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

UPPER SADDLE RIVER BOARD OF EDUCATION
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS
- FINANCIAL, COMPLIANCE AND PERFORMANCE

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Honorable President and Members
of the Board of Education
395 West Saddle River Road
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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 Upper Saddle River Board of Education as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated October 20, 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 the use of management, Members of 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.

Lerch, Vinci & Bliss, LLP
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Certified Public Accountants
Public School Accountants

Gary J. Vinci
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Public School Accountant
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Fair Lawn, New Jersey
October 20, 2025

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UPPER 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 Monies, 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 contained in Exhibit J-20 of the District's Annual Comprehensive Financial Report (the "ACFR").

Official Bonds

Name	Position	Amount
Dana Imbasciani	Board Secretary/School Business Administrator	$ 50,000
Jennifer Pfohl	Treasurer of School Monies	250,000

P.L. 2020, c.44

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 on 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 District's Chapter 44 data was submitted in a timely manner.

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

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

The School Business Administrator completed and filed the required Certification of Compliance with Federal and State Law respecting the reporting of compensation for certain employees.

The Board has implemented and 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, a sample of the 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-23(A-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 included 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 additional testing was deemed necessary to test the propriety of expenditure classifications.

Travel Policy

The District has an approved Board travel policy as required by NJAC 6A:23A-6.13 and NJSA 18A:11-12.

Board Secretary's and Treasurer's Records

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

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 Treasurer's June 30, 2025 report was in agreement with the records of the Board Secretary.

The Treasurer did perform cash reconciliations for the general operating account, payroll account and payroll agency account (N.J.S.A. 18A:17-36).

> **Finding 2025-01 –** The final June 30, 2025 Capital Project Fund revenue, appropriation and project transfers were submitted to the Board for their approval in September 2025.
>
> **Recommendation –** The final Capital Projects Fund budget modifications be approved by the Board, no later than thirty days after year-end.

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 Title I, II, and IV Immigrant of the Elementary and Secondary Education Act as amended and reauthorized.

Financial Planning, Accounting and Reporting (Continued)

Other Special Federal and/or Local Projects

The District's Special Revenue Fund Grants are reported on Exhibits K-3 and K-4 located in the ACFR.

Our examination of the Federal 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 reported in the ACFR represents the financial position pertaining to the aforementioned special projects.

> **Finding 2025-02 –** Our audit of the Extraordinary Aid application noted that the expenses incurred for which the District is seeking reimbursement did not agree with the internal accounting records. In one instance, the cost of a paraprofessional was not included, and with the second instance costs incurred were not prorated.
>
> **Recommendation –** The Extraordinary Aid application be reviewed and reconciled with the costs incurred by the District.

Teacher's Pension and Annuity Fund (TPAF) 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 material exceptions noted.

Salaries and wages were not charged to the Special Revenue Fund federal grants.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 (as amended) and 18A:18A-3 are $44,000 (with a qualifying purchasing agent) and $32,000 (without a qualifying 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. The Board appointed the School Business Administrator as a 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 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.

The results of our examination did not indicate any individual 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.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 that purchases were made through the use of state contracts and cooperative purchasing agreements.

School Food Service

The Food Service Fund was closed during the 2024/25 school year.

The District does not participate in the State Child Nutrition Program.

Student Activity/Learning Enrichment Activities Program (LEAP)/After Care Experience (ACE)

The Board has a policy which clearly establishes the regulation of student activity and ACE Programs.

Our cash receipts and disbursements records of the Student Activity and ACE Program 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 disabled, 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 without exceptions noted. The information that was included on the workpapers was verified with a minor exception 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 noted. 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 District's capital assets accounting system.

Miscellaneous

The School District has complied with continuing disclosure agreements made in relation to the District's outstanding bond issuances.

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 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

The District currently outsources to an independent appraisal company the recordkeeping of the capital asset additions and deletions. Consideration be given to maintain within the District's accounting records the respective capital asset transactions.

Old outstanding checks and reconciling items on the District's bank reconciliations be reviewed and cleared of record.

