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

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

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Honorable President and
Members of the Board of Trustees
North Haledon Board of Education
North Haledon, 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 North Haledon Board of Education as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated October 30, 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
October 30, 2025

NORTH HALEDON 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 Moneys, 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 contained in the district's ACFR.

Officials Bonds

Name	Position	Amount
Michael Donow	Treasurer of School Monies	$200,000
Tina Iaccheo	Business Administrator	100,000

There is a Public Employees' Faithful Performance Blanket Position Bond with New Jersey Schools Insurance Group covering all other employees with multiple coverage of $500,000.

Financial Planning, Accounting and Reporting

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 Chapter 44 data was submitted timely.

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.

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/Business Administrator.

Financial Planning, Accounting and Reporting (Continued)

Payroll Account (Continued)

Finding 2025-001 – Our audit of payroll revealed excess funds are being held in the payroll agency account.

Recommendation – The District review the payroll agency account and any excess funds be transferred to the general account.

Health benefit withholdings were always remitted to general fund.

Payrolls were delivered to the Treasurer of School Monies with a warrant made to her order for the full amount of each payroll.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2(g) 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-2.4.

Finding 2025-002 – Our audit of travel reimbursements revealed certain travel expenditures were improperly classified.

Recommendation – The District should reference The Uniform Minimum Chart of Accounts for the proper classifications required to be in compliance with N.J.A.C. 6A:23A-16.2(f).

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.

Financial Planning, Accounting and Reporting (Continued)

Treasurer's Records (Continued)

The Bank reconciliations included reconciling items.

Finding 2025-003 – Our audit of Capital Projects revealed that certain capital project expenditures and purchase orders were misclassified and reported in the General Fund.

Recommendation – Capital Projects expenditures be recorded and accounted for in the Capital Projects Fund.

Unemployment Compensation Insurance Trust Fund

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund.

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

The E.S.E.A. financial exhibits contained herein represent a true statement of the financial position pertaining to projects under Title I, Title II and Title IV of the Elementary and Secondary Education Act as amended.

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.

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Schedules K-3 and K-4 located in 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.

T.P.A.F. Reimbursement

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 expenditure was reviewed subsequent tot eh reimbursement and no exceptions were noted.

Financial Planning, Accounting and Reporting (Continued)

School Purchasing Programs (Continued)

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 $22,400 effective for 2024-25.

The district 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.

Contracts and Agreements Requiring Advertisement for Bids (Continued)

Based on the results of examination, there were no individual payments, contracts, or agreements 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 provision of N.J.S.A. 18A:18A-4, amended.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

School Food Services

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 ages 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 free and reduced price meal eligible 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 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.

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

The free and reduced price meal and free milk policy is uniformly administered throughout the School System. The required verification procedures for free and reduced price applications were completed and available for review.

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.

School Food Services (Continued)

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.

The Statement of Revenues, Expenses and Changes in Net Position does not separate program and non-program revenue and cost of goods sold.

Food Distribution Program commodities were received and a separate inventory was maintained on a first-in, first-out basis.

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

Student Activity Funds

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

Receipts were promptly deposited.

Prenumbered receipts were utilized.

Upon review of the cash disbursements from the student accounts, our audit revealed supporting documentation was available for disbursements, with no exceptions 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 without exception. The information that was included on the workpapers was verified.

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 2024-25 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with no exceptions. 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.

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 on Prior Year Findings

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

Suggestions to Management

- Negative student account balances in the Food Service Enterprise Fund should be assessed for collectability and written off if necessary.

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

NOT APPLICABLE

NORTH HALEDON BOARD OF EDUCATION
NET CASH RESOURCE SCHEDULE

Proprietary Funds - Food Service
FYE 2025

Net Cash Resources:

*	**Current Assets**			
	Cash & Cash Equiv.	$	14,416	
	Due from Other Gov'ts		7,235	
	Accounts Receivable		14,131	
	Investments			
	Current Liabilities			
	Less Accounts Payable			
	Less Accruals			
	Less Due to Other Funds			
	Net Cash Resources	**$**	**35,782**	**(A)**

Net Adj. Total Operating Expense:

Tot. Operating Exp.	$	346,487	
Less Depreciation	$	(7,115)	
Adj. Tot. Oper. Exp.	**$**	**339,372**	**(B)**

Average Monthly Operating Expense:

B / 10	**$**	**33,937**	**(C)**

Three times monthly Average:

3 X C	**$**	**101,812**	**(D)**

TOTAL IN BOX A	$	35,782
LESS TOTAL IN BOX D		101,812
NET	**$**	**(66,030)**

A is greater than D, cash exceeds 3 X average monthly operating expenses.

