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, 2025

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, 2025, and have issued our report thereon dated February 6, 2026.

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. Wielkotz

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

Wielkotz & Company, LLC

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

February 6, 2026

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

Name	Position	Amount
Fahim K. Abedrabbo	School Business Administrator	$500,000
Anand Shah	Treasurer of School Monies (7/1/24-3/20/25)	$500,000
Barbara Murphy	Treasurer of School Monies (3/1/25-6/30/25)	$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.

Finding 2025-001 (ACFR Finding 2025-003): There are instances in which purchase orders and/or supporting documentation could not be provided for review.

Recommendation: The District should ensure that all invoices/supporting documentation is available for review at the time of audit.

Finding 2025-002: There are instances in which payments for goods and/or services are not being made in a timely manner.

Recommendation: Procedures be implemented to ensure goods and/or services are paid in a timely manner subsequent to the completion of the purchase order package.

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 fringe benefits were deposited in the Payroll Agency Account.

Finding 2025-003 (ACFR Finding 2025-003): 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 2025-004 (ACFR Finding 2025-003): 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.

Finding 2025-005: There were instances in which I-9 forms could not be located for review for selected individuals.

Recommendation: All I-9 forms should be made available for review at time of audit.

Financial Planning, Accounting and Reporting, (continued)

Payroll Account, (continued)

> **Finding 2025-006 (ACFR Finding 2025-009):** The prescription premiums used in the employee health benefit contribution calculation do not agree to the monthly prescription premium bills. In addition, employees are being calculated utilizing the incorrect percentage of premium and/or type of coverage.
>
> **Recommendation:** The district should review all information input into the system for health benefit contribution calculations and make necessary adjustments to ensure compliance with N.J.S.A. 18A:16-17.1.

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.

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.

Financial Planning, Accounting and Reporting (continued)

Board Secretary's Records

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

Finding 2025-007 (ACFR Finding 2025-002): The district did not provide an updated compensated absence analysis, which is to be reported as a liability in the governmental fund statements.

Recommendation: The District should provide an updated compensated absences analysis as of year-end and report a liability in the governmental fund statements.

Finding 2024-008 (ACFR Finding 2025-010): The district could not provide all monthly transfer reports in the Commissioner-prescribed format or in a format that was developed locally and approved by the executive county superintendent. Several budgetary line accounts were over-expended during the fiscal year despite the Board Secretary's monthly certification to the contrary.

Recommendation: The district should establish and implement procedures to ensure monthly transfer reports are prepared consistently in the Commissioner-prescribed format or in a format that was developed locally and approved by the executive county superintendent. Responsibilities should be clearly assigned, and supervisory review should be put in place to ensure ongoing compliance. The Board Secretary should not approve the issuance of purchase orders that would cause over-expenditure in the line account to be charged, prior to the board approving the requested transfer of additional appropriations to cover such orders.

Finding 2025-009 (ACFR Finding 2025-011): The Board Secretary's and Treasurer's reports were not presented monthly to the board and were not submitted to the executive county superintendent as prescribed (N.J.S.A. 18A:17-9 and 18A:17-36).

Recommendation: The Board Secretary's and Treasurer's reports should be presented monthly to the board and submitted to the executive county superintendent as prescribed.

Finding 2025-010: 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 2025-011: The District is reporting an accounts receivable balance for taxes levied by the Borough.

Recommendation: All taxes levied by the Borough for support of the District's budget should be requested prior to year-end.

Financial Planning, Accounting and Reporting (continued)

Board Secretary's Records, (continued)

Finding 2025-012: The food service account has a negative reconciled cash balance at year-end in the amount of $64,453.89 resulting from expenses which exceeded available fund balance.

Recommendation: More care should be taken to ensure sufficient funds are available prior to commitment of expenditures.

Treasurer's Records

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

Finding 2025-013: Bank reconciliations are not being prepared for the Student Events and Student Activity Accounts.

Recommendation: Bank reconciliations should be completed for all accounts on a monthly basis.

Fixed Assets

The capital asset records were not updated for the additions and disposals of capital assets made during the year.

Finding 2025-014 (ACFR Finding 2025-001, 2025-004, and 2025-008): The District did not provide an updated capital asset report including additions, deletions and depreciation expense, which is to be reported as a direct expense.

