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

NORWOOD BOARD OF EDUCATION
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AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

Honorable President and Members
of the Board of Education
Norwood Board of Education
County of Bergen, 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 Norwood Board of Education, County of Bergen, as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated November 13, 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 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
November 13, 2025

17-17 ROUTE 208 FAIR LAWN, NJ 07410 • TELEPHONE (201) 791-7100 • FACIMILE (201) 791-3035
WWW.LVBCPA.COM

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.

Official Bonds

Name	Position	Amount
Cheryl Ambrose	Board Secretary/School Business Administrator	$50,000
Antoinette Kelly	Treasurer of School Monies	200,000

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

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 each of 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.

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium amounts withheld due to the General Fund

There is a pending matter with the IRS regarding an erroneous refund received by the District. The District is awaiting resolution of the matter.

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 reserves 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.

Financial Planning, Accounting and Reporting (Continued)

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 transaction errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

> **Finding 2025-001 –** The examination of claims revealed several instances where a receipt of goods signature was not obtained.
>
> **Recommendation -** Receipt of goods signature be obtained prior to approval of payment of claims.

Board Secretary's and Treasurer’s Records

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

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

The prescribed contractual order system was followed.

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 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, and III 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 ACFR.

Our audit of the 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. 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(s) 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.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds are in accordance with N.J.S.A. 18A:18A-2 (as amended) 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 transportation contracts under N.J.S.A. 18A:39-3 is $20,200 for 2024-25.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within 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. Our audit noted no violations occurred.

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.

Food Service Fund

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

The cash disbursement records reflected expenditures for program related goods and services. The appropriate revenue and expense records were maintained in order to substantiate the non-profit status of the school food service.

Student Activity Funds

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

All disbursements were supported by proper documentation.

Finding 2025-002 – 1. Duplicate receipts are not issued for monies collected.
2. Cash payments from students are being accepted as payment.

Recommendation – Internal controls over revenue collections be enhanced.

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 handicapped, low income, related services 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 no exceptions. The information that was included on the workpapers was verified with no 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 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 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. The bid specifications for the purpose of buses were in compliance with applicable statutes. 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 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).

Suggestion to Management

- Fixed asset report be obtained on a timely basis.

SCHEDULE OF MEAL COUNT ACTIVITY

NOT APPLICABLE

SCHEDULE OF NET CASH RESOURCES

NOT APPLICABLE

NORWOOD BOARD OF EDUCATION
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		Sample Verified	Reported on A.S.S.A. as Private Schools	Reported on W/P's as Private Schools	Errors	Sample Selected	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared		Full	Shared	Full						
Half Day Preschool - 3 years				-	-	-										
Full Day Preschool - 3 years	4		4		-	-		4		4						
Half Day Preschool - 4 years					-	-										
Full Day Preschool - 4 years	12		12		-	-		12		12						
Half Day Kindergarten					-	-										
Full Day Kindergarten	54		54		-	-		54		54						
1st Grade	47		47		-	-		47		47						
2nd Grade	43		43		-	-		43		43						
3rd Grade	55		55		-	-		55		55						
4th Grade	66		66		-	-		66		66						
5th Grade	43		43		-	-		43		43						
6th Grade	69		69		-	-		69		69						
7th Grade	62		62		-	-		62		62						
8th Grade	64		64		-	-		64		64						
9th Grade					-	-										
10th Grade					-	-										
11th Grade				-	-	-										
12th Grade				-	-	-										
Subtotal	519	-	519	-	-	-		519	-	519						
Spec Ed - Elementary	39	2	39	2	-	-		39	2	39	3	3		2	2	-
Spec Ed - Middle School	26		26		-	-		26		26	2	2		2	2	-
Spec Ed - High School					-	-										-
Subtotal	65	2	65	2	-	-		65	2	65	5	5		4	4	-
Totals	584	2	584	2	-	-	-	584	2	584	5	5		4	4	-
Percentage Error					0.00%											0.00%

