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

SADDLE RIVER 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

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

AUDITOR'S MANAGEMENT REPORT

Honorable President and Members
of the Board Trustees
Saddle River Board of Education
Saddle River, 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 Saddle River Board of Education in the County of Bergen as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated December 3, 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

Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
December 3, 2025

SADDLE RIVER 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 of the statistical section in the district's Annual Comprehensive Financial Report (CAFR).

Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32, 18A:13-13)

Name	Position	Amount
Kaitlyn Lawler	Board Secretary/Business Administrator	250,000
Jennifer Pfohl	Treasurer of School Monies	250,000

There is a Public Employees' Faithful Performance Blanket Position Bond with the Selective Insurance Company of America covering all other employees with multiple coverage of $100,000.

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.

Financial Planning, Accounting and Reporting

Payroll Account

The net salaries of all employees of the Board was deposited in the Payroll Account. Employees' payroll deductions and employer's share of payroll taxes were deposited in the Payroll Agency Account

The Board has implemented and maintains a personnel tracking and accounting (Position Control) system.

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 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 proprietary and to determine that goods were received and services were rendered, as of June 30.

Finding 2025-1 – The District issued numerous blanket orders at year end that were deemed invalid.

Recommendation – Encumbrances be reviewed and cancelled when no longer deemed valid.

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

Financial Planning, Accounting and Reporting (Continued)

Travel

The Board of Education has adopted a travel policy that complies with N.J.S.A. 18A:11-12.

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. No exceptions were noted regarding the account classification of our expenditures. 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.

Board Secretary's Records
The financial records, books of account and minutes maintained by the Board Secretary were in fair condition.

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

The prescribed contractual order system was followed. Bids received were summarized in the minutes (N.J.S.A. 18A:18A-21).

> **Finding 2025-2** – There were numerous reconciling items included on the District's general fund bank reconciliations.
>
> **Recommendation** – Reconciling items on the general fund bank reconciliation be reviewed and cleared of record.

Treasurer's Records

The Treasurer performed cash reconciliations in accordance with N.J.S.A. 18A:17-9.

All cash receipts were promptly deposited.

The Treasurers cash balances were in agreement with the cash balances of the Board Secretary.

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 Fiduciary Fund.

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 CAFR. This section of the CAFR documents the financial position pertaining to projects under Title II and IV of the Elementary and Secondary Education Act as amended.

Our examination 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 Exhibit K-4 located in the CAFR.

Our examination 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

There were no TPAF employees' pensionable wages paid from federal funds during the current year. Therefore, there were no reimbursement amounts due to the state at June 30, 2025.

Nonpublic State Aid

Project Completion Reports were finalized and transmitted to the State by the due date.

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) and $32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contract under N.J.S.A. 18A:39-3 is $22,400 for 2024-25.

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 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.

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.

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

Food Service Fund

Food service is now provided by the Parents of the district. No longer ran by the District and a Food Service Management Company. Exhibits have been removed from the report.

Student Activity Accounts

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

Application for State School Aid

Our audit procedures included a test information reported in the October 15, 2024 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, 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 without exception. The information that was included on the workpapers was verified with no 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 exception noted. 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.

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

SCHEDULE OF MILK COUNT ACTIVITY

NOT APPLICABLE

SADDLE RIVER BOARD OF EDUCATION
FOOD SERVICE FUND
NET CASH RESOURCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SCHEDULE OF NET CASH RESOURCES

NOT APPLICABLE

SADDLE RIVER BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID (A.S.S.A.)
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 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 Preschool - 3 years		-			-	-	-	-	-		-	-				
Full Day Preschool - 3 years	3	-	3		-	-	1	-	1		-	-				
Half Day Preschool - 4 years		-			-	-		-			-	-				
Full Day Preschool - 4 years	8	-	8		-	-	2	-	2		-	-				
Half Day Kindergarten		-			-	-		-			-	-				
Full Day Kindergarten	19	-	19		-	-	6	-	6		-	-				
1st Grade	15	-	15		-	-	5	-	5		-	-				
2nd Grade	14	-	14		-	-	4	-	4		-	-				
3rd Grade	15	-	15		-	-	5	-	5		-	-				
4th Grade	18	-	18		-	-	5	-	5		-	-				
5th Grade	10	-	10		-	-	3	-	3		-	-				
6th Grade																
7th Grade																
8th Grade																
9th Grade																
10th Grade																
11th Grade																
13th Grade																
Subtotal	102	-	102	-	-	-	31	-	31	-	-	-	-	-	-	-
Spec Ed - Elementary	14		14		-	-	4		4		-	-	3	1	1	-
Spec Ed - Middle School					-	-					-	-	2	1	1	-
Spec Ed - High School											-		4	1	1	-
Subtotal	14	-	14	-	-	-	4	-	4	-	-	-	9	3	3	-
Totals	116	-	116	-	-	-	35	-	35	-	-	-	9	3	3	-
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%

