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

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

AUDITOR'S MANAGEMENT REPORT

Honorable President and Members
of the Board of Trustees
Rutherford Board of Education
176 Park Avenue
Rutherford, New Jersey 07070

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 Rutherford Board of Education as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated December 1, 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.

Respectfully submitted,

Lerch, Vinci & Bliss, LLP
LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Public School Accountants

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

Fair Lawn, New Jersey
December 1, 2025

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator, Treasurer of School Monies and Chief School Administrator, 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, Insurance Schedule contained in the District's Annual Comprehensive Financial Report (the "ACFR").

Official Bonds

Name	Position	Amount
Matthew Whitford	Board Secretary/School Business Administrator	$350,000
Stacey Garvey	Treasurer of School Monies	$350,000

There is a Public Employees' Faithful Performance Blanket Position Bond with School Alliance Insurance Fund covering all other employees with multiple coverage of $500,000.

Our audit procedures included an inquiry and subsequent review of health benefit date 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 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.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not indicate any significant 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, the Board Secretary/Business Administrator and the Chief School Administrator.

Salary withholdings were promptly remitted to the proper agencies. Health benefits withholdings were transferred to the general fund.

The District filed the required certification (ECERTI) of compliance with requirements for income tax on compensation of administrators with the NJ Department of Treasury by the March 15 due date.

Financial Planning, Accounting and Reporting (Continued)

Payroll Account (Continued)

The Board has implemented and maintains a personnel tracking and accounting (position control) system.

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 year-end encumbrances. Also, a sample of 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. 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.

Board Secretary's Records

The financial records, books of account and minutes were maintained by the Board Secretary/School Business Administrator.

Our audit revealed the General Fund and Special Revenue Fund original budget included in the District's revenue and appropriation reports were not in agreement with the adopted budget. The 2025-2026 revenue and appropriation reports for the respective funds were in agreement with the adopted budget, therefore no recommendation is warranted.

The prescribed contractual order system was followed.

Bids received were summarized in the minutes (N.J.S.A. 18A:18A-21).

Monthly Board Secretary's report and certifications were approved by the Board in a timely manner.

Treasurer's Records

The Treasurer did perform cash reconciliations for all District bank accounts.

The Treasurer's bank reconciliations were in agreement with the records of the School Business Administrator/Board Secretary.

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

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

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 Fund of the ACFR. This section of the ACFR documents the financial position pertaining to projects under Title I, Title II, Title III and Title 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.

Financial Planning, Accounting and Reporting (Continued)

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Exhibit 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.

Teacher's Pension and Annuity Fund (TPAF)

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.

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 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 $22,400 effective 2024-25. The Board has appointed the Board Secretary/School Business Administrator as the Qualified Purchasing Agent.

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 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 indicated no instances where individual payments, contracts, or agreements were 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.

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 the district purchased items through the use of State contracts and cooperative purchasing agreements.

Food Service Fund

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

The District does not participate in the Child Nutrition Program.

Student Activity Fund

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

Cash receipts and cash disbursements records were maintained in satisfactory condition. Supporting documentation was maintained for all cash disbursements tested. The financial transactions of this fund are reported in the Special Revenue Fund.

Student Activity Fund (Continued)

Finding 2025-1 – Our audit revealed that certain checks disbursed from the Student Activities account did not contain authorized signatures.

Recommendation – All checks issued from the Student Activities account have the approved authorized signatures.

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, 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 immaterial exceptions noted. The information that was included on the workpapers was verified with minor exceptions noted. 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 2024-2025 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 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 SDA grant agreements for consistency with recording SDA revenue, transfer of local funds from the General Fund or from the Capital Reserve Account, and awarding of contracts for eligible facilities construction. No exceptions were noted.

Testing for Lead of All Drinking Water in Education Facilities

The school district adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in education 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).

Suggestions to Management

- Financial transactions of the Food Service Fund and Before and After Care Fund be included on the monthly Treasurer's Report.
- Continued efforts be made to collect outstanding School Development Authority grants receivable for completed projects.
- Reconciling items on all District bank reconciliations be reviewed and cleared of record.

