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

TENAFLY BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS
- FINANCIAL, COMPLIANCE AND PERFORMANCE

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Honorable President and Members
of the Board of Education
Tenafly Board of Education
500 Tenafly Road
Tenafly, New Jersey 07670

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 Tenafly Board of Education as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated November 4, 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 Education, 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 J. Vinci
Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 4, 2025

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TENAFLY 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 the 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 in Exhibit J-20 of the District's Annual Comprehensive Financial Report (the "ACFR").

Official Bonds

Name	Position	Amount
Stephen Frost	Board Secretary/Business Administrator	$50,000
Michele Rainere	Assistant School Business Administrator (July 1, 2024 to January 10, 2025)	50,000
Julie Kot	Assistant School Business Administrator (January 7, 2025 to June 30, 2025)	400,000
Nicole Sweeney	Assistant School Business Administrator (February 10, 2025 to June 30, 2025)	400,000
Sheryl Leidig	Treasurer of School Monies	400,000

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

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 and was submitted in a timely manner.

Tuition Charges

The District has entered into a five-year contract with the Alpine Board of Education to receive Alpine's high school students. The tuition charges for the 2024/2025 school year, by contract, are the State certified rates for the 2023/2024 school year. The final tuition rate was calculated as a tuition adjustment in accordance with NJAC 6A:23A-17.1. The tuition rate for all other students are determined annually by the Board, and are not subject to adjustment.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not reveal any discrepancies with respect to each of signature, certifications 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 payroll taxes 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 tested were promptly remitted to the proper agencies including health benefits withholding due to the General Fund.

> **Finding 2025-1** – Our audit noted that a payroll agency ledger by deduction was maintained by the District, however, the ending balance was not in agreement with the monthly bank reconciliation.
>
> **Recommendation** – The payroll agency ledger be reconciled and in agreement with the monthly bank reconciliation.

The District filed the required certificate (E-CERTI) of compliance with requirements for income tax compensation of certain administrators with the NJ Department of Treasury.

The District 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, 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, a separate test was made to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3 as it relates to administrative coding classification.

Travel

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

Board Secretary's Records

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

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

The Board Secretary’s and Treasurer’s monthly financial reports were presented to the Board on a timely basis and were submitted to the Executive County Superintendent as prescribed by N.J.S.A. 18A:17-9 and 18A:17-36.

Financial Planning, Accounting and Reporting (Continued)

Board Secretary's Records (Continued)

Finding 2025-2 – Our audit of the District's budget reports noted the following:

- The District's General Fund original budget was not in agreement with the state approved budget document. In addition, the modified budget was increased more than the total of the prior year encumbrances and appropriations of surplus.
- The Capital Projects Fund modified budget did not include the prior year audit balances for certain projects.

Recommendation – The District review the various budget reports to ensure budgetary line items and project balances are accurately reported.

Finding 2025-3 – Our audit of the District's Enterprise Fund's noted that the Food Service Fund, SACC program, and Tiger Tots Program ended the year with operating deficits of $57,435, $11,502 and $11,720, respectively. In addition, the Tiger Tots program ended the year with a deficit in net position of $1,276.

Recommendation – The District review the operations of its Enterprise Fund's to ensure that program fees are adequate to cover program expenses.

Our review of the District's financial reports noted that two budgetary line items were overexpended at year end. The overexpenditures appear to be isolated instances and therefore no recommendation is warranted.

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 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 as amended and reauthorized.

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.

IDEA Part B

Grant application 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 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.

Salaries and wages charged to Special Revenue Fund federal grants were not subject to the calculation for the TPAF/FICA reimbursement and therefore no reimbursement was due to the State. The District filed the certificate that no reimbursement was required by the due date.

Non Public State Aid

Project completion report 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 contracts under N.J.S.A. 18A:39-3 is currently $22,400.

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 may be up to $44,000. Such authorization 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 Board has designated the Business Administrator/Board Secretary 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 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.

The results of our examination indicated that no 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.

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 that purchases were made through the use of state contracts.

School Food Service

The District does not participate in the Child Nutrition Program.

The financial transactions and statistical records of the school food services were maintained in good condition. The financial accounts were reviewed on a test-check basis.

Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursement records reflected expenditures for program related goods and services. The food service management company is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34 and 19-1 through 19-4.1. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

The District contracted with Pomptonian, Inc. to manage the school food services operations. Provisions of the FSMC contract/addendum were reviewed. The Food Service management company contract did not include an operating result provision for the 2024-2025 school year. All vendor discounts, rebates and credits from vendors and/or FSMC were tracked and credited to the Food Service account and reconciled to supporting documentation at least annually.

Student Body Activity

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

SACC (School Age Childcare), Summer Enrichment and Tiger Tots Programs

Separate cash receipt and disbursement journals and billing records were maintained for the programs.

> **Finding 2025-4** –The District did not charge direct expenses including payroll taxes, pension and health benefits to its Tiger Tots or SACC programs for the 2024-2025 school year. In addition, overhead and/or indirect costs were not charged.
>
> **Recommendation -** The District prepare a written cost allocation plan to charge indirect costs to its Enterprise Fund programs. In addition, any direct expenses for payroll taxes, pension and health benefits charged agree with the actual costs incurred by the District.

