LAKELAND REGIONAL HIGH SCHOOL DISTRICT
AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2025

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
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AUDITORS MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

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INDEPENDENT AUDITOR'S MANAGEMENT REPORT

Honorable President and Members
of the Board of Trustees
Lakeland Regional High School District
Wanaque, 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 Lakeland Regional High School District as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated December 5, 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.

Lerch, Vinci & Bliss LLP

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

Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
December 5, 2025

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Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator, the activities of the Board of Education, 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 Insurance Schedule (Exhibit J-20) of the District's Annual Comprehensive Financial Report (the "ACFR").

Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32)

Name	Position	Amount
Debra Andreniuk	Board Secretary/School Business Administrator	$250,000
Michael Donow	Treasurer of School Monies	$250,000

There is a Public Employees' Faithful Performance Blanket Position Bond covering all other employees with multiple coverage of $1,000,000.

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 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 District was not required to make an adjustment to the billings to sending districts for the adjustment in per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

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

Payroll Account

The net salaries of all employees of the District were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

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

Financial Planning, Accounting and Reporting (Continued)

Payroll Account (Continued)

Salary withholdings were promptly remitted to the proper agencies including health benefit withholdings due to the General Fund. The School Business Administrator completed and filed the required Certification of Compliance with Federal and State Law Respecting the Reporting of Compensation for Certain Employees.

The District has implemented and maintains a personnel tracking and accounting (Position Control) system.

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 and it was determined that no blanket purchase orders were included in the balance of the year-end 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 classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. As a result of the procedures performed, no additional testing was deemed necessary to test the propriety of expenditure classifications.

Finding 2025-001 – It was noted that the Transportation Internal Service fund was deemed to be inactive.

Recommendation – It is recommended that consideration be given to formally dissolve and transfer assets of the Transportation Internal Service Fund to the General Fund.

Travel Policy

The District has an approved Board travel policy as required by NJAC 6A:23A-6.13 and NJSA 18A:11-12. No exceptions were noted pertaining to travel expense reimbursement payments tested.

Board Secretary's Records

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

Treasurer's Records

The Treasurer performed cash reconciliations for the general operating account, net payroll and payroll agency accounts.

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

The Treasurer's cash balance for the general operating accounting was in agreement with the reconciled cash balance as determined during the audit.

The Bank reconciliations included reconciling items.

Financial Planning, Accounting and Reporting (Continued)

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 Title I, Title IIa and Title IV of the Elementary and Secondary Education Act as amended and reauthorized.

Our examination indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

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 examination indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

Non-public project completion reports were finalized and transmitted to the State by the due date.

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

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. No exceptions were noted.

There was no TPAF employees' contractual salaries paid from federal funds during the current fiscal year. Therefore, there were no reimbursement amounts due to the State at June 30, 2025. The District submitted the required certification by the report due date.

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 designated the School Business Administrator/Board Secretary as the Qualified Purchasing Agent.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Board Attorney's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

The results of our examination indicated that no individual payments, contracts, or agreements were made for the performance of any work or 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, as amended.

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.

Finding 2025-002 – Our audit noted that the District entered into a contract utilizing a National Cooperative Contract. In this instance, the "Notice of Intent to Award a Contract under a National Cooperative Purchasing Agreement" was not advertised prior to the contract award and a "Cost-Savings Determination" was not properly documented prior to the contract award.

Recommendation - It is recommended that the District establish internal control procedures designed to ensure compliance with the National Cooperative Contract provisions of public school contracts law.

Food Service Fund

SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A.18A:18A-7. The SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all students during the emergency.

The School Food Service Program was not selected as a major federal or State program. However, the program expenditures exceeded $100,000 in federal and/or state support.

The financial transactions and statistical records of the school food services were maintained in satisfactory condition.

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 does not include any guaranteed financial performance.

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 exceed three months average expenditures. Management will look to implement a spending plan.

Food Service Fund (Cont.)

