LEONIA BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2025

LEONIA BOARD OF EDUCATION
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AUDITORS MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

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AUDITOR'S MANAGEMENT REPORT

Honorable President and Members
of the Board of Education
Leonia Board of Education
Leonia, 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 Leonia Board of Education, State of New Jersey as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated January 8, 2026.

As part of our audit, we performed procedures required by the Office of School Finance, Department of Education, State of New Jersey and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of management, the Board of Education, 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

Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
January 8, 2026

LEONIA BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, the activities of the Board of Education and the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Schedule of Insurance contained in the district's Annual Comprehensive Financial Report ("ACFR").

Official Bonds

Name	Position	Amount
Eric Thomasevich	School Business Administrator/Board Secretary	$500,000
Antoinette Kelly	Treasurer of School Monies	500,000

There is an Employee Dishonesty Faithful Performance Crime Coverage policy with School Alliance Insurance Fund covering all other employees with multiple coverage of $500,000 per employee.

P.L. 2020, c44

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A. 18A:16-13.3 (Chapter 44) submitted for the year of audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did appear to 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.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The Board made the proper 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 did not reveal any material discrepancies with respect to signatures, certifications or supporting documentation.

Financial Planning, Accounting and Reporting (Continued)

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.

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

Salary withholdings were promptly remitted by the District to the proper agencies, including health benefit withholdings due to the General Fund.

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

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.

- **Finding 2025-1 –** Our audit revealed the calculation of the District's unused sick and vacation liability as of June 30, 2025 was not prepared and provided for audit.

  Recommendation – The District calculate and provide for audit the year-end compensated absences liability of its employees.

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 included administrative coding classifications to determine overall reliability and compliance with *N.J.A.C.* 6A:23-8.3. As a result of the procedures performed, no additional testing was deemed necessary to test the propriety of expenditure classifications.

Travel

The District had an approved board travel policy as required by N.J.A.C. 6A:23A-6.13 and N.J.S.A. 18A:11-12.

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 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.

- **Finding 2025-2** – Our audit of the General Fund's open purchase order reports of encumbrances and accounts payable at June 30, 2025 revealed they were not in agreement with the general ledger control account balances and budget account status report..

  Recommendation – Procedures be reviewed and revised to ensure year-end open purchase order reports of encumbrances and accounts payable are in agreement with general ledger and budget report balances in the General Fund.

Financial Planning, Accounting and Reporting (Continued)

Board Secretary's Records

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

The Board Secretary's reports were presented monthly to the Board on a timely basis and were submitted to the executive county superintendent as prescribed by (N.J.S.A. 18A:17-9 and 18A:17-36).

Acknowledgement of the Board's receipt of the Board Secretary's monthly financial reports were included in the minutes.

The prescribed contractual order system was followed.

Treasurer's Records

The Treasurer performed cash reconciliations for all District accounts in accordance with N.J.S.A. 18A:17-36.

The Treasurer's bank reconciliations were in agreement with the cash balances of the Board Secretary.

The Treasurer's cash balances were in agreement with the reconciled cash balances as determined during the audit.

Acknowledgement of the Board's receipt of the Treasurer's monthly reports was included in the minutes.

Unemployment Compensation Insurance Account

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Account. The financial transactions of this account are reported in the General Fund.

Elementary and Secondary Education Act (E.S.E.A.) as Amended by the Every Student Succeeds Act (ESSA)

The E.S.E.A./ESSA 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, II, III, III Immigrant and IV of the Elementary and Secondary Education Act as amended and reauthorized.

IDEA Part B and Preschool

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

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Exhibits K-3 and K-4 located in the ACFR.

Our audit of the Federal and State funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The 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.

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.

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 TPAF Reimbursement has not been submitted to the State.

Financial Planning, Accounting and Reporting (Continued)

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

- **Finding 2025-3 –** Our audit revealed the District did not complete and remit the report to reimburse the State for on-behalf social security and pension contributions for pensionable wages covered by the Teacher's Pension and Annuity Fund (TPAF) that were funded by Federal grant programs. (NJSA 18A:66-90)

  Recommendation – Procedures be reviewed and revised to ensure the annual report to reimburse the State for on-behalf pension and social security contributions for federally funded TPAF pensionable salaries be prepared and remitted to the State in accordance with NJSA 18A:66-90.

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:39-3(A) are $44,000 (with a Qualified Purchasing Agent) and $32,000 (without a Qualified Purchasing Agent), respectively. The law regulates bidding for public school student transportation contracts under NJSA 18A:39-3 which is $22,400 for the 2024-2025 school year.

