PARAMUS BOARD OF EDUCATION
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2025

PARAMUS BOARD OF EDUCATION
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LVB LERCH, VINCI & BLISS, LLP
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

AUDITOR'S MANAGEMENT REPORT

Honorable President and Members
of the Board of Education
Paramus Board of Education
145 Spring Valley Road
Paramus, New Jersey 07652

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 Paramus Board of Education as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated January 13, 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 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

Gary J. Vinci
Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
January 13, 2026

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PARAMUS 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 Assistant 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 contained in the District's Annual Comprehensive Financial Report (the "ACFR").

Official Bonds

Name	Position	Amount
Brooke Bartley	Business Administrator	$500,000
Mattea Field	Assistant Business Administrator	$475,000

There is a public employee dishonesty coverage for all other employees with coverage of $100,000 per employee and $500,000 per loss with deductibles of $5,000 and $100,000, respectively.

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 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 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 Board made a proper adjustment to the billings to sending districts for the adjustment in per pupil costs in accordance with N.J.A.C. 6A23-3.1(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 and proper itemization.

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 certified by the President of the Board, the Board Secretary/Business Administrator and the Chief School Administrator.

Financial Planning, Accounting and Reporting (Continued)

Payroll Account (Continued)

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding 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 maintains a personnel tracking and accounting (Position Control) system.

Year-End 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 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. 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 the New Jersey Administrative Code.

Board Secretary's Records

The financial records, books of account and minutes maintained were in very good condition.

The prescribed contractual order system was followed.

Board Designee – Bank Reconciliations

The Board has appointed the Assistant School Business Administrator as the designee to perform cash reconciliations.

The Board designee did perform cash reconciliations for all District accounts (N.J.S.A. 18A:17-36).

The monthly records pertaining to cash reconciliations were in agreement with the records of the Board Secretary.

Unemployment Compensation Insurance

The Board has adopted the direct reimbursement method. The financial transactions of this fund are reported in the General Fund.

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./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 Titles I, II, III and IV of the Elementary and Secondary Education Act.

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 Exhibits 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. 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. Reimbursements 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/Social Security 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 in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are $44,000 (with a Qualified Purchasing Agent - "QPA") 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 District's Board Secretary/Business Administrator is a Qualified Purchasing Agent and the Board has designated her as the QPA with a bid threshold of $44,000.

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 no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," 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. Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal, however, that purchases were made through the use of State contracts.

School Food Service

The financial transactions and records of the school food service fund were reviewed. The financial accounts, meal count records were reviewed on a test-check basis. Cash receipts and bank records were reviewed for timely deposit.

The school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded $100,000 in federal and/or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. Exceptions were not noted.

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. Provision of the FSMC Cost Reimbursable contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision with no guarantee.

Expenditures should be separately recorded as food, labor and other costs. Inventory records on food and supply items were currently maintained and 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 not exceed three months average expenses.

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

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

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

Student Body Activities

The Board has a policy which establishes the accounting procedures of the student activity funds.

Receipts tested were promptly deposited.

All cash disbursements tested had proper supporting documentation.

PARAMUS 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 results of our procedures are presented in the Schedule of Audited Enrollments with immaterial exceptions.

The District did maintain workpapers on the prescribed State forms or their equivalent.

The District has adequate written procedures for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2024-25 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report 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.

Facilities and Capital Assets

Our procedures included a review of the transfer of local funds from the Capital Reserve Account and awarding of contracts for eligible facilities construction. No exceptions were noted. Capital assets financial records were prepared by a third party service provider and were properly maintained.

Testing for Lead of all Drinking Water in Education Facilities

The school district adhered to all requirements of N.J.A.C. 26-1.2 and 12.4 related to the 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).

PARAMUS BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
SCHEDULE OF MEAL COUNT ACTIVITY
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOT APPLICABLE

FOOD SERVICE ENTERPRISE FUND
CALCULATION OF NET CASH RESOURCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Current Assets		
Cash and Cash Equivalents	$	195,003
Intergovernmental Receivable		73,790
Other Accounts Receivable		31,442
Current Liabilities		
Less:		
Unearned Revenue		(26,534)
Accounts Payable		(48,266)
Net Cash Resources	$	225,435
Adjusted Total Operating Expense		
Total Operating Expenses	$	1,643,542
Less Depreciation		(23,947)
Adjusted Total Operating Expense	$	1,619,595
Average Monthly Operating Expense:	$	161,960
Three Times Monthly Average:	$	485,879
Total Net Cash Resources	$	225,435
Three Times Monthly Average Expenditures		485,879
Amount Below Allowable Net Cash Resources	$	260,444

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

	2025-26 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on Original 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 Verifi- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Pre K (3yrs)																
Full Day Pre K (3yrs)	28		28		-	-	28		28		-	-				
Full Day Pre K (4yrs)	40		40		-	-	24		24		-	-				
Half Day Kindergarten																
Full Day Kindergarten	232		232		-	-	40		40		-	-				
Grade 1	219		219		-	-	62		62		-	-				
Grade 2	214		214		-	-	39		39		-	-				
Grade 3	236		236		-	-	52		52		-	-				
Grade 4	215		215		-	-	49		49		-	-				
Grade 5	206		206		-	-	100		101		(1)	-				
Grade 6	240		240		-	-	139		139		-	-				
Grade 7	220		220		-	-	104		104		-	-				
Grade 8	212		212		-	-	103		103		-	-				
Grade 9	232	1	232	1	-	-	232	1	230	2	2	(1)				
Grade 10	208	-	208		-	-	208	-	208	-	-	-				
Grade 11	206	1	207	1	(1)	-	207	1	207	1	-	-				
Grade 12	226	1	226	1	-	-	226	1	227	1	(1)	-				
Subtotal	2,934	3	2,935	3	(1)	-	1,613	3	1,613	4	-	(1)				
Sp Ed- Elementary	252	-	254	-	(2)	-	27		27		-	-	5	2	2	-
Sp Ed - Middle School	124	-	124	-	-	-	13		13		-	-	4	1	1	-
Sp Ed - High School	228	3	230	3	(2)	-	25		25		-	-	15	4	4	-
Subtotal	604	3	608	3	(4)	-	65	-	65	-	-	-	24	7	7	-
Totals	3,538	6	3,543	6	(5)	-	1,678	3	1,678	4	-	(1)	24	7	7	-
Percentage Error					-0.14%	0.00%					0.00%	-33.33%				0.00%

