

**BOARD OF EDUCATION**  
**TOWNSHIP OF DEERFIELD SCHOOL DISTRICT**  
**COUNTY OF CUMBERLAND**  
**AUDITOR'S MANAGEMENT REPORT ON**  
**ADMINISTRATIVE FINDINGS-**  
**FINANCIAL, COMPLIANCE AND PERFORMANCE**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2024**

# TOWNSHIP OF DEERFIELD SCHOOL DISTRICT

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# NIGHTLINGER, COLAVITA & VOLPA

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## REPORT OF INDEPENDENT AUDITORS

Honorable President and  
Members of the Board of Education  
Township of Deerfield School District  
County of Cumberland, New Jersey 08352

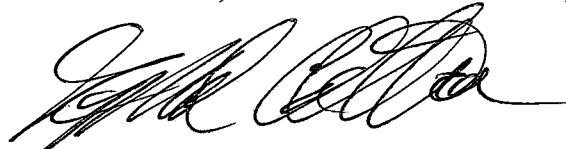
We have audited, in accordance with generally accepted audit standards and **Government Auditing Standards** issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Township of Deerfield School District in the County of Cumberland for the year ended June 30, 2024, and have issued our report thereon dated December 12, 2024.

As part of our audit, we performed procedures required by the Division of Administration and Finance, 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 issued in conjunction the Annual Comprehensive Financial Report of the Board of Education of the Township of Deerfield School District for the fiscal year ending June 30, 2024 and is intended for the information of the School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915  
December 12, 2024

## **ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

### **Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and District personnel entrusted with duties formally under the auspices of the Treasurer of School Monies, the activities of the Board of Education, the records of the Student Activity Fund, Food Service Fund and Special Revenue Fund 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 **ACFR**.

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Joseph Giambri	School Board Administrator/Board Secretary	\$100,000

There is a Blanket Employee Dishonesty Bond with Selective Insurance covering all employees with coverage of \$100,000. Adequacy of insurance coverage is the responsibility of the Board of Education.

#### **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.

#### **Tuition Charges**

There were no charges representing payments from parents of students not residing in the school district. The board had billings to sending districts for tuition and accordingly, there may be future adjustments required arising from actual per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f)3.

#### **District Internal Control Policies**

District boards of education and administration are responsible for developing internal controls policies and procedures and maintaining a strong internal control environment. NJAC 6A:23A-6.4 requires that the district's internal control policies include specific requirements at NJAC 6A:23A-6.5 through 6.13.

All Internal Control Policies were found in accordance with NJAC 6A:23A-6.5 through 6.13.

## **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.

### **Certification of Income Tax Compliance**

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

### **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 were approved by the Superintendent and were certified by the President of the Board and the School Business Administrator/Board Secretary.

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

The payroll agency subsidiary record was balanced to the bank account by the business office during the extended audit submission period, which required adjustments that were submitted to the business office for approval.

### **Finding 2024-1**

The subsidiary ledger utilized to account for the Payroll Agency Fund was maintained during the year but required adjustments that were determined by the Business Administrator during the audit.

### **Recommendation**

Revised procedures discussed during the audit should be implemented, in order to provide an adequate accounting and reporting of the Payroll Fund that reconciles to the bank statements.

### **Employee Position Control Roster**

An inquiry and subsequent review of the Position Control Roster did not find any discrepancies between the payroll records, employee benefit records, the general ledger accounts to where wages are posted, and the Position Control Roster

### **Reserve for Encumbrances and Accounts Payable**

A review of outstanding issued purchase orders was made as of June 30, 2024 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 reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for proprietary and to determine that goods were received and services were rendered as of June 30, 2024.

## **Obligations of Federal Grant Awards and Requests for Reimbursement of Expenditures Against Those Federal Grants Awards**

Various accounts receivable were noted that were over one year old and required adjustment.

### **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, a 0% error rate was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

#### **A. General Classification Findings – NONE**

#### **B. Administrative Classification Findings - NONE**

### **Board Secretary's Records**

The financial records, books of accounts maintained by the Secretary were in satisfactory condition.

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

Monthly financial certificates of the Board Secretary and Board of Education for positive line item account status certifications (**N.J.A.C. 6:2-2.13**) were performed. Budgetary line item account transfers were approved monthly to cover any anticipated deficits.