SADDLE RIVER BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID (A.S.S.A.)
SCHEDULE OF AUDITED ENROLLMENTS
OCTOBER 15, 2024

	Low Income			Sample for Verification			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)			-			-			-			-
Half Day Kindergarten			-			-			-			-
Full Day Kindergarten			-			-			-			-
1st Grade			-			-			-			-
2nd Grade			-			-			-			-
3rd Grade			-			-			-			-
4th Grade			-			-			-			-
5th Grade			-			-			-			-
6th Grade			-			-			-			-
7th Grade			-			-			-			-
8th Grade	1	1	-			-			-			-
9th Grade			-			-			-			-
10th Grade			-			-			-			-
11th Grade	2	2	-	-	-	-			-			-
12th Grade	1	1		-	-				-	-	-	-
Subtotal	4	4	-	-	-	-	-	-	-	-	-	-
Spec Ed - Elementary			-			-			-			-
Spec Ed - Middle School			-			-			-			-
Spec Ed - High School	-	-		-	-		-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
Totals	4	4	-	-	-	-	-	-	-	-	-	-
Percentage Error			0.00%			0.00%			0.00%			0.00%

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	164	164	-	49	49	-
Transported - Non-Public	11	11	-	3	3	-
Regular - Spec.	3	3	-	1	1	-
Special Needs - Public	10	10	-	3	3	-
Totals	188	188	-	56	56	-
			0.00%			0.00%

SADDLE RIVER BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID (A.S.S.A.)
SCHEDULE OF AUDITED ENROLLMENTS
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						
1st Grade						
2nd Grade						
3rd Grade						
4th Grade						
5th Grade						
6th Grade						
7th Grade						
8th Grade						
9th Grade						
10th Grade	1	1		1	1	
11th Grade						
13th Grade						
Subtotal	1	1	-	1	1	-
Spec Ed - Elementary						
Spec Ed - Middle School						
Spec Ed - High School						
Subtotal	-	-	-	-	-	-
Totals	1	1	-	1	1	-
Percentage Error			0.00%			0.00%

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

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

2024-2025 Total General Fund Expenditures per the CAFR		$ 11,636,330
Decreased by:		
On-Behalf TPAF Pension & Social Security		1,016,547
Adjusted 2024-2025 General Fund Expenditures		$ 10,619,783
2% of Adjusted 2024-2025 General Fund Expenditures		$ 212,396
Enter Greater of 2% of Adjusted 2024-2025 General Fund Expenditures or $250,000		$ 250,000
Increased by: Allowable Adjustments		255,537
Maximum Unassigned Fund Balance		$ 505,537

SECTION 2

Total General Fund - Fund Balance at June 30, 2025 (Per CAFR Budgetary Comparison Schedule/Statement)		$ 5,836,114
Decreased by:		
Year End Encumbrances	$ 279,440	
Restricted-Excess Surplus-Designated for Subsequent Year's Expenditures	450,000	
Capital Reserve	2,930,045	
Maintenance Reserve	128,520	
Tuition Reserve	200,000	
Unemployment Compensation	42,572	
		4,030,577
Total Unassigned Fund Balance		$ 1,805,537

SECTION 3

Restricted Fund Balance - Excess Surplus	$ 1,300,000
Recapitulation of Excess Surplus as of June 30, 2025	
Reserved Excess Surplus-Designated for Subsequent Year's Expenditures	$ 450,000
Reserved Excess Surplus	1,300,000
Total Excess Surplus	$ 1,750,000
Allowable Adjustments	
Unbudgeted Extraordinary Aid	$ 221,446
Nonpublic Transportation Aid	34,091
	$ 255,537

SADDLE RIVER BOARD OF EDUCATION
RECOMMENDATIONS

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. Encumbrances be reviewed and cancelled when no longer deemed valid.
2. Reconciling items on the general fund bank reconciliation be reviewed and cleared of record.

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. 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

A review was performed on all prior year's recommendations. Corrective action was taken on the 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
Certified Public Accountant
Public School Accountant