Recommendation: The District's capital asset accounting and reporting system should be updated to reflect additions, deletions and depreciation expense on an annual basis.

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.

Financial Planning, Accounting and Reporting, (continued)

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.

> **Finding 2025-015 (ACFR Finding 2025-005):** There were instances in which the individual student applications contained errors and/or omissions of information that should have been included in the district prepared EXAID work papers. Incorrect amounts were used for related services, additional support costs and deductions on work papers.
>
> **Recommendation:** The district should review the individual student on-line forms prior to final submission of the EXAID application to ensure the forms are complete and the information agrees to the supporting documentation for the work papers prepared.

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 2025-016:** 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.

> **Finding 2025-017 (ACFR Finding 2025-012):** In accordance with N.J.S.A. 18A:18A-37, the district did not solicit quotes for purchases which exceeded 15 percent of the bid threshold.
>
> **Recommendation:** The district should obtain informal quotations for purchases which exceed 15 percent of the bid threshold for public school entities. The purchasing agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor.

School Food Service

We 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.

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.

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.

Net cash resources did not exceed three months average expenditures.

Time sheets were reviewed, and labor costs verifies. 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.

School Food Service, (continued)

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 15, 2024 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 2025-018 (ACFR Finding 2024-006):** The district could not provide the student data listing ASSA workpapers which provide an audit trail for the counts reported on the 2025/2026 ASSA Data Listing. In addition, the district does not have on file written internal procedures that provide a description of the count process.
>
> **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. The district should also prepare and have on file written internal procedures that provide a description of the count process.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2024-2025 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

> **Finding 2025-019 (ACFR Finding 2025-007):** The district could not provide a detailed listing of eligible students by category which agree to the students reported as Regular-Public Schools (Col. 1), Regular-Special Education (Col. 4) and Special Needs (Col. 6) on the October 2024 DRTRS Summary Report.
>
> **Recommendation:** The district should maintain a detailed list of eligible students by DRTRS Summary Line number that provides an audit trail for testing each student reported on the DRTRS.

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 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.

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 "2025-003, 2025-004, 2025-010, 2025-016, 2025-018:"

> 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. (2025-003)
>
> 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. (2025-004)
>
> Amounts recorded in the subsidiary ledger be compared to award letters and/or carryover amount authorizations to ensure proper amounts are available for expenditures. (2025-010)
>
> Expended amounts included in the Project Completion Report should agree to the District's accounting records. (2025-016)
>
> 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. The district should also prepare and have on file written internal procedures that provide a description of the count process. (2025-018)

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. Wielkotz

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

Wielkotz & Company, LLC

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

BOROUGH OF PROSPECT PARK
BOARD OF EDUCATION

Net cash resources did not exceed three months of expenditures
Proprietary Funds - Food Service
Year ended June 30, 2025

			Food Service B - 4/5	
Net Cash Resources:				
ACFR	*	**Current Assets**		
B-4		Cash & Cash Equiv.	$ -	
B-4		Accounts Receivable	47,457	
B-4		Due from Other Funds	45,240	
ACFR		**Current Liabilities**		
B-4		Less Accounts Payable	(44,730)	
B-4		Less Deficit in Cash	(64,453)	
B-4		Less Deferred Revenue	(1,124)	
		Net Cash Resources	**$ (17,610)**	**(A)**
Net Adj. Total Operating Expense:				
B-5		Tot. Operating Exp.	805,170	
B-5		Less Depreciation		
		Adj. Tot. Oper. Exp.	**$ 805,170**	**(B)**
Average Monthly Operating Expense:				
		B / 10	**$ 80,517**	**(C)**
Three times monthly Average:				
		3 X C	**$ 241,551**	**(D)**

TOTAL IN BOX A	$ (17,610.00)
LESS TOTAL IN BOX D	$ 241,551.00
NET	**$ (259,161.00)**

From above:

A is greater than D, cash exceeds 3 X average monthly operating expenses.
D is greater than A, cash does not exceed 3 X average monthly operating expenses.

* Inventories are not to be included in total current assets.

