SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

AUDITOR'S MANAGEMENT REPORT

FISCAL YEAR ENDED JUNE 30, 2024

Barre & Company LLC
Certified Public Accountants & Consultants

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS FINANCIAL, COMPLIANCE AND PERFORMANCE

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BARRE & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS
2204 Morris Avenue, Suite 206
Union, New Jersey 07083
908-686-3484
FAX – 908-686-6055
www.cpa-bc.com ♦ info@cpa-bc.com

Report of Independent Auditors

Honorable President and
Members of the Board of Education
Springfield Township School District
County of Burlington
Springfield, New Jersey

We have audited, in accordance with generally accepted audit standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Springfield Township School District in the for the year ended June 30, 2024, and have issued our report thereon dated March 11, 2025.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the Springfield Township School District Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants

Richard M. Barre, CPA
Public School Accountant
PSA Number CS-O1181

Union, New Jersey
March 11, 2025

Administrative Findings – Financial, Compliance and Performance

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, 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 school district's CAFR.

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

Name	Position	Amount
Danielle Tarvin-Griffith	School Business Administrator	$ 160,000.00

There is a Public Employee's Faithful Performance Blanket Position Bond covering all other employees with coverage of $15,000 each person.

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 school district Chapter 44 data was submitted timely.

If the data certification date reflects submission date later than 60 days after the end of the enrollment period: The original data submission did not require significant revision due to errors or omissions on the part of the school.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The Board made a proper adjustment to the billings to sending districts in accordance with *N.J.A.C. 6A:23A-17.1(f)3*.

Administrative Findings – Financial, Compliance and Performance

Financial Planning, Accounting and Reporting

Examination of Claims

Claims paid during the period under review were examined on a test basis to determine that they are submitted on Board vouchers, itemized, signed by the officials as to approval for payment, endorsement for receipt of materials, allocated to the proper accounts, charged to the proper fiscal period and in agreement with bill list set forth in the approved minutes of the Board. The review and inquiry indicate good scrutiny on the part of the Board and Board Officials regarding expenditures.

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and the Board's required payroll contributions were deposited in the Payroll Agency Account.

All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary.

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

Employee Position Control Roster

An inquiry and subsequent review of the Position Control Roster found no inconsistencies between the payroll records, employee benefit records (e.g. pension reports and health benefit coverage reports), the general ledger accounts to where wages are posted (administrative versus instruction), and the Position Control Roster.

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. No exceptions were noted during our review.

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 the 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 errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

A. General Classification Findings

No exceptions or discrepancies were noted in the general classification of expenditures.

B. Administrative Classification Findings

No exceptions or discrepancies were noted in the administrative classification of expenditures.

Financial Planning, Accounting and Reporting (Continued)

Board Secretary's Records

Our review of the financial and accounting records maintained by the board secretary were found to be in satisfactory condition.

Finding No. 2024-001 (ACFR Finding 2024-001)

Reconciliation of cash balances to the treasurers report was not properly maintained.

Recommendation:

We recommend the business administrator to review the treasurers reports on a monthly basis to determine what if any reconciling items exists and if they do exist determine the proper adjustment to the accounting records so the adjustments are properly reflected.

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 CAFR documents the financial position pertaining to the projects under Titles I, II and III of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. did not indicate any areas of noncompliance and/or questionable cost.

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Schedule A and Schedule B located in the ACFR.

Our audit of the federal and state funds on a test basis, indicated the obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

The study of compliance for the special projects did not indicate any areas of noncompliance.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements (electronic, but districts can print out the DOENET screen for an auditor) filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report(s) 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

N.J.S.A. 18A:18A-1 et seq. (Public School Contracts Law), the associated rules and related information on the statute, and school contracts in general is available on the NJ Local Agency Procurement Laws webpage:
http://www.state.nj.us/dca/divisions/dlgs/programs/lpcl.html.

Current statute is posted on the New Jersey Legislature (http://www.njleg.state.nj.us/) website.

Auditors should refer to Section I, Chapter 5, Bids & Contracts/Purchasing for highlights of *N.J.S.A. 18A:18A-3 and 4*.

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 $20,200 effective 2021-22.

School Purchasing Programs (Continued)

The district 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 Solicitor's opinion should be sought before a commitment is made.

Based on the results of our examination, we did not note any individual payments, contracts, or agreements 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 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*.