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

The Statement of Revenues, Expenses, and Changes in Fund Net Position (ACFR Schedule B-5) does separate program and non-program revenue. The Schedule B-5 does separate program and non-program cost of goods sold.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds.

The District contracted with Pomptonian, Inc., to manage the operations of the school food services and deposited funds in accordance with applicable state statutes.

Student Activity and Athletic Association Accounts

The District has a policy which established the accounting procedures of the student activity funds.

Cash receipts and disbursements records were maintained for student activity and athletic accounts.

Finding 2025-003 – Our audit of the Lancer Locker student activity account revealed that cash transactions were not being properly accounted for.

Recommendation – It is recommended that the District establish internal control procedures to ensure that all cash transactions are properly recorded and reported.

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, related services, bilingual students 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 without exceptions. The information that was included on the workpapers was verified with minor exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

The district maintained 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 2024-2025 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures 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

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

Status of Prior Year's Findings/Recommendations

In accordance with government auditing standards, our procedures included a review of all prior year recommendations including findings. Corrective action had been taken on all prior year findings.

Suggestions to Management

- Negative student account balances in the Food Service Enterprise Fund should be reviewed and written-off if deemed to be uncollectible.
- Efforts be made in the Food Service Enterprise Fund to reduce excess net cash resources.
- The Capital Asset Inventory Report should be completely in a timely manner after year-end.
- Construction-in-Progress be reviewed and if deemed completed be transferred to the respective capital asset category.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
SCHEDULE OF MEAL COUNT ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOT APPLICABLE

NET CASH RESOURCE SCHEDULE

Net cash resources did exceed three months of expenditures
Proprietary Funds - Food Service
FYE 2025

			Food Service B - 4/5	
Net Cash Resources:				
ACFR	**Current Assets**			
B-4	Cash & Cash Equiv.	$	265,378	
B-4	Due from Other Gov'ts		14,320	
B-4	Accounts Receivable		30,817	
ACFR	**Current Liabilities**			
B-4	Less Accounts Payable		(11,367)	
B-4	Less Accruals		(12,160)	
B-4	Less Due to Other Funds		(47,889)	
	Net Cash Resources	**$**	**239,099**	**(A)**
Net Adj. Total Operating Expense:				
B-5	Tot. Operating Exp.		536,307	
B-5	Less Depreciation		(13,743)	
	Adj. Tot. Oper. Exp.	**$**	**522,564**	**(B)**
Average Monthly Operating Expense:				
	B / 10	**$**	**52,256**	**(C)**
Three times monthly Average:				
	3 X C	**$**	**156,769**	**(D)**

TOTAL IN BOX A	$	239,099.00
LESS TOTAL IN BOX D		156,769.20
NET	**$**	**82,329.80**

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.

SOURCE - USDA resource management comprehensive review form

LAKELAND REGIONAL BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024
SCHEDULE OF AUDITED ENROLLMENTS

	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 Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi-cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Nine	158	-	158	-	-	-	158	-	160		(2)	-				
Ten	170	-	170	-	-	-	170	-	171		(1)	-				
Eleven	145	5	145	5	-	-	145	5	158	5	(13)	-				
Twelve	176	2	176	2	-	-	176	2	176	2	-	-				
Subtotal	649	7	649	7	-	-	649	7	665	7	(16)	-	-	-	-	-
Special Ed - High School	168		168		-	-	168		153		15	-	15	4	4	-
Subtotal	168	-	168	-	-	-	168		153		15	-	15	4	4	-
Totals	817	7	817	7	-	-	817	7	818	7	(1)	-	15	4	4	-
Percentage Error					0.00%	0.00%					-0.12%	0.00%				0.00%

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024
SCHEDULE OF AUDITED ENROLLMENTS