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

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A	Reported on Workpapers	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A	Reported on Workpapers	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten	25	25	-	3	3	-	3	3	-	1	1	-
Grade 1	39	39	-	4	3	(1)	2	3	1	1	1	-
Grade 2	32	32	-	3	3	-	1	1	-	-		-
Grade 3	34	34	-	4	4	-	3	3	-	1	1	-
Grade 4	27	27	-	3	3	-	2	2	-	1	1	-
Grade 5	21	21	-	2	2	-	1	1	-	-		-
Grade 6	38	38	-	4	4	-	2	2	-	-		-
Grade 7	31	31	-	3	3	-	1	1	-	-		-
Grade 8	25	25	-	3	3	-	2	2	-	1	1	-
Grade 9	42	42	-	5	5	-	3	4	1	1	1	-
Grade 10	39	39	-	4	4	-	2	2	-	-	-	-
Grade 11	37	37	-	4	4	-	1	1	-	1	1	-
Grade 12	33	33	-	4	4	-	-	-	-			-
Subtotal	423	423	-	46	45	(1)	23	25	2	7	7	-
Sp Ed - Elementary	77	77	-	8	8	-	5	5	-	1	1	-
Sp Ed - Middle School	38	38	-	4	4	-	-	-	-	-	-	-
Sp Ed - High School	69	68	1	8	8	-	1	1	-	-	-	-
Subtotal	184	183	1	20	20	-	6	6	-	1	1	-
Totals	607	606	1	66	65	(1)	29	31	2	8	8	-
Percentage Error			0.16%			1.52%			6.90%			0.00%

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	786	786	-	55	55	-
Transported - Non - Public	9	9	-	1	1	-
AIL - Non - Public	286	286	-	26	26	-
Special Ed. - Public	14	14	-	1	1	-
Special Needs - Public	159	159	-	11	11	-
	1,254	1,254	-	94	94	-
Percentage Error			0.00%			0.00%

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

	Resident LEP Not Low Income				Sample for Verification		
	Reported on A.S.S.A	Reported on Workpapers	Errors		Sample Selected from Workpapers	Verified to Register	Sample Errors
Full Day Kindergarten	11	11	-		3	3	-
Grade 1	9	9	-		3	3	-
Grade 2	9	9	-		3	3	-
Grade 3	13	13	-		4	4	-
Grade 4	7	7	-		2	2	-
Grade 5	9	9	-		3	3	-
Grade 6	9	9	-		3	3	-
Grade 7	6	6	-		2	2	-
Grade 8	6	6	-		2	2	-
Grade 9	8	8	-		2	2	-
Grade 10	3	3	-		1	1	-
Grade 11	5	5	-		1	1	-
Grade 12	1	1	-		-	-	-
Subtotal	96	96	-		29	29	-
Sp Ed - Elementary	2	2	-		1	1	-
Sp Ed - Middle School	1	1	-		-	-	-
Sp Ed - High School	1	1	-		-	-	-
Subtotal	4	4	-		1	1	-
Totals	100	100	-	-	30	30	-
Percentage Error			0.00%				0.00%

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

2024-2025 Total General Fund Budgetary Expenditures			$ 125,086,292
Increased by:			
Transfer from Capital Outlay to Capital Projects Fund			12,325,141
			137,411,433
Decreased by:			
Assets Acquired Under Capital Financing Agreements			(456,505)
On-Behalf TPAF Pension & Social Security			(19,942,858)
Adjusted 2024-2025 General Fund Expenditures			$ 117,012,070
2% of Adjusted 2024-2025 General Fund Expenditures			$ 2,340,241
Allowable Adjustments			
Extraordinary Aid		$ 1,146,546	
Nonpublic Transportation Aid		133,562	
			1,280,108
Maximum Unassigned Fund Balance			$ 3,620,349
Total General Fund - Fund Balance at June 30, 2025		$ 25,517,776	
Decreased by:			
Year End Encumbrances	$ 5,409,062		
Capital Reserve	11,023,712		
Maintenance Reserve	3,342,312		
Emergency Reserve	655,750		
Excess Surplus - Designated for Subsequent Year's Budget	600,000		
Unemployment Compensation Reserve	266,591		
Total Unassigned Fund Balance		21,297,427	
			$ 4,220,349
Fund Balance - Excess Surplus			$ 600,000
<u>Recapitulation of Excess Surplus as of June 30, 2025</u>			
Excess Surplus - Designated for Subsequent Year's Budget			$ 600,000
Excess Surplus			600,000
Total Excess Surplus			$ 1,200,000

PARAMUS BOARD OF EDUCATION
RECOMMENDATIONS

I. **Administrative Practice and Procedures**

There are none.

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

There are none.

III. **School Purchasing Program**

There are none.

IV. **School Food Service Program**

There are none.

V. **Student Body Activities**

There are none.

VI. **Application for State School**

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**

No recommendations were reported in the prior year.

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.