New Jersey Department of Education
Corrective Action Plan (CAP)
For the Fiscal Year 2025 (July 1, 2024 – June 30, 2025)

Submission Guidance

Applicability: A CAP should only be prepared if there is a finding(s) in the ACFR or AMR

- The completed CAP must be uploaded to the ACFR Repository within 45 days of Board acceptance of the audit.
- Save the file as **CAP.PDF** and email a copy to **CAP@ag.nj.gov**.

LEA Information

LEA Name: Paterson Public Schools	LEA Number: 4010
County Name: Passaic	County Number: 31
Type of Audit: Annual Comprehensive Financial Audit	Date of Board Meeting: February 11, 2026
Contact Name: June Gray	Contact Title: School Business Administrator
Email: jgray@paterson.k12.nj.us	Phone: 973-321-0775

ACFR/AMR Findings

Preparation:

1. **Column A:** Identify and note whether the finding(s) is in the ACFR and/or the AMR. Include the finding(s) number (e.g., ACFR 2025-001), and note the ACFR finding(s) first.
2. **Columns B and C:** Use the exact language noted as the condition for the ACFR. Use the exact language noted as the finding in the AMR. If the finding(s) appears in both documents, use the language noted in the ACFR.
3. **Column D:** Describe the method of implementation to prevent recurrence of finding(s). If applicable, include an explanation for "Questioned Costs".
4. **Column F:** Document a definitive implementation date (MM-DD-YY). Entries such as "Immediate" or Ongoing" are not acceptable.

A ACFR/AMR Finding	B Condition/Finding	C Recommendation	D Method of Implementation	E Person Responsible for Implementation/Title	F Implementation Date
Finding AMR 2025-001	The District is reporting an accounts receivable balance of $13,307,590 for taxes levied by the City	All taxes levied by the City for support of the District's budget should be requested and received prior to year-end.	The District will continue to formally request all taxes levied by the City in support of the District's budget on a monthly basis. Outstanding remittances will be promptly followed up to ensure receipt prior to fiscal year-end.	Kennia Fulgencio, Accounting Supervisor	February 6, 2026
Finding AMR 2025-002	Bank reconciliations for the Custodial Account that agree to the District's cash balances were not provided. Reconciliations provided did not agree to the general ledger balances and included unknown reconciling items.	Bank reconciliations should be prepared monthly for all accounts and be made available for review. All reconciled balances should agree to the Board Secretary report.	The District has replaced the Treasurer to strengthen financial oversight and internal controls. Bank reconciliations will be prepared monthly in-house by District staff. All reconciled balances will agree with the general ledger and the Board Secretary report.	June Gray, SBA/Board Secretary Katori Walton, Comptroller	February 6, 2026
Finding AMR 2025-003	The District failed to properly report capital assets at historical cost and/or include purchases on the capital asset report that exceed the capitalization threshold of $2,000. In addition, depreciation was not being calculated for all eligible assets.	Procedures should be established and implemented to ensure all eligible items purchased are included in the capital asset report and depreciation is properly calculated. All eligible items should be tagged as received. Also, all items included on the capital asset report should	Historical ledger reconstruction & system migration: The District will initiate a Request for Proposal to engage a professional valuation firm to perform a comprehensive reconstruction of the fixed asset ledger at historical cost. Upon completion, the resulting data file will be	Lance Gaines, Asst. Business Administrator Kennia Fulgencio, Accounting Supervisor	February 6, 2026

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		be reviewed to ensure the items are still in use.	migrated into the district's financial software, Edumet, to automate future depreciation cycles.		
Finding AMR 2025-004	There were instances in which payroll timesheets and resolutions authorizing payroll expenses were not available for review at the time of audit.	The District should ensure that all payroll timesheets and resolutions authorizing payroll expenses are available for review at the time of audit.	The district will improve the filing and retention of payroll timesheets and resolutions authorizing payroll expenses for federal programs. All payroll documentation will be properly maintained and made readily available for review at the time of audit.	Lilian Faradin, ESSER Coordinator Alicia Walton, Director of Payroll	February 6, 2026
Finding AMR 2025-005	There were numerous transportation contracts that were unavailable for review at the time of audit.	All transportation contracts should be maintained and made available for review at the time of audit.	The Deputy Director met with the team to review contracts and operational procedures. All transportation contracts will be properly maintained, organized, and retained in a manner that ensures they are readily accessible for review during any audit.	Teresa Afonso, Deputy Director	February 6, 2026
Finding AMR 2025-006	There were instances in which invoices/supporting documentation for items purchased were not provided for review at the time of audit and in some instances, sales tax was paid.	The district should ensure that all invoices/supporting documentation is available for review at the time of audit and the sales tax exemption be enforced pursuant to N.J.S.A. 54:B32B-1. Any reimbursements made by the district should be net of the sales tax.	Training sessions will be held with the Principal to reinforce the importance of compliance and clarify that accounts may be frozen if guidelines are not followed. All reimbursements will be issued net of sales tax."	Asst. Superintendents Kennia Fulgencio, Accounting Supervisor	February 6, 2026
Finding AMR 2025-007	There were instances in which errors were revealed on the 2024-25 Application for State School Aid in the following: On-Roll (679), On-Roll Special Education (72), Resident Low Income (63), Resident LEP Low Income (83), Resident LEP not Low Income (14).	The district should update workpapers to reflect corrections made during the review process prior to entering the counts into the ASSA Data Listing to ensure the workpapers agree to what is reported.	The Director of MIS will establish a process to ensure that all workpapers are updated with accurate data before entering information into the ASSA Data Listing, so that the listing agrees with what is reported.	Lenny Moore, Director of MIS	February 6, 2026
Finding AMR 2025-008	There were ineligible students included in the 2024-25 District Report of Transported Resident Students (DRTRS).	The district should ensure that documentation is accurately maintained and up to date prior to entering the counts for DRTRS.	The Deputy Director will meet with staff to review procedures and verify all information prior to entry into the DRTRS.	Teresa Afonso, Deputy Director	February 6, 2026

Attestation

Signature required below.

I hereby certify that the information provided in this CAP is accurate and complete to the best of my knowledge, and that the recommendation(s) will be implemented as noted.

Chief School Administrator: Launa W. Newell Date:

Board Secretary / School Business Administrator: June Gray Date: