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

SECAUCUS 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

AUDITOR'S MANAGEMENT REPORT

Honorable President and Members
of the Board of Trustees
Secaucus Board of Education
685 Fifth Street
Secaucus, New Jersey 07094

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 Secaucus Board of Education as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated December 22, 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 22, 2025

SECAUCUS 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 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
Grace Yeo	Board Secretary/School Business Administrator	$250,000
Nancy Smentkowski	Treasurer of School Monies	300,000

There is Employee Dishonesty Coverage 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 on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not indicate any 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 the Chief School Administrator.

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

The required certification (E-CERT1) of compliance with requirements of income tax compensation of administrators (Superintendent and Business Administrator) to the New Jersey Department of Treasury was filed by the March 15, 2024 due date.

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

Financial Planning, Accounting and Reporting (Continued)

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, 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.

Finding 2025-01 – Our audit of year end liabilities indicated the following:

- May and June 2025 health benefit invoices were recorded as a disbursement adjustment to the budget appropriation rather than through a purchase order, which omitted the transaction from the detailed accounts payable and vendor history reports.
- Unrecorded liability for June 2025 prescription benefits existed as of June 30, 2025.
- Open purchase orders from the prior years remain outstanding at June 30, 2025.

Recommendation – Year-end financial reporting procedures be reviewed and revised to ensure the accuracy and proper classification of the outstanding liabilities.

Travel

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

Payments made to employees for travel were in accordance with the approved travel policy.

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, we noted no errors, therefore additional procedures were not deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

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

The prescribed contractual order system was followed.

The Board Secretary's and Treasurer's reports were presented monthly to the Board and were submitted to the Executive County Superintendent as prescribed (N.J.S.A. 18A:17-9 and 18A:17-36).

Treasurer's Records

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

All cash receipts were promptly deposited.

The Treasurer's records were in agreement with the records of the Board Secretary.

Financial Planning, Accounting and Reporting (Continued)

Unemployment Compensation Insurance

The Board has adopted the direct reimbursement method and reports the transactions in the General Fund.

Elementary and Secondary Education Act (E.S.E.A.)/as amended by the Every Student Succeeds Act (ESSA)

The E.S.E.A. 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.

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.

I.D.E.A. Part B

Separate accounting was maintained for each approved project.

Grant application approvals and acceptance of grant funds were made by board resolution or recorded in the minutes.

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.

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/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 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 currently $22,400.

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

If the purchasing agent is qualified pursuant to subsection b of section 9 of P.L. 1971, c.198 (C.40A:11-9), the board of education may establish that the bid threshold up to $44,000. Such authorizations may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section. The School Business Administrator is a QPA and the bid threshold has been established at $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 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 that no 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, except as noted below, for "Professional Services" per N.J.S.A. 18A:18A-5.

Food Service Fund

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

Expenditures were separately recorded as food, labor and other costs. Inventory records on food and supply items were currently maintained and properly 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.

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

The Food Service Fund net cash resources did not exceed the maximum amount permitted by the New Jersey State Department of Education.

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

Student Activity Fund

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

Cash receipts and cash disbursements records were maintained in good condition.

All cash disbursements did have proper supporting documentation.

Finding 2025-02 – Our audit of the Student Activity Funds revealed the following:

- Old outstanding checks and reconciling items on the Huber Street, Middle School, High School and Athletics bank reconciliations should be reviewed and cleared of record.
- Clarendon School detailed ledger balance was not in agreement with the June 30, 2025 bank reconciliation balance.

Recommendation – Internal controls over the Student Activity accounts be reviewed and 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 (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. 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 testing, the district complied with proper bidding procedures and award of contracts. No exceptions were noted as a result of our testing of transportation related purchases of goods and services.

Testing for Lead of All Drinking Water in Educational 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 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).

Facilities and Capital Assets

The District maintains detail capital assets records with an independent third party.

Suggestions to Management

- Old outstanding checks on the General Account bank reconciliations be reviewed and cleared of record.

SECAUCUS BOARD OF EDUCATION
SCHEDULE OF MEAL COUNT ACTIVITY
FOOD SERVICE ENTERPRISE FUND
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	$ 288,195
Due from Other Governments	48,226
Other Accounts Receivable	17,100
Current Liabilities	
Accounts Payable	(5,125)
Unearned Revenue	(22,614)
Net Cash Resources	$ 325,782
Adjusted Total Operating Expense:	
Total Operating Expenses	$ 1,526,337
Less Depreciation Expense	(56,095)
Adjusted Total Operating Expenses	$ 1,470,242
Average Monthly Operating Expense:	$ 147,024
Three Times Monthly Average:	$ 441,073
Total Net Cash Resources	$ 325,782
Three Times Monthly Average	441,073
Amount Above/(Below) Maximum Net Cash Resources	$ (115,291)