	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 Workpapers	Verified to Test Score and Register	Sample Errors
Nine	23	23	-	7	7	-	-	-	-			-
Ten	30	30	-	7	7	-	3	3	-	1	1	-
Eleven	15	15	-	4	4	-	3	3	-	1	1	-
Twelve	17	17	-	5	5	-	-	-	-	-		-
Subtotal	85	85	-	23	23	-	6	6	-	2	2	-
Special Ed - High	42	42	-	13	13	-	2	2	-	-	-	-
Subtotal	42	42	-	13	13	-	2	2	-	-	-	-
Totals	127	127	-	36	36	-	8	8	-	2	2	-
Percentage Error			0.00%			0.00%			0.00%			0.00%

	Transportation					
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools, col. 1	455.0	455.0	-	51.0	51.0	-
Transported - Non-Public, col. 2	84.5	84.5	-	9.0	9.0	-
Reg -SpEd, col. 4	0.5	0.5	-	-	-	-
Special Ed Spec, col. 6	35.5	35.5	-	4.0	4.0	-
Totals	575.5	575.5	-	64.0	64.0	-
Percentage Error						0.00%

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024
SCHEDULE OF AUDITED ENROLLMENTS

	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 Workpapers	Verified to Application and Register	Sample Errors
Nine	3	3	-	1	1	-
Ten	-	-	-	-	-	-
Eleven	1	1	-	1	1	-
Twelve	1	1	-	-	-	-
Subtotal	5	5	-	2	2	-
Special Ed - High	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Totals	5	5	-	2	2	-
Percentage Error			0.00%			0.00%

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SECTION 1A - 2% Calculation of Excess Surplus

2024-2025 Total General Fund Expenditures per the ACFR	$ 31,061,869	
Increased by:		
Transfer to Transportation Fund	500,000	
Decreased by:		
On-Behalf TPAF Pension & Social Security	(5,335,989)	
Adjusted 2024-2025 General Fund Expenditures	$ 26,225,880	
2% of Adjusted 2024-2025 General Fund Expenditures	$ 524,517	
Enter Greater of 2% of Adjusted 2024-2025 General Fund Expenditures or $250,000	$ 524,517	
Increased by: Allowable Adjustments	39,995	
Maximum Unreserved/Undesignated Fund Balance		$ 564,512

SECTION 2

Total General Fund - Fund Balances at June 30, 2025		$ 4,203,937
Decreased by:		
Year-end Encumbrance	$ 128,105	
Excess Surplus - Designated for Subsequent Year's Expenditures	498,499	
Capital Reserve	720,649	
Capital Reserve - Designated for Subsequent Year's Budget	621,503	
Maintenance Reserve	164,338	
Maintenance Reserve - Designated for Subsequent Year's Budget	200,000	
Unemployment Compensation	673,485	
Assigned, Designated for Subsequent Year's Budget	276,466	
Total Unassigned Fund Balance		$ 920,892

SECTION 3

Restricted Fund Balance – Excess Surplus	$ 356,380

Recapitulation of Excess Surplus as of June 30, 2025

Reserved Excess Surplus - Designated for Subsequent Year's Budget	$ 498,499
Reserved Excess Surplus	356,380
Total Excess Surplus	$ 854,879

LAKELAND REGIONAL HIGH SCHOOL DISTRICT
RECOMMENDATIONS

I. **Administrative Practices and Procedures**

There are none.

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

1. It is recommended that consideration be given to formally dissolve and transfer assets of the Transportation Internal Service Fund to the General Fund.

III. **School Purchasing Program**

2. It is recommended that the District establish internal control procedures designed to ensure compliance with the National Cooperative Contract provisions of public school contracts law.

IV. **School Food Services**

There are none.

V. **Student Body Activities/Athletic Account**

3. It is recommended that the District establish internal control procedures to ensure that all cash transactions are properly recorded and reported.

VI. **Application for State School Aid**

There are none.

VII. **Pupil Transportation**

There are none.

VIII. **Miscellaneous**

There are none.

IX. **Facilities and Capital Assets**

There are none.

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

There were none.

ACKNOWLEDGEMENT

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