Purchase orders were generally charged to the appropriate line item accounts in accordance with the State prescribed **Uniform Minimum Chart of Accounts (2R2) for New Jersey Public School**.

### **Treasurer's Records – Board Secretary's Office**

The Treasurer, as well as Board Secretary personnel, prepared cash reconciliations for the general operating account, student activity account, payroll account and payroll agency account per **N.J.S.A. 18A:17-9**.

The Treasury records were not in agreement with the records of the Board Secretary. All cash receipts were promptly deposited. (**N.J.S.A. 18A:17-34, 18A:17-9.1**) and Treasury reports were filed in a timely manner.

Financial Planning, Accounting and Reporting (Continued)

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

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 the projects under Titles I, II, and IV of the Elementary and Secondary Education Act as amended and reauthorized.

Our audit of the E.S.E.A. 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 study of compliance for E.S.E.A. indicated that all E.S.E.A. programs were in compliance.

**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 that 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 special projects indicated no areas of noncompliance, other than the following:

**Finding 2024-2 (ACFR Finding 2024-1):**

The District charged expenditures in excess of the amount awarded by NJ Department of Education for the CRRSSA-ESSER II grant.

**Recommendation:**

The District should review and revise its internal controls over the monitoring of grants, in order to ensure grant expenditures do not exceed the amount awarded.

**T.P.A.F. Reimbursement**

Our audit procedures included a test of the biweekly 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.

**TPAF Reimbursement to the State for Federal Salary Expenditures**

The amount of the expenditure charged to the current year's Final Reports 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 are available on the website: [http://www.state.nj.us/dca/divisions/dlgs/programs/ps\\_contracts.html](http://www.state.nj.us/dca/divisions/dlgs/programs/ps_contracts.html).

The current statute is posted on the New Jersey Legislature website at: [http://lis.njleg.state.nj.us/cgi-bin/om\\_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headingswithhits=on&infobase=statutes.nfo&softpage=TOC\\_Frame\\_pg42](http://lis.njleg.state.nj.us/cgi-bin/om_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headingswithhits=on&infobase=statutes.nfo&softpage=TOC_Frame_pg42)

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 \$20,200 for 2023-2024.

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. 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.

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 with the provisions 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, however, that copiers were purchased from vendors approved for state contract.

The review of contracts and agreements did not disclose any areas of statutory noncompliance.

Although a particular contract is exempt from the formal requirements of public advertising and competitive bidding, N.J.S.A. 18A:18A-37 requires that quotations be obtained, whenever practical, for any contract less than the bid threshold but 15% or more of that amount, except for contracts for professional services. All contracts and agreements, which are subject to quotations, shall be awarded on the basis of the lowest responsible quotation received, which is most advantageous to the Board of Education, price and other factors considered.



## **School Food Service**

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. Exceptions were not 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. Exceptions were not noted.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (ACFR Schedule B-5) separates program and non-program revenue and program and non-program cost 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. We also inquired if the FSMC received a loan in accordance with the Payroll Protection Plan and whether the funds were used to pay for costs applicable to the Food Service Programs. We also inquired if the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA. Exceptions were not noted.

## **Finding 2024-3**

Net cash resources in the Food Service Fund exceeded three months average expenditures.

## **Recommendation**

The Board should implement a corrective action plan to effectively reduce the net cash resources on hand through capital expenditure or otherwise.

## **Student Body Activities**

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

All receipts were promptly deposited.

A monthly report of student activity funds is being submitted to the Board.

Receipts appeared to be deposited promptly in the bank.

Vouchers and supporting invoices were maintained for the student activity fund purchases. All disbursements appeared to be supported by appropriate documentation.

### **Unemployment Trust**

The Board has adopted the direct reimbursement method and Unemployment Compensation Insurance Trust Fund expenditures are made within the Payroll Agency Fund.

### **Teacher Consortium Internal Service Fund**

The District did not maintain the Teacher Consortium Internal Service Fund during the year, which has a small balance, as of June 30, 2024.

### **Application for State School Aid**

Our audit procedures included a test of information reported in the October 15 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped and low-income. 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. The information that was included on the workpapers was also verified to the school registers. 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 the on roll status reported in the 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 County Summary was also compared to the DRTRS Eligibility Summary Report and these two reports were in agreement. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

### **Facilities and Capital Assets**

Our review of facilities and capital assets did not disclose any exceptions or unfinished capital projects.

