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

RIVERDALE BOARD OF EDUCATION
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AUDITORS' 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 Trustees
Riverdale Board of Education
Riverdale, 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 Riverdale Board of Education as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated January 9, 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

Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
January 9, 2026

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RIVERDALE 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 Exhibit J-20, Schedule of Insurance contained in the District's ACFR.

Officials Bonds

Name	Position	Amount
Sandy Vicale	School Business Administrator/ Board Secretary	$ 200,000
Omar Garcia	Treasurer of School Monies	200,000

There is a Public Employees' Faithful Performance Blanket Position Bond with the National Union Fire Insurance covering all other employees with multiple coverage of $500,000.

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.

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

Financial Planning, Accounting and Reporting (Continued)

Payroll Account (Continued)

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium withholding due to the general fund.

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

The required certification (E-Cert1) of compliance with requirements of income tax on compensation of District Administration was filed with the NJ Department of Treasury by the due date.

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.

> **Finding 2025-1** – Our audit of year-end encumbrances and accounts payable revealed that purchase orders classified as encumbrances were misclassified at year-end. The purchase orders should have been classified as accounts payable.
>
> **Recommendation** – Internal controls be enhanced to ensure that purchase orders are reviewed and properly classified as encumbrances or accounts payable at year-end.

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.

Travel

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

Board Secretary's Reports

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

The district made board approved line-item transfers during the year.

The prescribed contractual order system was followed.

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

The audit revealed that the original budget per the budget appropriations report agreed to the appropriations reflected in the original budget.

Financial Planning, Accounting and Reporting (Continued)

Treasurer's Records

The Treasurer's report cash balances were in agreement with the cash balances per the Board Secretary's report.

The Treasurer performed cash reconciliations for the general operating and payroll accounts. The Treasurer's cash balance for the general operating account was in agreement with the reconciled cash balance as determined during the audit.

Unemployment Compensation Insurance Trust Fund

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

Elementary and Secondary Education Act (E.S.E.A.)

The E.S.E.A. financial exhibits 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, and IV of the Elementary and Secondary Education Act, as amended.

Our examination of the E.S.E.A. 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.

I.D.E.A.

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 Schedule K-3 and Schedule 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 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.

> **Finding 2025-2** – Our audit of the ESEA and IDEA grant award programs revealed reimbursements were not requested and received timely for program expenditures incurred during the grant period.
>
> **Recommendation** – Federal grant expenditures be requested for reimbursement and collected on a timely basis for ESEA and IDEA grant programs.

TPAF 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.

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Reports 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

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law".

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are $44,000 and $32,000 with or without a qualified purchasing agent, respectively. The law regulating bidding for public school transportation contracts under N.J.S.A. 18A:39.3 is currently $22,400.

Contracts and Agreements Requiring Advertisement for Bids (Continued)

The 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.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or goods or service, 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 that 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. 18A:18A-4, as amended.

Resolutions were not adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

> **Finding 2025-3** – Our audit with respect to the Public School Contract Law revealed that contract awards in excess of the bid threshold for architectural services were not approved by Board resolution.
>
> **Recommendation** – Contract awards in excess of the bid threshold be approved through Board resolution.

School 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.

The financial transactions and statistical records of the School Food Services were maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

The Statement of Revenues, Expenses and changes in Fund Net Assets (ACFR Schedule B-5) does not separate program and nonprogram revenues and program and nonprogram cost of goods sold.

The cash disbursements records reflected expenditures for program related goods and services.

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

Student Body Activities

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

Cash receipts were promptly deposited.

Cash disbursements had proper supporting documentation.

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, low-income students 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 immaterial exceptions. The information that was included on the workpapers was verified with immaterial 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 2024-25 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. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

The District had no SDA grant projects during the year. Our procedures also included a review of the transfer of local funds from the General Fund or from the Capital Reserve Account and awarding of contracts for eligible facilities constructions.

Testing for Lead of all Drinking Water in Educational Facilities

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

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

Follow-up on Prior Year Findings

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:

- The District should review and update the Long-Range Facilities Plan.

