TOWN OF BOONTON SCHOOL DISTRICT
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2025

TOWN OF BOONTON SCHOOL DISTRICT
TABLE OF CONTENTS

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

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Honorable President and Members
of the Board of Education
Town of Boonton School District
Boonton, 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 Town of Boonton School District as of and for the fiscal year ended June 30, 2025 and have issued our report thereon dated October 16, 2025.

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 and use of management, the Board of Trustees, 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

Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
October 16, 2025

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Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Superintendent of Schools, 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, "Schedule of Insurance", as presented in the District's Annual Comprehensive Financial Report (the "ACFR").

Official Bonds

Name	Position	Amount
Steven Gardberg	Board Secretary/School Business Administrator	$260,000
Judith Favino	Treasurer of School Monies	$267,000

There is a Public Employees' Faithful Performance Blanket Position Bond with Western Surety Company 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 included all health benefit plans offered by the District, was completed by the Chief School Administrator and was submitted timely.

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 per pupil costs in accordance with *N.J.A.C.* 6A:23A-17.1(f)3.

Examination of Claims

An examination of claims paid during the period under review indicated that the required signatures, certifications and supporting documentation were obtained on the respective purchase orders and/or vouchers.

Financial Planning, Accounting and Reporting

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 in the Payroll Agency Account.

The District filed the required Certification (ECERT1) of Compliance with requirements for income tax compensation of certain administration with the NJ Department of Treasury by the March 15 due date.

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

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholdings.

Finding 2025-01 – Our audit indicated that documentation to support payments made to the State of New Jersey Department of Labor for the District's share of unemployment claims was not always maintained. In addition, payments do not appear to have been made on a timely basis resulting in interest and penalties being assessed to the District.

Recommendation – Internal controls over the payment of quarterly unemployment claims bills due to the State of New Jersey Department of Labor be enhanced to ensure that payments are made on a timely basis and that documentation is maintained to support each payment.

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 classifications to determine overall reliability and compliance with N.J.A.C. 6A:23-8.3.

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 and it was determined that no blanket purchase orders were included in the balance of the reserve 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.

Board Secretary's Records

The minutes maintained by the Board Secretary were in good condition.

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

The prescribed contractual order system was followed.

Acknowledgment of the Board's receipt of the Board Secretary's monthly financial reports was included in the minutes.

Financial Planning, Accounting and Reporting (Continued)

Board Secretary's Records (Continued)

The Board Secretary's and Treasurer's monthly financial reports were presented to the Board on a timely basis and were submitted to the Executive County Superintendent as prescribed by N.J.S.A. 18:17-9 and 18A :17-36.

> **Finding 2025-02** – Our audit indicated that revenues and receivables reflected in the District's financial system were not always accurately reported.
>
> **Recommendation** – Receivables reported by the Distrtict be continually monitored to ensure that amounts are a adjusted to reflect actual amounts due.
>
> **Finding 2025-03** – Our audit indicated that payments to a charter school were not made in accordance with the schedule of payments issued by the State of New Jersey Department of Education.
>
> **Recommendation** – Amounts due to charter schools be remitted in accordance with the payment schedule issued by the State of New Jersey Department of Education.

Treasurer's Records

The Treasurer did perform cash reconciliations for all accounts required.

All cash receipts were promptly deposited.

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

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 Single Audit Section of the ACFR.

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 herein represent a true statement of the financial position pertaining to the aforementioned special projects.

I.D.E.A. Part B

Separate accounting records were maintained for each approved project. Grant application approvals and acceptance of grant funds were made by Board resolution.

T.P.A.F. Reimbursements

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.

Financial Planning, Accounting and Reporting (Continued)

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report 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.

Non-Public State Aid

Project Completion Reports were finalized and transmitted to the department by the due date.

School Purchasing Programs

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) on $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.

If the purchasing agent is qualified pursuant to subsection b of section 9 of P.L. 19761, c. 198 (C.40A:11-9), the Board of Education may establish that the bid threshold may be up to $44,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section. The Board has designated the 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 contract 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.

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 and/or state program. However, the program expenditures exceeded $100,000 in federal and/or state support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims.

School Food Service (Continued)

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs.

The statement of revenues, expenses and changes in net position does separate program and non-program revenue and program and non-program costs of goods sold.

We inquired of management about the public health emergency procedures/practices that the SFA instituted to provide meals to all students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations We also inquired if the FSMC received a loan in accordance with the Payroll Protection Plan and whether the funds were used to pay for costs applicable to the Food Service Programs. We also inquired if the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA.

Net cash resources did exceed three-month's average expenditures.

Student Body Activity

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

Cash receipts and disbursements records were maintained for student activity funds.

> **Finding 2025-04** – Our audit indicated that receipts collected at John Hill School were not always deposited in a timely manner.
>
> **Recommendation** – Receipts collected at John Hill School be deposited in a timely manner.

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 disabled, low-income and bilingual students. 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. The results of our procedures are presented in the Schedule of Audited Enrollments.

The district did maintain workpapers on the prescribed state forms or their equivalent.