If the purchasing agent is qualified pursuant to subsection b of section 9 of P.L. 1971, 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 of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Board attorney's opinion should be sought before a commitment is made.

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

The results of our examination, did not indicate any individual payments, contracts or agreements were made for the performance of work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4, 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 that purchases were made through the use of state contracts.

Food Service Fund

The school food service program was selected as a major federal program.

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records were reviewed on a test-check basis.

Food Service Fund (Continued)

The district utilized a food service management company (FSMC) who is responsible for 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 Cost Reimbursable Fixed Price were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will breakeven. The operating results provision has been met.

Expenditures are separately recorded as food, labor and other costs. Vendor invoices were reviewed, and costs verified. Inventory records on food and 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.

- **Finding 2025-4 (ACFR Finding 2025-001)** – Our audit of the District's Food Service Fund revealed that net cash resources exceeded the average of three months' operating expenses by $85,639.

  Recommendation – The District develop a plan to eliminate the excess of net cash resources in the Food Service Fund.

The number of meals claimed for reimbursement was compared to meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted 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 as services was compared to the number of valid application or list of directly certified students, times this number of operating days, on a school by school basis. The free and reduced price meal policy was reviewed for uniform administration throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review.

USDA Food Distribution Program (food and/or commodities) were received and a single inventory was maintained on first-in, first-out basis. No exceptions were noted.

Non-program foods were prepared and offered for sale.

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

Student Body Activities

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

Receipts tested were tested for timely deposit.

Cash disbursements tested had proper supporting documentation.

Enrichment Program

Separate revenue and expense records and billing journals were maintained for the enrichment program.

LEONIA BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2024 Application for State School Aid (ASSA) for on-roll, private schools for the disabled, related services, low income and bilingual. 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 minor exceptions noted. The information that was included on the workpapers was verified without exception. 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 for all reporting categories.

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 exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

The District had no active SDA grant funded projects in the capital projects fund during the current fiscal year.

- **Finding 2025-5** – Our audit of the District's capital assets revealed numerous unrecorded additions at year-end.

  Recommendation – Internal control procedures over capital asset reporting be reviewed and enhanced to ensure all capital assets are recorded at year-end.

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 standards, our procedures included a review of all prior year recommendations.

Suggestions to Management

- Insurance claim reimbursements and NJ DEP grant program receivables be reviewed and appropriate action be taken to collect outstanding balances of record.
- Cooperative purchasing program and State contract award resolutions include the amount of the approved contract award.
- Cooperative purchasing program award documentation (i.e. price lists) be verified to vendor invoices prior to payment.

LEONIA BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SCHEDULE OF MEAL COUNT ACTIVITY

Program	Meals Category	Meals Claimed	Meals Tested	Meals Verified	Over/(Under) Claimed Meals	Rate per Rate	Number of Ineligible Operating Days	Total Over/(Under) Claimed Amount
National School Lunch								
(Regular Rate)	NJEIE	955	205	205	-	$ 4.01		
	SSO				-	5.32		
	Paid	101,416	20,566	20,566	-	0.48		
	Reduced	7,037	1,419	1,419	-	4.10		
	Free	32,987	6,800	6,800	-	4.50		-
	Total Lunch	142,395	28,990	28,990	-			$ -
National School Breakfast								
(Severe Need Rate)	NJEIE	4			-	$ 2.45		
	SSO				-	3.03		
	Paid	3,354	704	704	-	0.39		
	Reduced	379	87	87	-	2.54		
	Free	3,288	645	645	-	2.84		
	Total Breakfast	7,025	1,436	1,436	-			$ -
						Total Overclaim		$ -

LEONIA BOARD OF EDUCATION
FOOD SERVICE FUND
COMPARISON OF NET CASH RESOURCES TO THREE MONTHS AVERAGE EXPENDITURES
AS OF JUNE 30, 2025

NET CASH RESOURCE SCHEDULE

			Food Service B-4/5	
Net Cash Resources:				
ACFR	**Current Assets**			
B-4	Cash & Cash Equivalents	$	539,133	
B-4	Intergovernmental Receivable		18,230	
B-4	Other Accounts Receivable		44,126	
ACFR	**Current Liabilities**			
B-4	Less Accounts Payable		(54,915)	
B-4	Less Due to Other Funds		(158,096)	
B-4	Less Unearned Revenue		(34,593)	
	Net Cash Resources	$	353,885	**(A)**
Total Net Adjusted Operating Expenses:				
	Total Operating Expenses	$	912,279	
	Less Depreciation		(18,125)	
	Total Net Adjusted Total Operating Expenditures	$	894,154	**(B)**
Average Monthly Operating Expenses:				
	Total Net Adjusted Operating Expenses (B) / 10 months	$	89,415	**(C)**
Three Times Monthly Average:				
	3 x Average Monthly Expenses (C)	$	268,246	**(D)**