### **Testing for Lead of all Drinking Water in Educational Facilities**

The school district is required to adhere to all the requirements of NJAC 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).

The test results were put on the district's website as well as being available at the school facility.

### **Follow-up on Prior Years' Findings**

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Corrective action was taken on the prior year findings and recommendations except the following:

#### **Finding 2023-4**


The Board should implement a corrective action plan to effectively reduce the net cash resources on hand in the Food Service Fund through capital expenditure or otherwise.

### **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.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**

A handwritten signature in black ink, appearing to read 'Raymond Colavita', is written over the printed name.

Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915

# NET CASH RESOURCE SCHEDULE

Net cash resources did not exceed three months of expenditures  
 Proprietary Funds - Food Service  
 FYE 2024  
DEERFIELD Township Board of Education

<u>Net Cash Resources:</u>		Food Service B - 4/5	
ACFR	*	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	\$ 136,108
B-4		Due from Other Gov'ts	8,634
B-4		Accounts Receivable	30,083
B-4		Investments	
ACFR		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	(11,855)
B-4		Less Accruals	
B-4		Less Due to Other Funds	
B-4		Less Deferred Revenue	(4,725)
		<b>Net Cash Resources</b>	<b>\$ 158,245 (A)</b>

## Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	231,978	
B-5	Less Depreciation	(2,865)	
		<b>Adj. Tot. Oper. Exp.</b>	<b>\$ 229,113 (B)</b>

## Average Monthly Operating Expense:

B / 10	<b>\$ 22,911 (C)</b>
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## Three times monthly Average:

3 X C	<b>\$ 68,734 (D)</b>
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TOTAL IN BOX A	\$ 158,245
LESS TOTAL IN BOX D	\$ 68,734
NET	<b>\$ 89,511</b>

From above:

A is greater than D, cash exceeds 3 X average monthly operating expenses.  
 D is greater than A, cash does not exceed 3 X average monthly operating expenses.

\* Inventories are not to be included in total current assets.

SOURCE - USDA resource management comprehensive review form

SCHEDULE OF MEAL COUNT ACTIVITY

DEERFIELD SCHOOL DISTRICT  
FOOD SERVICE FUND  
NUMBER OF MEALS/MILKS SERVED AND OVER/UNDERCLAIM-FEDERAL  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>(Over)/Under Difference</u>	<u>Rate</u>	<u>(Over)/Under Claim</u>
National School Lunch	Paid	10,537	10,537	10,537	\$	0.42	
	Reduced	4,746	4,746	4,746		3.87	
	Free	19,625	19,625	19,625		4.27	
	Total	34,908	34,908	34,908			\$
National School Lunch	HHFKA - PB Lunch Only	34,908	34,908	34,908	\$	0.08	\$
School Breakfast	Paid	2,130	2,130	2,130	\$	0.38	
	Reduced	2,295	2,295	2,295		2.43	
	Free	7,862	7,862	7,862		2.73	
	Total	12,287	12,287	12,287			\$
TOTAL NET OVERCLAIM							\$

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>(Over)/Under Difference</u>	<u>Rate</u>	<u>(Over)/Under Claim</u>
State Reimb. - National School Lunch	Paid	10,537	10,537	10,537	\$	0.06	\$
	Reduced	4,746	4,746	4,746		0.47	
	Free	19,625	19,625	19,625		0.07	
	TOTAL	34,908	34,908	34,908			\$
State Reimb. - National School Breakfast	Reduced	2,295	2,295	2,295	\$	0.30	\$
	TOTAL	2,295	2,295	2,295			\$
TOTAL NET OVERCLAIM							\$