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 without exception. The results of our procedures are presented in the schedule of audited enrollments.

Our procedures included a review of transportation related contracts and purchases.

Facilities and Capital Assets

Our procedures included a review of the District's capital assets and related capital projects for consistency in the awarding of contracts for eligible facilities construction.

Miscellaneous

Testing for Lead of all Drinking Water in Educational Facilities

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

Follow-up Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations, including findings.

Suggestion to Management

- The special revenue fund original budget in the District's budgetary reporting system reflect the final approved District budget.
- Staff and sibling discounts on fees charged for the Bridges program be reflected on the approved fee schedule.
- Employee payroll withholdings for pension contributions resulting from retroactive salary payments be remitted to the State.

TOWN OF BOONTON SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Not Applicable

TOWN OF BOONTON SCHOOL DISTRICT
FOOD SERVICE FUND
NET CASH RESOURCE SCHEDULE
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

			Food Service	
Net Cash Resources:				
ACFR *	Current Assets			
B-4	Cash	$	109,020	
B-4	Intergovernmental Receivables		25,591	
B-4	Accounts Receivable		36,606	
B-4	Due from Other Funds		93,028	
ACFR	Current Liabilities			
B-4	Less Accounts Payable		(18,995)	
B-4	Less Unearned Revenue		(10,076)	
	Net Cash Resources	$	235,174	(A
Net Adj. Total Operating Expense:				
B-5	Total Operating Expenses		722,878	
B-5	Less Depreciation		(18,911)	
	Adj. Tot. Oper. Exp.	$	703,967	(B
Average Monthly Operating Expense:				
	B / 10	$	70,397	(C
Three times monthly Average Operating Expense:				
	3 X C	$	211,190	(D

TOTAL IN BOX A	$	235,174
LESS TOTAL IN BOX D	$	(211,190)
NET	$	23,984

Net Cash Resources Did Exceed Three Months Expenditures.

TOWN OF BOONTON SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID
SCHEDULE OF AUDITED ENROLLMENTS
OCTOBER 15, 2024

	2025/2026 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 On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verification	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool - 3 years											-	-				
Full Day Preschool - 3 years	50		50		-	-	24		24		-	-				
Half Day Preschool - 4 years			-		-	-					-	-				
Full Day Preschool - 4 years	49		49		-	-	14		14		-	-				
Half Day Kindergarten			-		-	-					-	-				
Full Day Kindergarten	79		79		-	-	79		79		-	-				
1st Grade	78		78		-	-	78		78		-	-				
2nd Grade	95		95		-	-	95		95		-	-				
3rd Grade	67		67		-	-	67		67		-	-				
4th Grade	64		64		-	-	64		64		-	-				
5th Grade	55		55		-	-	55		55		-	-				
6th Grade	80		80		-	-	80		80		-	-				
7th Grade	71		71		-	-	71		71		-	-				
8th Grade	72		72		-	-	72		72		-	-				
9th Grade	107		107		-	-	107		107		-	-				
10th Grade	108		108		-	-	108		108		-	-				
11th Grade	133	6	133	6	-	-	133	6	133	6	-	-				
12th Grade	130	6	130	6	-	-	130	6	130	6	-	-				
Subtotal	1,238	12	1,238	12	-	-	1,177	12	1,177	12	-	-	-	-	-	-
Spec Ed - Elementary	107		107		-	-	33		33		-	-	6	2	2	-
Spec Ed - Middle School	41		41		-	-	41		41		-	-	5	2	2	-
Spec Ed - High School	124	5	124	5	-	-	124	7	124	7	-	-	8	2	2	-
Subtotal	272	5	272	5	-	-	198	7	198	7	-	-	19	6	6	-
Totals	1,510	17	1,510	17	-	-	1,375	19	1,375	19	-	-	19	6	6	-
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%

TOWN OF BOONTON SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID
SCHEDULE OF AUDITED ENROLLMENTS
OCTOBER 15, 2024

	Low Income			Sample for Verification			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 Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool (3 Yrs)												
Full Day Preschool (3 Yrs)												
Half Day Preschool (4 Yrs)												
Full Day Preschool (4 Yrs)												
Half Day Kindergarten												
Full Day Kindergarten	32	32	-	3	3	-	14	14	-	4	4	-
1st Grade	31	31	-	3	3	-	5	5	-	2	2	-
2nd Grade	42	42	-	5	5	-	14	14	-	4	4	-
3rd Grade	24	24	-	3	3	-	9	9	-	3	3	-
4th Grade	24	24	-	3	3	-	6	6	-	2	2	-
5th Grade	20	20	-	2	2	-	4	4	-	1	1	-
6th Grade	48	48	-	5	5	-	7	7	-	2	2	-
7th Grade	29	29	-	3	3	-	4	4	-	1	1	-
8th Grade	32	32	-	4	4	-	5	5	-	2	2	-
9th Grade	37	37	-	4	4	-	4	4	-	1	1	-
10th Grade	35	35	-	4	4	-	6	6	-	2	2	-
11th Grade	46	47	(1)	5	5	-	6	7	(1)	2	2	-
12th Grade	39	39	-	4	4	-	5	6	(1)	2	2	-
Subtotal	439	440	(1)	48	48	-	89	91	(2)	28	28	-
Spec Ed - Elementary	59	59	-	7	7	-	14	14	-	4	4	-
Spec Ed - Middle School	22	22	-	2	2	-	3	3	-	1	1	-
Spec Ed - High School	60	60	-	7	7	-	1	1	-			-
Subtotal	141	141	-	16	16	-	18	18	-	5	5	-
Totals	580	581	(1)	64	64	-	107	109	(2)	33	33	-
Percentage Error			-0.17%			0.00%			-1.87%			0.00%