TOTAL NET CASH RESOURCES	**$**	**353,885**
LESS THREE MONTHS AVERAGE EXPENDITURES		**268,246**
NET OVER (UNDER)	**$**	**85,639**

NET CASH RESOURCES EXCEEDS THE AVERAGE OF THREE MONTHS' OPERATING EXPENSES

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

	2025-2026 Application for State School Aid					
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors	
	Full	Shared	Full	Shared	Full	Shared
Full Day Preschool - 4 yrs	34		34		-	-
Full Day Kindergarten	50		50		-	-
Grade 1	81		81		-	-
Grade 2	78		78		-	-
Grade 3	96		96		-	-
Grade 4	108		108		-	-
Grade 5	105		105		-	-
Grade 6	113		113		-	-
Grade 7	181		181		-	-
Grade 8	178		178		-	-
Grade 9	170		170		-	-
Grade 10	158		158		-	-
Grade 11	177		177		-	-
Grade 12	192		192		-	-
Subtotal	1,721	-	1,721	-	-	-
Spec Ed - Elementary	78		70		8	-
Spec Ed - Middle School	76		84		(8)	-
Spec Ed - High School	102		102		-	-
Subtotal	256	-	256	-	-	-
Totals	1,977	-	1,977	-	-	-
Percentage Error					0.00%	0.00%

	Sample for Verification					
	Sample Selected from Workpapers		Verified per Register On Roll		Errors per Registers On Roll	
	Full	Shared	Full	Shared	Full	Shared
Full Day Preschool - 4 yrs	34		34		-	-
Full Day Kindergarten	50		50		-	-
Grade 1	81		81		-	-
Grade 2	78		78		-	-
Grade 3	96		96		-	-
Grade 4	108		108		-	-
Grade 5	105		105		-	-
Grade 6	113		113		-	-
Grade 7	181		181		-	-
Grade 8	178		178		-	-
Grade 9	170		170		-	-
Grade 10	158		158		-	-
Grade 11	177		177		-	-
Grade 12	192		192		-	-
Subtotal	1,721	-	1,721	-	-	-
Spec Ed - Elementary	21		21		-	-
Spec Ed - Middle School	16		16		-	-
Spec Ed - High School	15		15		-	-
Subtotal	52	-	52	-	-	-
Totals	1,773	-	1,773	-	-	-
Percentage Error					0.00%	0.00%

	Private Schools for Disabled			
	Reported on A.S.S.A. as Private Schools	Sample for Verification	Sample Verified	Sample Errors
Spec Ed - Elementary	2	1	1	-
Spec Ed - Middle School	4	1	1	-
Spec Ed - High School	7	2	2	-
Subtotal	13	4	4	-
Totals	13	4	4	-
Percentage Error				0.00%

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

	Resident 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
Full Day Kindergarten	5	5	-	1	1	-
Grade 1	13	13	-	2	2	-
Grade 2	13	13	-	2	2	-
Grade 3	19	19	-	4	4	-
Grade 4	24	24	-	4	4	-
Grade 5	11	11	-	2	2	-
Grade 6	19	19	-	4	4	-
Grade 7	27	27	-	5	5	-
Grade 8	20	20	-	4	4	-
Grade 9	22	22	-	4	4	-
Grade 10	27	27	-	5	5	-
Grade 11	33	33	-	6	6	-
Grade 12	31	31	-	6	6	-
Subtotal	264	264	-	49	49	-
Spec Ed - Elementary	18	15	3	3	3	-
Spec Ed - Middle School	17	20	(3)	3	3	-
Spec Ed - High School	20	20	-	4	4	-
Subtotal	55	55	-	10	10	-
Totals	319	319	-	59	59	-
Percentage Error			0.00%			0.00%

	Resident LEP Low Income			Sample for Verification		
	Reported on ASSA	Reported on Workpapers	Errors	Sample Selected	Sample Verified	Errors
Full Day Kindergarten	3	3	-	1	1	-
Grade 1	2	2	-	1	1	-
Grade 2	5	5	-	1	1	-
Grade 3	4	4	-	1	1	-
Grade 4	2	2	-	1	1	-
Grade 5	3	3	-	1	1	-
Grade 6	2	2	-	1	1	-
Grade 7	3	3	-	1	1	-
Grade 8			-			-
Grade 9	2	2	-			-
Grade 10	2	2	-			-
Grade 11	2	2	-	1	1	-
Grade 12	1	1	-			-
Subtotal	31	31	-	9	9	-
Spec Ed - Elementary	3	3	-	1	1	-
Spec Ed - Middle School			-			-
Spec Ed - High School	3	3	-	1	1	-
Subtotal	6	6	-	2	2	-
Totals	37	37	-	11	11	-
Percentage Error			0.00%			0.00%