**SCHEDULE OF AUDITED ENROLLMENTS**

**DEERFIELD TOWNSHIP BOARD OF EDUCATION  
APPLICATION OR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 13, 2023**

	2024-2025 APPLICATION FOR STATE SCHOOL AID (10/13/23 DATA)						SAMPLE FOR VERIFICATION				PRIVATE SCHOOLS FOR DISABLED			
	Reported On		Reported On		Errors		Sample		Verified per		Errors per		Reported On	
	A.S.S.A.		Workpapers				Selected From		Registers		Registers		A.S.S.A. as	
	On Roll	Shared	On Roll	Shared	Full	Shared	Workpapers	Shared	On Roll	Shared	On Roll	Shared	Private	Sample for
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Schools	Verification
Full Day Preschool 3 Years Old	19		19				9		9					
Full Day Preschool 4 Years Old	22		22				11		11					
Full Day Kindergarten	30		30				14		14					
One	23		20		3		10		10					
Two	25		21		4		10		10					
Three	21		21				10		10					
Four	22		22				11		11					
Five	24		25		(1)		12		12					
Six	25		25				12		12					
Seven	25		25				12		12					
Eight	29		29				14		14					
Nine														
Ten														
Eleven														
Twelve														
Post-Graduate														
Adult H.S. (15+CR.)														
Adult H.S. (1-14 CR.)														
Subtotal	265	0	259	0	6	0	125	0	125	0	0	0	0	0
Special Ed - Elementary	25		33		(8)		16		16					
Special Ed - Middle	28		27		1		13		13					
Special Ed - High														
Subtotal	53	0	60	0	(7)	0	29	0	29	0	0	0	0	0
Totals	318	0	319	0	(1)	0	154	0	154	0	0	0	0	0
Percentage Error					-0.31%	0.00%					0.00%	0.00%		0.00%

SCHEDULE OF AUDITED ENROLLMENTS

DEERFIELD TOWNSHIP BOARD OF EDUCATION  
APPLICATION OR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 13, 2023

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	(10/13/23 DATA)											
	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
Half Day Preschool												
Full Day Kindergarten	15	15		10	10							
One	17	17		12	12							
Two	11	11		7	7		1	1				
Three	9	9		6	6							
Four	13	13		9	9		1	1				
Five	16	16		11	11		3	3		1	1	
Six	13	13		9	9		1	1				
Seven	6	6		4	4		1	1				
Eight	13	13		9	9							
Nine												
Ten												
Eleven												
Twelve												
Post Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	113	113	0	77	77	0	7	7	0	1	1	0
Special Ed - Elementary	18	18		12	12		2	2		1		
Special Ed - Middle	17	17		12	12		2	2		1		
Special Ed - High												
Subtotal	35	35	0	24	24	0	4	4	0	2	0	0
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	148	148	0	101	101	0	11	11	0	3	1	0
Percentage Error			0.00%			0.00%			0.00%			0.00%

**TRANSPORTATION**

	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors		Reported	Re-Calculated
Reg. - Public Schools	135	135		84	84		Avg. Mileage - Regular Including Grade PK students	4.6	
Reg. - Special Ed.	11	11		7	7		Avg. Mileage - Regular Excluding Grade PK students	4.8	
Transported - Non-Public							Avg. Mileage - Special Ed with Special Needs	8.2	
AIL- Non-Public	23	23		14	14				
Special Needs - Public	4	4		2	2				
Totals	173	173	0.0	107	107	0.0			
Percentage Error			0.00			0.00%			



**SCHEDULE OF AUDITED ENROLLMENTS**

**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**APPLICATION OR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 13, 2023**

	<b><u>Resident LEP NOT Low Income</u></b>			<b><u>Sample for Verification</u></b>		
	<b><u>(10/13/23 DATA</u></b>	<b><u>Report On</u></b>		<b><u>Sample</u></b>	<b><u>Verified to</u></b>	
	<b><u>A.S.S.A. as</u></b>	<b><u>Workpapers as</u></b>		<b><u>Selected From</u></b>	<b><u>Application</u></b>	<b><u>Sample</u></b>
	<b><u>NOT Low</u></b>	<b><u>NOT Low</u></b>	<b><u>Errors</u></b>	<b><u>Workpapers</u></b>	<b><u>and Register</u></b>	<b><u>Errors</u></b>
	<b><u>Income</u></b>	<b><u>Income</u></b>				
Half Day Preschool						
Full Day Kindergarten						
One						
Two						
Three						
Four						
Five						
Six						
Seven						
Eight						
Nine						
Ten						
Eleven						
Twelve						
Post Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	0	0	0	0	0	0
Special Ed - Elementary						
Special Ed - Middle	1	1				
Special Ed - High						
Subtotal	1	1	0	0	0	0
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	1	1	0	0	0	0