- The District should obtain from the Food Service Management Company (FSMC) its SSAE No. 16 Report on Controls at a Service Organization. The report is related to the internal controls of the FSMC and it should be received on an annual basis.

RIVERDALE BOARD OF EDUCATION
FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SCHEDULE OF MEAL COUNT ACTIVITY

INFORMATION IS NOT REQUIRED

SCHEDULE OF NET CASH RESOURCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

INFORMATION IS NOT REQUIRED

RIVERDALE BOARD OF EDUCATION
A.S.S.A.
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	Reported on Work papers Private Schools	Sample for Verifi-cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Half Day Preschool - 3 years	4		4		-	-	4		4		-	-					
Half Day Preschool - 4 years	4		4		-	-	4		4		-	-					
Half Day Kindergarten					-	-					-	-					
Full Day Kindergarten	21		21		-	-	21		21		-	-					
1st Grade	28		28		-	-	28		28		-	-					
2nd Grade	29		29		-	-	29		29		-	-					
3rd Grade	22		22		-	-	22		22		-	-					
4th Grade	19		19		-	-	19		19		-	-					
5th Grade	24		24		-	-	24		24		-	-					
6th Grade	30		30		-	-	30		30		-	-					
7th Grade	27		27		-	-	27		27		-	-					
8th Grade	25		25		-	-	25		25		-	-					
9th Grade					-	-					-	-					
10th Grade					-	-					-	-					
11th Grade					-	-					-	-					
12th Grade					-	-					-	-					
Subtotal	233	-	233	-	-	-	233	-	233	-	-	-	-		-	-	-
Spec Ed - Elementary	24		24	-	-	-	7		7		-	-	1	1	1	1	-
Spec Ed - Middle School	17		17	-	-	-	5		5		-	-	1	1	1	1	-
Spec Ed - High School				-	-	-					-	-	4	4			-
Subtotal	41	-	41	-	-	-	12	-	12	-	-	-	6	6	2	2	-
Totals	274	-	274	-	-	-	245	-	245	-	-	-	6	6	2	2	-
Percentage Error					0.00%						0.00%						0.00%

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

	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
Half Day Pre-School (3 Yrs)			-			-
Half Day Pre-School (4 Yrs)			-			-
Half Day Kindergarten	-		-			-
Full Day Kindergarten	4	4	-	2	2	-
1st Grade	8	8	-	3	2	1
2nd Grade	6	6	-	2	2	-
3rd Grade	5	5	-	2	2	-
4th Grade	5	5	-	1	1	-
5th Grade	2	2	-	1	1	-
6th Grade	6	6	-	2	1	1
7th Grade	6	6	-	2	2	-
8th Grade	5	5	-	1	1	-
9th Grade	3	3	-	-	-	-
10th Grade	5	5	-	-	-	-
11th Grade	4	4	-	-	-	-
12th Grade	3	3	-	-	-	-
Subtotal	62	62	-	16	14	2
Spec Ed - Elementary	9	7	2	1	1	-
Spec Ed - Middle School	6	6	-	1	1	-
Spec Ed - High School	8	8	-	-	-	-
Subtotal	23	21	2	2	2	-
Totals	85	83	2	18	16	2
Percentage Error			2.35%			11.11%

	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
Half Day Pre-School (3 Yrs)			-			-
Half Day Pre-School (4 Yrs)			-			-
Half Day Kindergarten			-			
Full Day Kindergarten	1	1	-	-	-	-
1st Grade	1	1	-	1	1	-
2nd Grade	-	-	-	-	-	-
3rd Grade	1	1	-	1	1	-
4th Grade	1	1	-	-	-	-
5th Grade	-	-	-	-	-	-
6th Grade	2	2	-	1	1	-
7th Grade	1	1	-	-	-	-
8th Grade	-	-	-	-	-	-
9th Grade	-	-	-	-	-	-
10th Grade	-	-	-	-	-	-
11th Grade	-	-	-	-	-	-
12th Grade	-	-	-	-	-	-
Subtotal	7	7	-	3	3	-
Spec Ed - Elementary	4	4	-	-	-	-
Spec Ed - Middle School	3	3	-	1	1	-
Spec Ed - High School	-	-	-	-	-	-
Subtotal	7	7	-	1	1	-
Totals	14	14	-	4	4	-
Percentage Error			0.00%			0.00%