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

SCHEDULE OF MEAL COUNT ACTIVITY

NOT APPLICABLE

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

NOT APPLICABLE

RUTHERFORD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
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)	22	-	22.0	-	-	-	12	-	12	-	-	-				
Full Day Pre K (3yrs)	-	-	-	-	-	-	-	-	-	-	-	-				
Half Day Pre K (4yrs)	23	-	23.0	-	-	-	12	-	12	-	-	-				
Full Day Pre K (4yrs)	-	-	-	-	-	-	-	-	-	-	-	-				
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-				
Full Day Kindergarten	179	-	179	-	-	-	179	-	179	-	-	-				
Grade 1	185	-	185	-	-	-	77	-	77	-	-	-				
Grade 2	182	-	182	-	-	-	97	-	97	-	-	-				
Grade 3	180	-	180	-	-	-	96	-	96	-	-	-				
Grade 4	158	-	158	-	-	-	158	-	158	-	-	-				
Grade 5	179	-	179	-	-	-	179	-	179	-	-	-				
Grade 6	162	-	162	-	-	-	162	-	162	-	-	-				
Grade 7	161	-	161	-	-	-	161	-	161	-	-	-				
Grade 8	182	-	182	-	-	-	182	-	182	-	-	-				
Grade 9	142	4	142	4	-	-	142	4	142	4	-	-				
Grade 10	151	-	151	-	-	-	151	-	151	-	-	-				
Grade 11	158	2	158	2	-	-	158	2	158	2	-	-				
Grade 12	168	2	168	2	-	-	168	2	168	2	-	-				
Subtotal	2,232	8	2,232	8	-	-	1,934	8	1,934	8	-	-	-	-	-	-
Sp Ed- Elementary	131	-	134	-	(3)	-	26	-	24	-	2	-	14	4	4	-
Sp Ed - Middle School	74	-	74	-	-	-	15	-	15	-	-	-	5	2	2	-
Sp Ed - High School	97	3	97	3	-	-	19	-	19	-	-	-	17	5	5	-
Subtotal	302	3	305	3	(3)	-	60	-	58	-	2	-	36	11	11	-
Totals	2,534	11	2,537	11	(3)	-	1,994	8	1,992	8	2	-	36	11	11	-
Percentage Error					-0.12%	0.00%					0.10%	0.00%				0.00%

RUTHERFORD 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	Reported on Workpapers	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten	12.0	12.0	-	4.0	4.0	-
Grade 1	7.0	10.0	(3.0)	2.0	2.0	-
Grade 2	17.0	17.0	-	5.0	5.0	-
Grade 3	16.0	16.0	-	5.0	5.0	-
Grade 4	8.0	10.0	(2.0)	3.0	3.0	-
Grade 5	9.0	9.0	-	3.0	3.0	-
Grade 6	11.0	10.0	1.0	3.0	3.0	-
Grade 7	8.0	8.0	-	3.0	3.0	-
Grade 8	12.0	12.0	-	4.0	4.0	-
Grade 9	7.5	7.5	-	2.0	2.0	-
Grade 10	2.0	2.0	-	1.0	1.0	-
Grade 11	4.0	5.0	(1.0)	1.0	1.0	-
Grade 12	10.0	9.0	1.0	3.0	3.0	-
Subtotal	123.5	127.5	(4.0)	39.0	39.0	-
Sp Ed - Elementary	19.0	13.0	6.0	6.0	6.0	-
Sp Ed - Middle School	8.0	7.0	1.0	3.0	2.0	(1.0)
Sp Ed - High School	4.0	4.0	-	1.0	1.0	-
Subtotal	31.0	24.0	7.0	10.0	9.0	(1.0)
Totals	154.5	151.5	3.0	49.0	48.0	(1.0)
Percentage Error			1.94%			2.04%