SCHEDULE OF MEAL COUNT ACTIVITY

BOROUGH OF PROSPECT PARK SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIMED - FEDERAL
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Program	Meal Category	Meals Claimed	Meals Tested	Meals Verified	Difference	Rate	(Over)/ Under Claim
National School Lunch (High Rate)	Paid	13,762	13,762	13,762		0.440	$
National School Lunch (High Rate)	Reduced					4.050	
National School Lunch (High Rate)	Free	82,137	82,137	82,137		4.450	
	Total	95,899	95,899	95,899			
National School Lunch (Healthy Hunger-Free Kids Act)	HHFKA	95,899	95,899	95,899		0.09	
School Breakfast (Severe Needs Rate)	Paid	13,022	13,022	13,022		0.39	
	Reduced					2.54	
	Free	77,739	77,739	77,739		2.84	
	Total	90,761	90,761	90,761			
Total (Over)/Under Claim							$

SCHEDULE OF MEAL COUNT ACTIVITY

BOROUGH OF PROSPECT PARK SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIMED - STATE
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Program	Meal Category	Meals Claimed	Meals Tested	Meals Verified	Difference	Rate	(Over)/ Under Claim
State Reimbursement - National School Lunch (High Rate)	Paid	13,762	13,762	13,762		0.060	$
State Reimbursement - National School Lunch (High Rate)	Reduced					0.070	
State Reimbursement - National School Lunch (High Rate)	Free	82,137	82,137	82,137		0.070	
	Total	95,899	95,899	95,899			
Total (Over)/Under Claim							$

SCHEDULE OF AUDITED ENROLLMENTS

BOROUGH OF PROSPECT PARK SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024

Year Ended June 30, 2025

	2025-2026 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on ASSA On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on ASSA as Private Schools	Sample for Verification	Sample Verified	Sample Errors
Enrollment Category	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool																
Full Day Preschool	65				65											
Full Day Kindergarten	59				59											
One	60				60											
Two	54				54											
Three	59				59											
Four	52				52											
Five	56				56											
Six	62				62											
Seven	64				64											
Eight	54				54											
Subtotal	585				585											
Special Ed. Elementary	144				144								5	5		5
Special Ed. Middle	36				36								3	3		3
Subtotal	180				180								8	8		8
Totals	765				765								8	8		8
Percentage Error					100%											100%

BOROUGH OF PROSPECT PARK
BOARD OF EDUCATION

Application for State School Aid Summary
Enrollment as of October 15, 2024

Year ended June 30, 2025

	Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
Enrollment category	Reported on A.S.SA. 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	2		2									
One	14		14				1		1			
Two	17		17				1		1			
Three	27		27									
Four	24		24				1		1			
Five	36		36									
Six	32		32									
Seven	30		30									
Eight	29		29									
Nine	1		1									
Ten												
Eleven												
Twelve												
Special Ed. Elementary	54		54									
Special Ed. Middle School	22		22				1		1			
	288		288				4		4			
	288		288				4		4			
Percentage			100%						100%			

			Transportation			
Category	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools, col. 1	22.0		22			
Transported- Non-Public						
Special needs, col. 6	11.0		11			
Totals	33.0		33			
Percentage			100%			

	Reported	Re-calc.
Avg. Mileage - Regular Excluding Grade PK	4.2	
Avg. Mileage - Special Ed with Special Needs	7.0	

BOROUGH OF PROSPECT PARK
BOARD OF EDUCATION

SCHEDULE OF AUDITED ENROLLMENTS

Application for State School Aid Summary
Enrollment as of October 15, 2024

Year ended June 30, 2025

	Resident LEP Not Low Income			Sample for Verification		
Enrollment category	**Reported on A.S.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	5		5			
One	8		8			
Two	10		10			
Three	6		6			
Four	2		2			
Five	4		4			
Six	5		5			
Seven	7		7			
Eight	2		2			
Special Ed. Elementary	2		2			
Special Ed. Middle School	1		1			
	52		52			
	52		52			
Percentage			100%			#DIV/0!