NORWOOD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
SCHEDULE OF AUDITED ENROLLMENTS
OCTOBER 15, 2024

	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 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)			-			-			-			-
Full Day Pre-School (3 Yrs)			-			-			-			
Full Day Kindergarten	2	2	-	1	1	-	1	1	-	1	1	-
1st Grade			-			-			-			-
2nd Grade			-			-			-			-
3rd Grade	1	1	-			-			-			-
4th Grade			-			-			-			-
5th Grade	1	1	-			-			-			-
6th Grade			-			-			-			-
7th Grade			-			-			-			-
8th Grade	1	1	-			-			-			-
9th Grade			-			-			-			-
10th Grade			-			-			-			-
11th Grade			-			-			-			-
12th Grade			-			-			-			-
Subtotal	5.0	5.0	-	1.0	1.0	-	1	1	-	1	1	-
Spec Ed - Elementary	6.0	6.0	-	2.0	2.0	-			-			-
Spec Ed - Middle School	1.0		1			-			-			-
Spec Ed - High School			-			-			-			-
Subtotal	7.0	6.0	1	2	2	-	-	-	-	-	-	-
Totals	12.0	11.0	1	3	3	-	1	1	-	1	1	-
Percentage Error			8.33%			0.00%			0.00%			0.00%

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	44.0	44.0	-	13.0	13.0	-
Transported - Non-Public	4.0	4.0	-	1.0	1.0	-
Regular - Spec.	6.0	6.0	-	2.0	2.0	-
Special Needs - Public	13.0	13.0	-	4.0	4.0	-
Totals	67.0	67.0	-	20.0	20.0	-
			0.00%			0.00%

NORWOOD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
SCHEDULE OF AUDITED ENROLLMENTS
OCTOBER 15, 2024

	Resident 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			-			-
1st Grade	2	2	-			-
2nd Grade	2	2	-	1	1	-
3rd Grade			-			-
4th Grade	2	2	-			-
5th Grade			-			-
6th Grade	3	3	-	1	1	-
7th Grade			-			-
8th Grade	3	3	-	1	1	-
9th Grade			-			-
10th Grade			-			-
11th Grade			-			-
12th Grade			-			-
Subtotal	12	12	-	3	3	-
Spec Ed - Elementary	1	1	-			-
Spec Ed - Middle School			-			-
Spec Ed - High School			-			-
Subtotal	1	1	-	-	-	-
Totals	13	13	-	3	3	-
Percentage Error			0.00%			0.00%

NORWOOD 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 expenditures of $100 million or less)

2024-2025 Total General Fund Expenditures per the ACFR		$ 16,625,697
Decreased by:		
On-Behalf TPAF Pension & Social Security		(2,639,051)
Adjusted 2024-2025 General Fund Expenditures		$ 13,986,646
2% of Adjusted 2024-2025 General Fund Expenditures		$ 279,733
Enter Greater of 2% of Adjusted 2024-2025 General Fund Expenditures or $250,000		
Increased by:		
Allowable Adjustment*		20,139
Maximum Unassigned Fund Balance		$ 299,872

SECTION 2

Total General Fund - Fund Balance at June 30, 2025		$ 3,180,629
Decreased by:		
Year End Encumbrances	$ 67,382	
Capital Reserve	1,412,148	
Capital Reserve - Designated for Subsequent Year	79,512	
Maintenance Reserve	199,650	
Maintenance Reserve - Designated for Subsequent Year	45,000	
Excess Surplus - Designated for Subsequent Year	450,000	
Unemployment Compensation	177,065	
		2,430,757
Total Unassigned Fund Balance		$ 749,872

SECTION 3

Restricted Fund Balance - Excess Surplus	$ 450,000

Recapitulation of Excess Surplus

Restricted Excess Surplus - Designated for Subsequent Years	$ 450,000
Restricted Excess Surplus	450,000
Total	$ 900,000

* Detail of Allowable Adjustment	
Extraordinary Aid	$ 10,273
Non Public Transportation Aid Reimbursement	9,866
	$ 20,139

RECOMMENDATIONS

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

2025-001 - It is recommended that receipt of goods signature be obtained prior to approval of payment of claims.

III. School Purchasing Program

There are none.

IV. School Food Services

There are none.

V. Student Body Activities

2025-002 - It is recommended that internal controls over revenue collections be enhanced.

VI. Application for State School Aid

There are none.

VII. Pupil Transportation

There are none.

VIII. Facilities and Capital Assets

There are none.

IX. Miscellaneous

There are none.

X. Status of Prior Years' Audit Findings/Recommendations

Corrective action was taken on all prior year recommendations.

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

Dieter P. Lerch
Public School Accountant
Certified Public Accountant