UPPER SADDLE RIVER BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
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

UPPER SADDLE RIVER BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
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		Reported on Workpapers On Roll		Errors		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	8		8				8		8							
Half Day Preschool - 4 years	6		6				6		6							
Full Day Kindergarten	104		104				104		104							
1st Grade	107		107				107		107							
2nd Grade	102		102				102		102							
3rd Grade	102		102				102		102							
4th Grade	122		122				122		122							
5th Grade	105		105				105		105							
6th Grade	109		109				109		109							
7th Grade	125		125				125		125							
8th Grade	98		98		-	-	98		98	-	-	-				
Subtotal	988	-	988	-	-	-	988	-	988	-	-	-	-	-	-	-
Spec Ed - Elementary	66		66		-	-	20		20		-	-	3	1	1	-
Spec Ed - Middle School	57		57		-	-	17		17		-	-	1	-	-	-
Subtotal	123	-	123	-	-	-	37	-	37	-	-	-	4	1	1	-
Totals	1,111	-	1,111	-	-	-	1,025	-	1,025	-	-	-	4	1	1	-
Percentage Error					0.00%						0.00%					0.00%

UPPER SADDLE RIVER BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
SCHEDULE OF AUDITED ENROLLMENTS
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 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)												
Full Day Kindergarten												
1st Grade												
2nd Grade												
3rd Grade												
4th Grade												
5th Grade												
6th Grade												
7th Grade												
8th Grade	-	-	-	-		-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
Spec Ed - Elementary	2	1	1	1	1							
Spec Ed - Middle School	1	1	-	-		-	-	-	-	-	-	-
Subtotal	3	2	1	1	1	-	-	-	-	-	-	-
Totals	3	2	1	1	1	-	-	-	-	-	-	-
Percentage Error			33.33%			0.00%			N/A			N/A

Transportation

	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	123	123	-	38	38	-
Regular - Spec.	21	21	-	7	7	-
Special Needs - Public	14	14	-	4	4	-
Totals	158	158	-	49	49	-
			0.00%			0.00%

UPPER SADDLE RIVER BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
SCHEDULE OF AUDITED ENROLLMENTS
OCTOBER 15, 2024

	Resident 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)						
Full Day Kindergarten	6	6		1	1	
1st Grade	4	4		1	1	
2nd Grade	3	3		1	1	
3rd Grade	4	4		1	1	
4th Grade	1	1				
5th Grade	1	1				
6th Grade	2	2		1	1	
7th Grade						
8th Grade	-	-	-	-		-
Subtotal	21	21	-	5	5	-
Spec Ed - Elementary	1	1	-	1	1	-
Spec Ed - Middle School	-	-	-	-		-
Subtotal	1	1	-	1	1	-
Totals	22	22	-	6	6	-
Percentage Error			0.00%			0.00%

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

2024-2025 Total General Fund Budgetary Expenditures		$ 34,530,874	
Increased by:			
Transfer to Capital Projects Fund		565,577	
		35,096,451	
Decreased by:			
On-Behalf TPAF Pension & Social Security		(6,103,039)	
Adjusted 2024-2025 General Fund Expenditures		$ 28,993,412	
2% of Adjusted 2024-2025 General Fund Expenditures		$ 579,868	
Increased by Allowable Adjustments			
Extraordinary Aid	$ 560,784		
Additional Nonpublic School Transportation Aid	24,751		
		585,535	
Maximum Unreserved/Undesignated Fund Balance			$ 1,165,403
Total General Fund - Fund Balance (Budgetary Basis) at June 30, 2025		$ 9,477,834	
Decreased by:			
Encumbrances	$ 112,928		
Excess Surplus - Designated for Subsequent Year's (2025/26) Budget	2,248,887		
Capital Reserve	1,995,279		
Capital Reserve - Designated for Subsequent Year's (2025/26) Budget	905,000		
Maintenance Reserve	750,000		
Unemployment Compensation Reserve	200,337		
		6,212,431	
Total Unreserved/Undesignated Fund Balance			$ 3,265,403
Fund Balance - Excess Surplus			$ 2,100,000
Recapitulation of Restricted Excess Surplus, June 30, 2025			
Excess Surplus, Designated for Subsequent Year's (2025/26) Budget			$ 2,248,887
Excess Surplus			2,100,000
			$ 4,348,887

UPPER 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. The final Capital Projects Fund budget modifications be approved by the Board, no later than thirty days after year-end.

2. The Extraordinary Aid application be reviewed and reconciled with the costs incurred by the District.

III. **School Purchasing Program**

There are none.

IV. **School Food Services**

There are none.

V. **Student Body Activities and A.C.E. Programs**

There are none.

VI. **Application for State School Aid**

There are none.

VII. **Pupil Transportation**

There are none.

VIII. **Miscellaneous**

There are none.

IX. **Facilities and Capital Assets**

There are none.

X. **Status of Prior Years' Audit Findings/Recommendations**

Not applicable.

ACKNOWLEDGEMENT

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