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

	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 Registers 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 - 4yr	47	-	46	-	1	-	46	-	46	-	-	-				
Full Day Kindergarten	140		143		(3)		64	-	62	-	2					
One	138	-	139	-	(1)	-	72	-	72	-	-	-				
Two	140	-	149	-	(9)	-	72	-	73	-	(1)	-				
Three	120	-	120	-	-	-	55	-	56	-	(1)	-				
Four	151	-	151	-	-	-	83	-	83	-	-	-				
Five	120	-	122	-	(2)	-	56	-	56	-	-	-				
Six	142	-	143	-	(1)	-	143	-	142	-	1	-				
Seven	136	-	139	-	(3)	-	139	-	137	-	2	-				
Eight	138	-	140	-	(2)	-	140	-	138	-	2	-				
Nine	132	-	132	-	-	-	132	-	134	-	(2)	-				
Ten	124	-	125	-	(1)	-	125	-	126	-	(1)	-				
Eleven	134	-	134	-	-	-	134	-	134	-	-	-				
Twelve	122	-	122	-	-	-	122	-	122	-	-	-				
Subtotal	1,784	-	1,805	-	(21)	-	1,383	-	1,381	-	2	-	-	-	- -	-
Special Ed - Elementary	178	-	179	-	(1)	-	31	-	31	-	-	-	3	1	1	-
Special Ed - Middle School	62	-	62	-	-	-	11	-	11	-	-	-	2	1	1	-
Special Ed - High School	100	-	100	-	-	-	18	-	18	-	-	-	7	2	2	-
Subtotal	340	-	341	-	(1)	-	60	-	60	-	-	-	12	4	4	-
Totals	2,124	-	2,146	-	(22)	-	1,443	-	1,441	-	2	-	12	4	4	-
Percentage Error					-1.04%	0.00%					0.14%	0.00%				0.00%

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

	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 LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Full Day Kindergarten	37	37	-	3	3	-	9	9	-	3	3	-
One	49	49	-	4	4	-	11	11	-	3	3	-
Two	42	42	-	4	4	-	6	6	-	2	2	-
Three	42	42	-	4	4	-	4	4	-	1	1	-
Four	51	52	(1)	4	4	-	9	10	(1)	3	3	-
Five	35	35	-	3	3	-	4	4	-	1	1	-
Six	52	52	-	4	4	-	8	8	-	2	2	-
Seven	40	40	-	4	4	-	4	4	-	1	1	-
Eight	48	49	(1)	4	4	-	6	6	-	2	2	-
Nine	45	45	-	4	4	-	4	4	-	1	1	-
Ten	55	56	(1)	5	5	-	6	7	(1)	2	2	-
Eleven	54	54	-	5	5	-	2	2	-	1	1	-
Twelve	40	42	(2)	4	4	-	3	4	(1)	1	1	-
Subtotal	590	595	(5)	52	52	-	76	79	(3)	23	23	-
Special Ed - Elementary	73	74	(1)	6	6	-	7	7	-	2	2	-
Special Ed - Middle	39	39	-	3	3	-	-	-	-	-	-	-
Special Ed - High	63	63	-	6	6	-	1	1	-	1	1	-
Subtotal	175	176	(1)	15	15	-	8	8	-	3	3	-
Totals	765	771	(6)	67	67	-	84	87	(3)	26	26	-
Percentage Error			-0.78%			0.00%			-3.57%			0.00%

	Transportation					
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools, col. 1	337	337	-	39	39	-
Transported - Non-Public, col. 2			-			-
Reg -SpEd, col. 4	83	83	-	10	10	-
Special Ed Spec, col. 6	140	140	-	16	16	-
Totals	560.0	560.0	-	65	65	-
Percentage Error			0.00%			0.00%

SECAUCUS 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. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten	4	4	-	1	1	-
One	7	7	-	2	2	-
Two	6	6	-	2	2	-
Three	4	4	-	1	1	-
Four	6	5	1	2	2	-
Five	4	4	-	1	1	-
Six	6	6	-	2	2	-
Seven	3	3	-	1	1	-
Eight	4	4	-	1	1	-
Nine	4	4	-	1	1	-
Ten	3	2	1	1	1	-
Eleven	1	1	-	-	-	-
Twelve	1	-	1	-	-	-
Subtotal	53	50	3	15	15	-
Special Ed - Elementary	1	1	-	-	-	-
Special Ed - Middle	-	-	-	-	-	-
Special Ed - High	-	-	-	-	-	-
Subtotal	1	1	-	-	-	-
Totals	54	51	3	15	15	-
Percentage Error			5.56%			0.00%

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

2024-2025 Total General Fund Budgetary Expenditures			$ 54,260,240
Decreased by:			
On-Behalf TPAF Pension & Social Security			9,412,589
Assets Acquired Under Other Financing Agreements			194,871
Adjusted 2024-2025 General Fund Expenditures			$ 44,652,780
2% of Adjusted 2024-2025 General Fund Expenditures			$ 893,056
Allowable Adjustments:			
Extraordinary Aid			78,745
Additional Nonpublic Transportation Aid			64,446
Maximum Unassigned Fund Balance			$ 1,036,247
Total General Fund - Fund Balance at June 30, 2025		$ 18,061,706	
Decreased by:			
Year End Encumbrances	$ 544,655		
Restricted Fund Balances:			
Capital Reserve	13,714,596		
Emergency Reserve	400,025		
Maintenance Reserve	1,152,715		
Unemployment Compensation Reserve	130,502		
Assigned Fund Balances:			
Designated for Subsequent Year's Budget	1,082,966		
		17,025,459	
Total Unassigned Fund Balance			$ 1,036,247
Restricted Fund Balance - Excess Surplus			$ 0

SECAUCUS BOARD OF EDUCATION
RECOMMENDATIONS

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

1. It is recommended that year-end financial reporting procedures be reviewed and revised to ensure the accuracy and proper classification of the outstanding liabilities.

III. School Purchasing Program

There are none.

IV. School Food Services

There are none.

V. Student Body Activities

2. It is recommended that internal controls over the Student Activity accounts be reviewed and 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. 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.