting workpapers.

VIII. **Transportation**

There are none.

IX. **Miscellaneous**

There are none.

X. **Facilities and Capital Assets**

There are none.

XI. **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.

## ACKNOWLEDGEMENT

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