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	28	28	-	9	9	-
Transported - Non-Public			-			-
Regular - Spec.	9	9	-	3	3	-
Special Needs - Public	25	25	-	8	8	-
Totals	62	62	-	20	20	-
			0.00%			0.00%

TOWN OF BOONTON SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID (A.S.S.A.)
SCHEDULE OF AUDITED ENROLLMENTS
OCTOBER 15, 2024

	LEP Not 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 Register	Sample Errors
Half Day Preschool (3 Yrs)						
Full Day Preschool (3 Yrs)						
Half Day Preschool (4 Yrs)						
Full Day Preschool (4 Yrs)						
Half Day Kindergarten						
Full Day Kindergarten	3	3	-	1	1	-
1st Grade	2	2	-	1	1	-
2nd Grade	3	3	-	1	1	-
3rd Grade	2	2	-	-	-	-
4th Grade	3	3	-	1	1	-
5th Grade	-	-	-	-	-	-
6th Grade	-	-	-	-	-	-
7th Grade	-	-	-	-	-	-
8th Grade	-	-	-	-	-	-
9th Grade	2	2	-	1	1	-
10th Grade	-	-	-	-	-	-
11th Grade	3	4	(1)	1	1	-
12th Grade	-	1	(1)	-	-	-
Subtotal	18	20	(2)	6	6	-
Spec Ed - Elementary	2	2	-	1	1	-
Spec Ed - Middle School	-	-	-	-	-	-
Spec Ed - High School	4	4	-	1	1	-
Subtotal	6	6	-	2	2	-
Totals	24	26	(2)	8	8	-
Percentage Error			-8.33%			0.00%

TOWN OF BOONTON SCHOOL DISTRICT
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

2024-25 Total General Fund Expenditures per the ACFR (Exhibit C-1)	$ 42,631,686	
Increased by:		
Transfer to Special Revenue Fund - Preschool Program	396,825	
Decreased by:		
On-Behalf TPAF Pension & Social Security	(7,994,781)	
Adjusted 2024-25 General Fund Expenditures		$ 35,033,730
2% of Adjustment 2024-25 General Fund Expenditures	$ 700,675	
Increased by: Allowable Adjustment	50,767	
Maximum Unassigned Fund Balance		$ 751,442
Total General Fund - Fund Balance at June 30, 2025 (Per ACFR Budgetary Comparison Schedule C-1)	$ 3,010,941	
Decreased by:		
Year End Encumbrances	128,629	
Assigned - Designated for Subsequent Year's Expenditures	224,000	
Excess Surplus - Designated for Subsequent Year's Expenditures	387,424	
Other Restricted Fund Balance - Unemployment Reserve	28,515	
Other Restricted Fund Balance - Capital/Maintenance Reserve	1,138,903	
Total Unassigned Fund Balance		$ 1,103,470
Restricted Fund Balance - Excess Surplus		$ 352,028
Summary:		
Restricted Excess Surplus, Designated for Subsequent Year's Expenditures		$ 387,424
Restricted Excess Surplus		352,028
		$ 739,452

TOWN OF BOONTON SCHOOL DISTRICT
RECOMMENDATIONS

I. **Administrative Practices and Procedures**

There are none.

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

1. Internal controls over the payment of quarterly unemployment claims bills due to the State of New Jersey Department of Labor be enhanced to ensure that payments are made on a timely basis and that documentation is maintained to support each payment.

2. Receivables reported by the District be continually monitored to ensure that amounts are adjusted to reflect actual amounts due.

3. Amounts due to charter schools be remitted in accordance with the payment schedule issued by the State of New Jersey Department of Education.

III. **School Purchasing Program**

There are none.

IV. **School Food Services**

There are none.

V. **Student Body Activity**

4. Receipts collected at John Hill School be deposited in a timely manner.

VI. **Application for State School Aid**

There are none.

VII. **Pupil Transportation**

There are none.

VIII. **Facilities and Capital Assets**

There are none.

IX. **Status of Prior Years' Audit Findings/Recommendations**

Corrective action was taken on the prior year recommendations.

ACKNOWLEDGEMENT

We received the complete cooperation of all the officials of the school district and would like to thank the Business Office, Superintendent's Office and their staff for the courtesies extended to us.

Respectfully submitted,
LERCH, VINCI BLISS, LLP

Dieter P. Lerch
Certified Public Accountant
Public School Accountant