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

SOURCE - USDA resource management comprehensive review form

NORTH HALEDON BOARD OF EDUCATION
A.S.S.A. & DRTRS
SCHEDULE OF AUDITED ENROLLMENTS
AS OF 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 per Registers 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		-	-	-	-	-	-	-	-	-	-	-				
Half Day Preschool - 4 years	-	-	-	-	-	-	-	-	-	-	-	-				
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-				
Full Day Kindergarten	69	-	69	-	-	-	69	-	69	-	-	-				
1st Grade	55	-	55	-	-	-	55	-	53	-	2	-				
2nd Grade	53	-	53	-	-	-	53	-	52	-	1	-				
3rd Grade	51	-	51	-	-	-	51	-	51	-	-	-				
4th Grade	62	-	62	-	-	-	62	-	61	-	1	-				
5th Grade	57	-	57	-	-	-	57	-	58	-	(1)	-				
6th Grade	49	-	49	-	-	-	49	-	50	-	(1)	-				
7th Grade	55	-	55	-	-	-	55	-	54	-	1	-				
8th Grade	60	-	60	-	-	-	60	-	60	-	-	-				
9th Grade	-	-	-	-	-	-		-	-	-	-	-				
10th Grade	-	-	-	-	-	-	-	-	-	-	-	-				
11th Grade	-	-	-	-	-	-	-	-	-	-	-	-				
12th Grade	-	-	-	-	-	-	-	-	-	-	-	-				
Subtotal	511	-	511	-	-	-	511	-	508	-	3	-	-	-	-	-
Spec Ed - Elementary	72	-	72	-	-	-	72		75		(3)	-	1	1	1	-
Spec Ed - Middle School	25	-	25	-	-	-	25		26		(1)	-	1	1	1	-
Spec Ed - High School	-	-	-	-	-	-	-		-		-	-	-	-	-	-
Subtotal	97	-	97	-	-	-	97	-	101	-	(4)	-	2	2	2	-
Totals	608	-	608	-	-	-	608	-	609	-	(1)	-	2	2	2	-
Percentage Error					0.00%						-0.16%					0.00%

NORTH HALEDON BOARD OF EDUCATION
A.S.S.A.
SCHEDULE OF AUDITED ENROLLMENTS
AS OF OCTOBER 15, 2024

	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
Half Day Pre-School (3 Yrs)	-	-	-	-	-	-
Half Day Pre-School (4 Yrs)	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	18	17	1	6	6	-
1st Grade	7	7	-	2	2	-
2nd Grade	13	13	-	4	4	-
3rd Grade	14	14	-	4	4	-
4th Grade	17	16	1	5	5	-
5th Grade	10	9	1	3	3	-
6th Grade	15	15	-	5	5	-
7th Grade	12	11	1	4	4	-
8th Grade	12	12	-	4	3	1
9th Grade	-	-	-	-	-	-
10th Grade	-	-	-	-	-	-
11th Grade	-	-	-	-	-	-
12th Grade	-	-	-	-	-	-
Subtotal	118	114	4	37	36	1
Spec Ed - Elementary	28	28	-	9	9	-
Spec Ed - Middle School	9	9	-	3	3	-
Spec Ed - High School	-	-	-	-	-	-
Subtotal	37	37	-	12	12	-
Totals	155	151	4	49	48	1
Percentage Error			2.58%			2.04%