School Food Service

PUBLIC HEALTH EMERGENCY

In accordance with the Governor's Declaration of Emergency pertaining to the public health emergency all Public, Charter, Non-Public schools were ordered to close effective as of March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, School Food Authorities (SFA) were required to institute alternate procedures to provide meals to Free and Reduced Price eligible students during the period of school closures. Governor Murphy's emergency declaration ended June 4, 2021; however, the United States Department of Agriculture's federal waiver continued through June 30, 2022. Food Service Agencies operated under this federal waiver.

As a result, School Food Authorities (SFAs) were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO). SFAs could also choose to participate in the National School Lunch Program utilizing standard counting and claiming practices.

SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A.18A:18A-7. The SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all students during the emergency.

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.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

School Food Service (Continued)

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

We inquired of management about the public health emergency procedures/practices that the SFA instituted to provide meals to all students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations.

No Exceptions Noted.

Student Body Activities

No items were noted during our review of the student activity funds.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2023 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, 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 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 written procedures appear to be adequate for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2023-2024 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 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 agreement 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.

Administrative Findings – Financial, Compliance and Performance

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 the 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).

Follow-up on Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations including findings. Corrective action has not been taken on all prior year findings.

Acknowledgment

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

	Submission to					Sample for Verification						Private School 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	Sample for Verifi-	Sample	Sample
	Full	Shared	Full	Verified	Full	Full	Shared	Full	Shared	Full	Shared	Schools	cation	Verified	Errors
Half Day Preschool 3	6		3	3		3		3				3		3	
Half Day Preschool 4	9		5	5		3		3				3		3	
Full Day Kindergarten	32		16	16		6		6				6		6	
One	29		15	15		7		7				7		7	
Two	41		21	21		8		8				8		8	
Three	30		15	15		8		8				8		8	
Four	31		16	16		8		8				8		8	
Five	34		17	17		8		8				8		8	
Six	28		14	14		8		8				8		8	
Subtotal	240	-	120	120	-	59	-	59	-	-	-	59	-	59	-
Special Ed - Elementary	39		20	20											
Special Ed - Middle	9		5	5											
Subtotal	48	-	24	24	-	-	-	-	-	-	-	-	-	-	-
Totals	288	-	144	144	-	59	-	59	-	#VALUE!	-	59	-	59	-
Percentage Error					0.00%					0.00%	0.00%				0.00%

	Submission to						Sample for Verification						Private School 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 3	6		3	3			3		3				3		3	
Half Day Preschool 4	9		5	5			3		3				3		3	
Full Day Kindergarten	32		16	16			6		6				6		6	
One	29		15	15			7		7				7		7	
Two	41		21	21			8		8				8		8	
Three	30		15	15			8		8				8		8	
Four	31		16	16			8		8				8		8	
Five	34		17	17			8		8				8		8	
Six	28		14	14			8		8				8		8	
Subtotal	240	-	120	120	-	-	59	-	59	-	-	-	59	-	59	-
Totals	240	-	120	120	-	-	59	-	59	-	#VALUE!	-	59	-	59	-
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%

EXCESS SURPLUS CALCULATION

N.J.S.A. 18A:7F-7 requires that excess surplus for regular school districts and charter schools/renaissance school projects is calculated using 2% for June 30, 2005 and thereafter. Due to the financial impacts of the public health emergency, P.L.2021, c.35, approved March 15, 2021 authorizes school districts other than a county vocational school districts to maintain surplus up to the greater of four percent or $250,000 for 2020-2021 and 2021-2022 school years. Pursuant to P.L. 2007, c.62, the minimum is $250,000, effective with the year ending June 30, 2007. The Board decided to keep the 2% excel surplus calculation rate for 2020-2021.

Charter schools and renaissance school projects are not subject to the excess surplus limitations. Accordingly, charter school auditors are not required to document the calculation of excess surplus.

CALCULATION:

Complete Sections 1 and 2. If the total of Section 2 is **greater** than the applicable portion of Section 1, enter the difference in Section 3. If the difference results in a negative, enter a zero in Section 3. The applicable sections are to be submitted as part of the Auditor's Management Report.

Note that beginning with the excess surplus calculation for the year ending June 30, 2012 the transfer to food services is not an allowable adjustment (increase) to total general fund expenditures.