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	35	35	-	11	11	-
Transported - Non-Public			-			-
Regular - Spec. Ed.			-			-
Special Needs - Public	17	17	-	5	5	-
Totals	52	52	-	16	16	-
Percentage Error			0.00%			0.00%

LEONIA BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
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
Full Day Kindergarten	5	5	-	2	2	-
Grade 1	6	6	-	2	2	-
Grade 2	5	5	-	2	2	-
Grade 3	10	10	-	2	2	-
Grade 4	3	3	-	1	1	-
Grade 5			-			-
Grade 6	3	3	-	1	1	-
Grade 7	1	1	-			-
Grade 8	3	3	-	1	1	-
Grade 9			-			-
Grade 10	3	3	-	1	1	-
Grade 11			-			-
Grade 12	3	3	-	1	1	-
Subtotal	42	42	-	13	13	-
Spec Ed - Elementary	3	3	-	1	1	-
Spec Ed - Middle School			-			-
Spec Ed - High School	2	2	-			-
Subtotal	5	5	-	1	1	-
Totals	47	47	-	14	14	-
Percentage Error			0.00%			0.00%

LEONIA BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SECTION 1 - Regular District

Two Percent (2%) - Calculation of Excess Surplus			
2024-2025 Total General Fund Expenditures per the ACFR		$ 52,956,432	
Increased by:			
Transfers to Special Revenue Fund		99,100	
Transfers to Capital Projects Fund		38,728	
Decreased by:			
Expenditures Funded by Insurance Recoveries		(1,524,658)	
On-Behalf TPAF Pension & Social Security		(9,509,304)	
Adjusted 2024-2025 General Fund Expenditures		$ 42,060,298	
2% of Adjusted 2024-2025 General Fund Expenditures		$ 841,206	
Maximum Unassigned Fund Balance			$ 841,206

SECTION 2

Total General Fund - Fund Balance at June 30, 2025 (Per ACFR Budgetary Comparison Schedule/Statement C-1)		$ 7,691,405	
Decreased by:			
Restricted Fund Balances - Capital Reserve	$ 1,262,637		
Restricted Fund Balances - Capital Reserve - Designated for Subsequent Year's Expenditures	506,119		
Restricted Fund Balances - Maintenance Reserve	1,201,270		
Restricted Fund Balances - Maintenance Reserve - Designated for Subsequent Year	496,230		
Restricted Fund Balances - Tuition Reserve	170,000		
Restricted - Unemployment Compensation Reserve	186,789		
Excess Surplus - Designated for Subsequent Year's Expenditures	550,000		
Committed/Assigned - Year-End Encumbrances	1,527,154		
Assigned - Designated for Subsequent Year Expenditures	300,000		
		6,200,199	
Total Unassigned Fund Balance			1,491,206
Restricted Fund Balance - Excess Surplus			$ 650,000

SECTION 3

Recapitulation of Restricted Excess Surplus as of June 30, 2025	
Excess Surplus	$ 650,000
Excess Surplus - Designated for Subsequent Year's Expenditures	550,000
Total	$ 1,200,000

LEONIA BOARD OF EDUCATION
RECOMMENDATIONS

I. Administration Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. The District calculate and provide for audit the year-end compensated absences liability of its employees.
2. Procedures be reviewed and revised to ensure year-end open purchase order reports of encumbrances and accounts payable are in agreement with general ledger and budget report balances in the General Fund.
3. Procedures be reviewed and revised to ensure the annual report to reimburse the State for on-behalf pension and social security contributions for federally funded TPAF pensionable salaries be prepared and remitted to the State in accordance with NJSA 18A:66-90.

III. School Purchasing Program

There are none.

IV. School Food Service

4. It is recommended the District develop a plan to eliminate the excess of net cash resources in the Food Service Fund.

V. Student Body Activities

There are none.

VI. Enrichment Program

There are none.

VII. Application for State School Aid

There are none.

VIII. Pupil Transportation

There are none.

IX. Facilities and Capital Assets

5. It is recommended that internal control procedures over capital asset reporting be reviewed and enhanced to ensure all capital assets are recorded at year-end.

X. Status of Prior Years' Audit Findings/Recommendations

A review was performed on all prior years' recommendations and corrective action was taken on all items.

ACKNOWLEDGEMENT

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

Respectfully submitted,
LERCH, VINCI & BLISS, LLP

Jeffrey C. Bliss
Public School Accountant
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