	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
Full Day Kindergarten	3	3	-	1	1	
Grade 1	2	2	-	1	1	
Grade 2	1	1	-	-	-	
Grade 3	1	1	-	-	-	
Grade 4	2	2	-	1	1	
Grade 5	1	1	-	-	-	-
Grade 6	1	1	-	-	-	
Grade 7	1	1	-	-	-	
Grade 8	-	-	-	-	-	
Grade 9	2	2	-	1	1	
Grade 10	-	-	-	-	-	
Grade 11	1	1	-	-	-	
Grade 12	-	-	-	-	-	
Subtotal	15	15	-	4	4	-
Sp Ed - Elementary	1	1		1	1	-
Sp Ed - Middle School	-	-	-	-	-	-
Sp Ed - High School	-	-	-	-	-	-
Subtotal	1	1	-	1	1	-
Totals	16	16	-	5	5	-
Percentage Error			0.00%			0.00%

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	76	76	-	23	23	-
Transported - Non - Public	-		-	-		-
Special Ed. - Public	5	5	-	1	1	-
Special Needs - Public	54	54	-	16	16	-
	135	135	-	40	40	-
Percentage Error			0.00%			0.00%

RUTHERFORD 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	Reported on Workpapers	Errors		Sample Selected from Workpapers	Verified to Register	Sample Errors
Full Day Kindergarten	6	6	-		2	2	-
Grade 1	1	1	-		-	-	-
Grade 2	8	7	(1)		2	2	-
Grade 3	9	9	-		3	3	-
Grade 4	7	7	-		2	2	-
Grade 5	1	1	-		-	-	-
Grade 6	4	4	-		1	1	-
Grade 7	3	3	-		1	1	-
Grade 8	4	4	-		1	1	-
Grade 9	5	5	-		1	1	-
Grade 10	2	2	-		1	1	-
Grade 11	2	2	-		1	1	-
Grade 12	3	3	-		1	1	-
Subtotal	55	54	(1)		16	16	-
Sp Ed - Elementary	2	2	-		1	1	-
Sp Ed - Middle School	1	-	(1)		-	-	-
Sp Ed - High School	-	-	-		-	-	-
Subtotal	3	2	(1)		1	1	-
Totals	58	56	(2)	-	17	17	-
Percentage Error			3.45%				0.00%

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

2024-2025 Total General Fund Expenditures per the ACFR			$ 67,018,592
Increased by:			
Transfer from Capital Reserve to Capital Projects Fund			251,201
			67,269,793
Decreased by:			
On-Behalf TPAF Pension & Social Security		$ 12,038,890	
Other Financing Agreements		439,000	
			12,477,890
Adjusted 2024-2025 General Fund Expenditures			$ 54,791,903
2% of Adjusted 2024-2025 General Fund Expenditures			$ 1,095,838
Allowable Adjustments:			
Extraordinary Aid			427,414
Maximum Unassigned Fund Balance			$ 1,523,252
Total General Fund - Fund Balance at June 30, 2025		$ 5,064,208	
Decreased by:			
Restricted Fund Balances			
Excess Surplus - Designated for Subsequent Year's Budget	$ 500,000		
Capital Reserve	1,681,948		
Maintenance Reserve	100,000		
Capital Financing Agreement	96,705		
Unemployment Compensation Reserve	168,414		
Assigned Fund Balance			
Year End Encumbrances	91,751		
Designated for Subsequent Year's Budget	545,163		
		3,183,981	
Total Unassigned Fund Balance for Excess Surplus Calculation			$ 1,880,227

SECTION 3

Restricted Fund Balance - Excess Surplus	$ 356,975

Recapitulation of Excess Surplus as of June 30, 2025

Excess Surplus - Designated for Subsequent Year's Budget	$ 500,000
Excess Surplus	356,975
	$ 856,975

RUTHERFORD BOARD OF EDUCATION
RECOMMENDATIONS

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

There are none.

III. School Purchasing Program

There are none.

IV. School Food Services

There are none.

V. Student Body Activities

1. It is recommended that all checks issued from the Student Activities account have the approved authorized signatures.

VI. Application for State School Aid

There are none.

VII. Pupil Transportation

There are none.

VIII. Facilities and Capital Assets

There are none.

IX. Status of Prior Years' Audit Findings/Recommendations

A review was performed on the prior year's recommendations, and corrective action was taken on all.

ACKNOWLEDGEMENT

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