The financial records of the programs were maintained in good condition.

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 handicapped, low-income 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 noted. The information that was included on the workpapers was verified without exception. 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 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

Our procedures 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 construction.

> **Finding 2025-5 -** Our audit revealed that balances per the district's capital asset inventory report are not in agreement with the audit balances.
>
> **Recommendation** – The capital asset report be reviewed, accurately reported and reconciled to the audit balances.

Testing for Lead of all Drinking Water in Educational 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 did submit the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

Suggestions to Management

- Reconciling items on the Athletic, Middle School and Net Payroll bank reconciliations be reviewed and cleared of record.
- Efforts be made to collect the prior year receivable balance of the Non Public Digital Divide grant.
- Prior year SAMSHA unexpended funds be returned to the grantor.
- Capital project balances for completed projects be reviewed and cleared of record.

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

NOT APPLICABLE

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

NOT APPLICABLE

DISTRICT DOES NOT PARTICIPATE IN NATIONAL SCHOOL LUNCH PROGRAM

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

	2025-2026 Application for State School Aid					
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors	
	Full	Shared	Full	Shared	Full	Shared
Half Day PreK - 3 Yr.	2.0		2.0			
Half Day PreK - 4 Yr.	4.0		4.0			
Full Day Kindergarten	146.0		146.0			
Grade 1	178.0		178.0			
Grade 2	198.0		198.0			
Grade 3	221.0		221.0			
Grade 4	228.0		228.0			
Grade 5	195.0		195.0			
Grade 6	246.0		246.0			
Grade 7	252.0		252.0			
Grade 8	264.0		264.0			
Grade 9	243.0		243.0			
Grade 10	224.0		224.0			
Grade 11	237.0		236.0		1.0	
Grade 12	247.0		247.0			
Subtotal	2,885.0	-	2,884.0	-	1.0	-
Special Ed - Elementary	176.0		176.0			
Special Ed - Middle	153.0		153.0			
Special Ed - High	188.0		188.0			
Subtotal	517.0	-	517.0	-	-	-
Totals	3,402.0	-	3,401.0	-	1.0	-
Percentage Error					0.03%	

	Sample for Verification					
	Sample Selected from Workpapers		Verified per Register On Roll		Errors per Registers On Roll	
	Full	Shared	Full	Shared	Full	Shared
Half Day PreK - 3 Yr.						
Half Day PreK - 4 Yr.						
Full Day Kindergarten	34.0		34.0			
Grade 1	40.0		40.0			
Grade 2	43.0		43.0			
Grade 3	51.0		51.0			
Grade 4	64.0		64.0			
Grade 5	50.0		50.0			
Grade 6	246.0		246.0			
Grade 7	252.0		252.0			
Grade 8	264.0		264.0			
Grade 9	243.0		243.0			
Grade 10	224.0		224.0			
Grade 11	236.0		236.0			
Grade 12	247.0		247.0			
Subtotal	1,994.0		1,994.0	-	-	-
Special Ed - Elementary	45.0		45.0			
Special Ed - Middle	153.0		153.0			
Special Ed - High	188.0		188.0			
Subtotal	386.0	-	386.0	-	-	-
Totals	2,380.0	-	2,380.0	-	-	-
Percentage Error					0.00%	

	Private Schools for Disabled			
	Reported on A.S.S.A. as Private Schools	Sample from Work-papers	Sample Verfiied	Sample Errors
Half Day PreK - 3 Yr.				
Half Day PreK - 4 Yr.				
Full Day Kindergarten				
Grade 1				
Grade 2				
Grade 3				
Grade 4				
Grade 5				
Grade 6				
Grade 7				
Grade 8				
Grade 9				
Grade 10				
Grade 11				
Grade 12				
Subtotal	-	-	-	-
Special Ed - Elementary	7.0	2.0	2.0	
Special Ed - Middle	5.0	2.0	2.0	
Special Ed - High	17.0	5.0	5.0	
Subtotal	29.0	9.0	9.0	-
Totals	29.0	9.0	9.0	-
Percentage Error				0.00%