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	83.0	83.0	-	28.0	28.0	-
Transported - Non-Public	15.0	15.0	-	-	-	-
Regular - Spec.	9.0	9.0	-	3.0	3.0	-
Special Needs - Public	9.0	9.0	-	3.0	3.0	-
Totals	116.0	116.0	-	34.0	34.0	-
			0.00%			0.00%

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

	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 Register	Sample Errors
Half Day Pre-School (3 Yrs)						
Half Day Pre-School (4 Yrs)						
Half Day Kindergarten			-			-
Full Day Kindergarten	1	1	-	-	-	-
1st Grade	1	1	-	-	-	-
2nd Grade	-	-	-	-	-	-
3rd Grade	-	-	-	-	-	-
4th Grade	-	-	-	1	1	-
5th Grade	1	1	-	-	-	-
6th Grade	-	-	-	-	-	-
7th Grade	-	-	-	-	-	-
8th Grade	-	-	-	-	-	-
9th Grade	-	-	-	-	-	-
10th Grade	-	-	-	-	-	-
11th Grade	-	-	-	-	-	-
12th Grade	2	-	2	-	-	-
Subtotal	5	3	2	1	1	-
Spec Ed - Elementary	1	1	-	1	1	-
Spec Ed - Middle School	-	-	-	-	-	-
Spec Ed - High School	-	-	-	-	-	-
Subtotal	1	1	-	1	1	-
Totals	6	4	2	2	2	-
Percentage Error			33.33%			0.00%

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

SECTION 1 - *Two Percent (2%) - Calculation of Excess surplus*

2024-25 Total General Fund Expenditures per the ACFR	$ 10,886,446
Decreased by:	
On-Behalf TPAF Pension & Social Security	1,540,286
Adjusted 24-25 General Fund Expenditures	9,346,160
2% of Adjusted 2024-25 General Fund Expenditures	186,923
Greater of 2% of Adjusted Expenditures or $250,000	250,000
Increased By:	
Allowable Adjustment - Extraordinary Aid	2,223
Allowable Adjustment - NP Transportation	7,005
Maximum Unassigned Fund Balance	$ 259,228

SECTION 2

Total General Fund - Fund Balance at June 30, 2025	$ 7,991,948
Decreased by:	
Year End Encumbrances	149,294
Excess Surplus - Designated for Subsequent Year's Expenditures	1,334,244
Other Restricted Fund Balance - Capital Reserve	4,524,550
Other Restricted Fund Balance - Maintenance Reserve	418,761
Other Restricted Fund Balance - Tuition Adjustments	200,000
Unemployment Compensation	19,399
Total Unassigned Fund Balance	$ 1,345,700

SECTION 3

Reserved Fund Balance - Excess Surplus	$ 1,086,472

Recapitulation of Excess Surplus as of June 30, 2025

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	$ 1,334,244
Reserved Excess Surplus	1,086,472
Total	$ 2,420,716

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

RECOMMENDATIONS

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. Internal controls be enhanced to ensure that purchase orders are reviewed and properly classified as encumbrances or accounts payable at year-end.

2. Federal grant expenditures be requested for reimbursement and collected on a timely basis for ESEA and IDEA grant programs.

III. School Purchasing Program

3. It is recommended that contract awards in excess of the bid threshold be approved through Board resolution.

IV. School Food Services

There are none.

V. Student Body Activities

There are none.

VI. Pupil Transportation

There are none.

VII. Facilities and Capital Assets

There are none.

VIII. Miscellaneous

There are none.

IX. Application for State School Aid

There are none.

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