EXCESS SURPLUS CALCULATION

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2023-24 Total General Fund Expenditures per the ACFR, Ex. C-1	$	6,035,464	(B)	
Increased by:				
Transfer from Capital Outlay to Capital Projects Fund		-	(B1a)	
Transfer from Capital Reserve to Capital Projects Fund		-	(B1b)	
Transfer from General Fund to SRF for PreK-Regular		-	(B1c)	
Transfer from General Fund to SRF for PreK-Inclusion		-	(B1d)	
Decreased by:				
Oh-Behalf TPAF Pension & Social Security		(1,062,721)	(B2a)	
Assets Acquired Under Capital Leases		-	(B2b)	
Adjusted 2023-24 General Fund Expenditures		4,972,743	(B3)	
2% of Adjusted 2023-24 General Fund Expenditures		99,455	(B4)	
Enter Greater of (B4) or $250,000		250,000	(B5)	
Increased by: Allowable Adjustment *		17,263	(K)	
Maximum Unassigned Fund Balance/Undesignated-Unreserved Fund Balance				$ 267,263 (M)

SECTION 2

Total General Fund - Fund Balance @ 6/30/2024				
(Per ACFR Budgetary Comparison Schedule C-1)	$	1,803,658	(C)	
Decrease by:				
Year-end Encumbrances		(5,513)	(C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures		-	(C2)	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **		(251,657)	(C3)	
Other Restricted Fund Balances ****		(345,248)	(C4)	
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures		(686,929)	(C5)	
Total Unassigned Fund Balance				514,311 (U1)

SECTION 3

Restricted Fund Balance - Excess Surplus ***	$ 247,048	(E)

Recapitulation of Excess Surplus as of June 30, 2024

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	$ 251,657	(C3)
Reserved Excess Surplus ***	247,048	(E)
Total Excess Surplus	498,705	(D)

EXCESS SURPLUS CALCULATION

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

Footnotes:

* Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:

(H) Federal Impact Aid. The passage of P.L. 2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparision Schedule, but not transferred to the Federal Impact Aid Reserve - General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
(I) Sale and Lease-Back (Refer to the Audit Program Section II, Chapter 10);
(J1) Extraordinary Aid;
(J2) Additional Nonpublic School Transportation Aid;
(J3) Recognized Current Year School Bus Advertising Revenue; and
(J4) Family Crisis Transporation Aid.
(J5) Maintenance of Equity Aid and State Military Impact Aid received July 2022

Notes to auditor: Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid, and Additional Nonpublic School Transporation Aid.

Detail of Allowable Adjustments

Impact Aid	$ -	(H)
Sale & Lease-Back	-	(I)
Extraordinary Aid	12,713	(J1)
Additional Nonpublic School Transportation Aid	-	(J2)
Current Year School Bus Advertising Revenue Recognized	4,550	(J3)
Family Crisis Transportation Aid	-	(J4)
Maintenance of Equity Aid and State Military Impact Aid received July 2022	-	(J5)
Total Adjustments	$ 17,263	(K)

** This amount represents the June 30, 2024 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amounts must agree to the June 30, 2024 ACFR and must agree to Audit Summary Worksheet Line 90030.

**** Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by an other type of government, such as the judicial branch of government, must have departmental approval. District requests should be submitted to the Division of Administration and Finance prior to September 30.

Detail of Other Restricted Fund Balance

Statutory restrictions:		
Approved unspent separate proposal	$ -	
Sale/lease-back reserve	-	
Capital reserve	(69,978)	
Maintenance reserve	(216,490)	
Emergency reserve	-	
Tuition reserve	-	
School Bus Advertising 50% Fuel Offset Reserve - current year	-	
School Bus Advertising 50% Fuel Offset Reserve - prior year	-	
Impact Aid General Fund Reserve (Sections 8002 and 8003)	-	
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	-	
Other state/government mandated reserve	-	
Reserve for Unemployment Fund	(58,780)	
[Other Restricted Fund Balance not noted above] ****	-	
Total Other Restricted Fund Balance	$ (345,248)	(C4)

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
AUDIT RECOMMENDATIONS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Findings and Recommendations:

1. Administrative Practices and Procedures

   None

2. Financial Planning, Accounting and Reporting

   Finding No. 2024-001

   Reconciliation of cash balances to the treasurers report was not properly maintained.

3. School Purchasing Programs

   None

4. School Food Service

   None

5. Montvale Summer Institute

   None

6. Montvale Child Care

   None

7. Student Body Activities

   None

8. Application for State School Aid/Charter School Enrollment System/Charter School Aid

   None

9. Pupil Transportation

   None

10. Facilities and Capital Assets

    None

11. Miscellaneous

    None

12. Status of Prior Year Audit Findings/Recommendations

    A review was performed on all prior years' recommendations and corrective action was not taken on all.