Percentage Error

0.00%

0.00%

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**EXCESS SURPLUS CALCULATION - REGULAR DISTRICTS**

**SECTION 1**

**A. 2% Calculation of Excess Surplus**

2023-2024 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ 7,301,313	(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	28,090	(B1d)
Decreased by:		
On-Behalf TPAF Pension & Social Security	1,377,221	(B2a)
Assets Acquired Under Capital Leases		(B2b)
 Adjusted 2023-2024 General Fund Expenditures [(B)+(B1s)-(B2s)]	<u>5,952,182</u>	(B3)
 2% of Adjusted 2023-2024 General Fund Expenditures [(B3) times .02]	<u>119,044</u>	(B4)
Enter Greater of (B4) or \$250,000	<u>250,000</u>	(B5)
Increased by: Allowable Adjustment*	<u>109,182</u>	(K)
 Maximum Unassigned/Undesignated-Unreserved Fund Balance[(B5)+(K)]		\$ <u>359,182</u> (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6/30/24 (Per ACFR Budgetary Comparison Schedule C-1)	\$ 1,882,560	(C)
Decreased by:		
Year-end Encumbrances	-	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures		(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	<u>256,809</u>	(C3)
Other Restricted Fund Balances****	<u>305,855</u>	(C4)
Assigned Fund balance Unreserved - Designated for Subsequent Year's Expenditures	<u>681,106</u>	(C5)
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		\$ <u>638,790</u> (U1)

**SECTION 3**

Restricted Fund Balance- Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0-	\$ <u>279,608</u>	(E)
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**Recapitulation of Excess Surplus as of June 30, 2024**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures**	256,809	(C3)
Reserved Excess Surplus ***[(E)]	<u>279,608</u>	(E)
 Total Excess Surplus [(C3) + (E)]	\$ <u>536,417</u>	(D)

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**EXCESS SURPLUS CALCULATION - REGULAR DISTRICTS**

**SECTION 3 (CONTINUED)**

**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 Comparison 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 & 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 Transportation Aid.
  - (J5) Supplemental Stabilization Aid & Maintenance of Equity Aid.

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 Transportation Aid.

**Detail of Allowable Adjustments**

Impact Aid	\$		(H)
Sale & Lease-Back			(I)
Extraordinary Aid		98,717	(J1)
Additional Nonpublic School Transportation Aid		10,465	(J2)
Current Year School Bus Advertising Revenue Recognized			(J3)
Family Crisis Transportation Aid			(J4)
Supplemental Stabilization Aid & Maintenance of Equity Aid.			(J5)
Total Adjustments [(H) + (I) + (J1) + (J2) + (J3) + (J4) + (J5)]	\$	109,182	(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 another 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		91,542	
Maintenance reserve		214,313	
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 General Fund Reserve (Sections 8007 and 8008)			
Other state/government mandated reserve			
Reserve for Unemployment Fund			
[Other Restricted Fund Balance not noted above] ****			
Total Other Restricted Fund Balance	\$	305,855	(C4)

SIGNATURE OF PUBLIC SCHOOL ACCOUNTANT - No. 915

## AUDIT RECOMMENDATIONS SUMMARY

For the Fiscal Year Ended June 30, 2024

Township of Deerfield School District

### Recommendations:

1. Administrative Practices and Procedures - None
2. Financial Planning, Accounting and Reporting

#### **Finding 2024-1**

##### **Recommendation**

Revised procedures discussed during the audit should be implemented, in order to provide an adequate accounting and reporting of the Payroll Fund that reconciles to the bank statements.

3. School Purchasing Programs –

#### **Finding 2024-2 (ACFR 2024-1)**

##### **Recommendation**

The District should review and revise its internal controls over the monitoring of grants, in order to ensure grant expenditures do not exceed the amount awarded.

4. School Food Service

#### **Finding 2024-3**

##### **Recommendation**

The Board should implement a corrective action plan to effectively reduce the net cash resources on hand through capital expenditure or otherwise.

5. Student Body Activities - None
6. Application for State School Aid - None
7. Charter School Enrollment System(CHE) (Applicable to audits of charter schools)

N/A

8. Pupil Transportation - None
9. Facilities and Capital Assets – None

AUDIT RECOMMENDATIONS SUMMARY

For the Fiscal Year Ended June 30, 2024

Township of Deerfield School District

10. Testing for Lead of all drinking water - None

11. Miscellaneous - None

12. Status of Prior Year Audit Findings/Recommendations

A review was performed on the prior year recommendations and corrective action was taken on all prior year findings, with the exception of the following:

**Finding 2023-4:**

⟨ **Recommendation**

The Board should implement a corrective action plan to effectively reduce the net cash resources on hand in the Food Service Fund through capital expenditure or otherwise.