TENAFLY 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 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 fror Worpapers	Verified to Test Score and Registei	Errors
Full Day Kindergarten	4.0	4.0		1.0	1.0		1.0	1.0				
Grade 1	7.0	7.0		2.0	2.0							
Grade 2	3.0	3.0		1.0	1.0		1.0	1.0		1.0	1.0	
Grade 3	2.0	2.0		1.0	1.0							
Grade 4	2.0	2.0		1.0	1.0		1.0	1.0				
Grade 5	2.0	2.0		1.0	1.0							
Grade 6	8.0	8.0		2.0	2.0		1.0	1.0		1.0	1.0	
Grade 7	9.0	9.0		3.0	3.0		1.0	1.0				
Grade 8	11.0	11.0		3.0	3.0		1.0	1.0				
Grade 9	4.0	4.0		1.0	1.0							
Grade 10	8.0	8.0		2.0	2.0							
Grade 11	6.0	6.0		2.0	2.0							
Grade 12	2.0	2.0		1.0	1.0							
Subtotal	68.0	68.0	-	21.0	21.0	-	6.0	6.0	-	2.0	2.0	-
Special Ed - Elementary	13.0	13.0		4.0	4.0							
Special Ed - Middle	16.0	16.0		4.0	4.0							
Special Ed - High	16.0	15.0	1	5.0	5.0							
Subtotal	45	44	1	13	13	-	-	-	-	-	-	-
DYFS Residential Center	1	1	-	-	-	-	-	-	-	-	-	-
Totals	114.0	113.0	1.0	34.0	34.0	-	6.0	6.0	-	2.0	2.0	-
Percentage Error			0.88%			0.00%			0.00%			0.00%

	Transportation					
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public	111.0	111.0		31.0	31.0	
Transported Non-Public	3.0	3.0		1.0	1.0	
Regular - Special Ed	17.0	17.0		5.0	5.0	
Special Ed - Special Needs	42.0	42.0		12.0	12.0	
	173.0	173.0	-	49.0	49.0	-
Percentage Error			0.00%			0.00%

TENAFLY 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 as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Worpapers	Verified to Application and Register	Errors
Full Day Kindergarten	26.0	26.0		6.0	6.0	
Grade 1	29.0	29.0		6.0	6.0	
Grade 2	25.0	25.0		5.0	5.0	
Grade 3	26.0	26.0		6.0	6.0	
Grade 4	37.0	37.0		8.0	8.0	
Grade 5	15.0	15.0		3.0	3.0	
Grade 6	21.0	21.0		5.0	5.0	
Grade 7	17.0	17.0		4.0	4.0	
Grade 8	16.0	16.0		3.0	3.0	
Grade 9	16.0	16.0		3.0	3.0	
Grade 10	9.0	9.0		2.0	2.0	
Grade 11	2.0	2.0		1.0	1.0	
Grade 12	1.0	1.0				
Subtotal	240.0	240.0	-	52.0	52.0	-
Special Ed - Elementary	11.0	11.0		2.0	2.0	
Special Ed - Middle	6.0	6.0		1.0	1.0	
Special Ed - High	3.0	3.0		1.0	1.0	
Subtotal	20.0	20.0	-	4.0	4.0	-
Totals	260.0	260.0	-	56.0	56.0	-
Percentage Error			0.00%			0.00%

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

Total General Fund Budgetary Expenditures			$ 99,213,020
Decreased by:			
On-Behalf TPAF Pension & Social Security			18,436,841
Adjusted General Fund Expenditures			$ 80,776,179
2% of Adjusted General Fund Expenditures			$ 1,615,524
Increased by:			
Allowable Adjustments - Excess Revenues			
Extraordinary Aid		$ 441,668	
Non Public Transportation		113,481	
			555,149
Maximum Unassigned Fund Balance			$ 2,170,673
Total General Fund - Fund Balance, June 30, 2025 (Budgetary Basis)		$ 14,558,950	
Decreased by:			
Encumbrances	$ 138,624		
Other Restricted Fund Balances			
Capital Reserve	5,479,482		
Maintenance Reserve	1,617,850		
Emergency Reserve	259,900		
Unemployment Compensation Reserve	492,421		
Excess Surplus Designated for Subsequent Year's Budget	1,380,214		
Assigned - Designated for Subsequent Year's Budget	919,786		
		10,288,277	
Total Unassigned Fund Balance			$ 4,270,673
Fund Balance - Excess Surplus			$ 2,100,000
Analysis of Excess Surplus			
Excess Surplus Designated for Subsequent Year's Budget			$ 1,380,214
Excess Surplus			2,100,000
			$ 3,480,214

TENAFLY BOARD OF EDUCATION
RECOMMENDATIONS

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

* 1. The payroll agency ledger be reconciled and in agreement with the monthly bank reconciliation.

* 2. The District review the various budget reports to ensure budgetary line items and project balances are accurately reported.

3. The District review the operations of its Enterprise Fund's to ensure that program fees are adequate to cover program expenses.

III. School Purchasing Program

There are none.

IV. School Food Services

There are none.

V. Student Body Activities

There are none.

VI. SACC / Tiger Tots Programs

* 4. It is recommended the District prepare a written cost allocation plan to charge indirect costs to its Enterprise Fund programs. In addition, any direct expenses for payroll taxes, pension and health benefits charged agree with the actual costs incurred by the District.

VII. Application for State School Aid

There are none.

VIII. Pupil Transportation

There are none.

IX. Facilities and Capital Assets

* 5. It is recommended that the capital asset report be reviewed, accurately reported and reconciled to the audit balances.

X. Miscellaneous

There are none.

XI. Status of Prior Years' Audit Findings/Recommendations

A review was performed on all prior years' recommendations. Corrective action was taken on the prior year recommendations, except those denoted with an asterisk (*).

ACKNOWLEDGEMENT

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