	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
Half Day Pre-School (3 Yrs)	-	-	-	-	-	-
Half Day Pre-School (4 Yrs)	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	4	4	-	1	1	-
1st Grade	3	3	-	1	1	-
2nd Grade	4	4	-	1	1	-
3rd Grade	2	2	-	1	1	-
4th Grade	4	4	-	1	1	-
5th Grade	2	2	-	1	1	-
6th Grade	1	1	-	-	-	-
7th Grade	2	2	-	1	1	-
8th Grade	-	-	-	-	-	-
9th Grade	-	-	-			-
10th Grade	-	-	-	-	-	-
11th Grade	-	-	-	-	-	-
12th Grade	-	-	-	-	-	-
Subtotal	22	22	-	7	7	-
Spec Ed - Elementary	2	2	-	1	1	-
Spec Ed - Middle School	1	1	-	-	-	-
Spec Ed - High School	-	-	-	-	-	-
Subtotal	3	3	-	1	1	-
Totals	25	25	-	8	8	-
Percentage Error			0.00%			0.00%

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	2	2	-	2	2	-
Transported - Non-Public	-	-	-	-	1	(1)
Regular - Spec.	-	-	-			-
Special Needs - Public	2	2	-	2	1	1
Totals	4	4	-	4	4	-
			0.00%			0.00%

NORTH HALEDON BOARD OF EDUCATION
A.S.S.A.
SCHEDULE OF AUDITED ENROLLMENTS
AS OF 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 Pre-School (3 Yrs)						
Half Day Pre-School (4 Yrs)						
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	2	2	-	1	1	-
1st Grade	2	2	-	-	-	-
2nd Grade	-	-	-	-	-	-
3rd Grade	-	1	(1)	-	-	-
4th Grade	-	-	-	-	-	-
5th Grade	3	3	-	1	1	-
6th Grade	-	-	-	-	-	-
7th Grade	-	-	-	-	-	-
8th Grade	2	2	-	1	1	-
9th Grade	-	-	-	-	-	-
10th Grade	-	-	-	-	-	-
11th Grade	-	-	-	-	-	-
12th Grade	-	-	-	-	-	-
Subtotal	9	10	(1)	3	3	-
Spec Ed - Elementary	4	4	-	1	1	-
Spec Ed - Middle School	-	-	-	-	-	-
Spec Ed - High School	-	-	-	-	-	-
Subtotal	4	4	-	1	1	-
Totals	13	14	(1)	4	4	-
Percentage Error			-7.69%			0.00%

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

SECTION 1A - Two Percent (2%) - Calculation of Excess Surplus

2024-2025 Total General Fund Expenditures per the ACFR	$ 15,400,546
Decreased by:	
On-Behalf TPAF Pension & Social Security	(2,992,158)
Adjusted 2024-2025 General Fund Expenditures	12,408,388
2% of Adjusted 2024/2025 General Fund Expenditures, or $250,000	250,000
Increased by:	
Allowable Adjustment	91,237
Maximum Unassigned Fund Balance	$ 341,237

SECTION 2

Total General Fund - Fund Balance at June 30, 2025 (Per ACFR Budgetary Comparison schedule/statement)	$ 2,043,435
Decreased by:	
Reserved for Encumbrances	2,322
Capital Reserve	627,108
Maintenance Reserve	160,000
Excess Surplus - Designated for Subsequent Year	413,169
Unemployment Compensation	60,298
Total Assigned Fund Balance for Excess Surplus Calculation	$ 780,538

SECTION 3

Recapitulation of Excess Surplus as of June 30, 2025

Reserved Excess Surplus	$ 439,301
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	413,169
	$ 852,470

Detail of Allowable Adjustments

Non-Public Transportation Aid	$ 64,913
Extraordinary Aid	26,324
	$ 91,237

RECOMMENDATIONS

I. Administration Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

2025-001 - It is recommended that the District review the payroll agency account and any excess funds be transferred to the general account.

2025-002 - It is recommended that the District reference The Uniform Minimum Chart of Accounts for the proper classifications required to be in compliance with N.J.A.C. 6A:23A-16.2(f).

2025-003 - It is recommended that Capital Projects expenditures be recorded and accounted for in the Capital Projects Fund.

III. School Purchasing Program

There are none.

IV. School Food Services

There are none.

V. Student Body Activities

There are none.

VI. Application for State School Aid

There are none.

VII. Transportation

There are none.

VIII. Status of Prior Year's Audit Findings/Recommendations

In accordance with government auditing standards, our procedures included a review of the prior year recommendations, all of which have been remediated.

ACKNOWLEDGEMENT

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,
LERCH, VINCI & BLISS, LLP

Dieter P. Lerch
Public School Accountant
Certified Public Accountant