PROSPECT PARK BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2024-25 Total General Fund Expenditures per the ACFR, Ex. C-1	$	20,695,311	(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	$	237,141	(B1d)		
Decreased by:					
On-Behalf TPAF Pension & Social Security	$	3,279,835	(B2a)		
Assets Acquired Under Capital Leases	$		(B2b)		
Adjusted 24-25 General Fund Expenditures [(B)+(B1's)-(B2's)]	$	17,652,617	(B3)		
2% of Adjusted 2024-25 General Fund Expenditures [(B3) times .02]	$	353,052	(B4)		
Enter Greater of (B4) or $250,000	$	353,052	(B5)		
Increased by: Allowable Adjustment *	$	7,472	(K)		
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]				$ 360,524	(M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-25 (Per ACFR Budgetary Comparison Schedule C-1))	$	888,806	(C)		
Decreased by:					
Year-end Encumbrances	$	285,913	(C1)		
Legally Restricted - Designated for Subsequent Year's Expenditures	$		(C2)		
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	$	143,659	(C3)		
Other Restricted Fund Balances****	$	146,702	(C4)		
Assigned Fund Balance - Unreserved -- Designated for Subsequent Year's Expenditures	$	40,001	(C5)		
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]				$ 272,531	(U1)

SECTION 3

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

Recapitulation of Excess Surplus as of June 30, 2025

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	$	143,659	(C3)
Reserved Excess Surplus ***[(E)]	$	-	(E)
Total [(C3) + (E)]	$	143,659	(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	$		(H)
Sale & Lease-back	$		(I)
Extraordinary Aid	$		(J1)
Additional Nonpublic School Transportation Aid	$	7,472	(J2)
Current Year School Bus Advertising Revenue Recognized	$		(J3)
Family Crisis Transportation Aid	$		(J4)
Supplemental Stabilization Aid and Maintenance of Equity Aid	$		(J5)
Total Adjustments [(H)+{I)+(J1)+(J2)+(J3)+(J4)+(J5)]	$	7,472	(K)

** This amount represents the June 30, 2025 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amounts must agree to the June 30, 2025 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	$	50,788
Maintenance Reserve	$	95,914
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	$	146,702 (C4)

PROSPECT PARK BOARD OF EDUCATION
AUDIT RECOMMENDATIONS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Recommendations:

1. Administrative Practices and Reporting

   None

2. Financial Planning, Accounting and Reporting

   The District should ensure that all invoices/supporting documentation is available for review at the time of audit.

   Procedures be implemented to ensure goods and/or services are paid in a timely manner subsequent to the completion of the purchase order package.

   *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.

   All I-9 forms should be made available for review at the time of audit.

   The district should review all information input into the system for health benefit contribution calculations and make necessary adjustments to ensure compliance with N.J.S.A. 18A:16-17.1.

   The District should provide an updated compensated absences analysis as of year-end and report a liability in the governmental fund statements.

   The district should establish and implement procedures to ensure monthly transfer reports are prepared consistently in the Commissioner-prescribed format or in a format that was developed locally and approved by the executive county superintendent. Responsibilities should be clearly assigned, and supervisory review should be put in place to ensure ongoing compliance. The Board Secretary should not approve the issuance of purchase orders that would cause over-expenditure in the line account to be charged, prior to the board approving the requested transfer of additional appropriations to cover such orders.

   The Board Secretary's and Teasurer's reports should be presented monthly to the board and submitted to the executive county superintendent as prescribed.

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

PROSPECT PARK BOARD OF EDUCATION
AUDIT RECOMMENDATIONS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Recommendations (continued):

2. Financial Planning, Accounting and Reporting, (continued)

   All taxes levied by the Borough for support of the District's budget should be requested prior to year-end.

   More care should be taken to ensure sufficient funds are available prior to commitment of expenditures.

   Bank reconciliations should be completed for all accounts on a monthly basis.

   The District's capital asset accounting and reporting system should be updated to reflect additions, deletions and depreciation expense on an annual basis.

   The district should review the individual student on-line forms prior to final submission of the EXAID application to ensure the forms are complete and the information agrees to the supporting documentation for the work papers prepared.

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

3. School Purchasing Programs

   The district should obtain informal quotations for purchases which exceed 15 percent of the bid threshold for public school entities. The purchasing agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor.

4. School Food Service

   None

5. Student Body Activities

   None

6. Application for State School Aid

   *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. The district should also prepare and have on file written internal procedures that provide a description of the count process.

PROSPECT PARK BOARD OF EDUCATION
AUDIT RECOMMENDATIONS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Recommendations (continued):

7. Pupil Transportation

   The district should maintain a detailed list of eligible students by DRTRS Summary Line number that provides an audit trail for testing each student reported on the DRTRS.

8. Miscellaneous

   None

9. 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 "*".