

FRANKFORD TOWNSHIP BOARD OF EDUCATION

AUDITOR'S MANAGEMENT REPORT

FISCAL YEAR ENDED JUNE 30, 2025

Barre & Company LLC
Certified Public Accountants & Consultants

FRANKFORD TOWNSHIP BOARD OF EDUCATION

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

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Report of Independent Auditors

Honorable President and
Members of the Board of Education
Frankford Township Board of Education
Branchville, 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 Frankford Township Board of Education in the for the year ended June 30, 2025, and have issued our report thereon dated December 5, 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 Frankford Township Board of Education Members of the 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
Public School Accountant
PSA Number CS-O1181

Union, New Jersey
December 5, 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 District's ACFR.

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Christopher Lessard	Business Administrator	\$25,000.00
Ahmet Anar	Treasurer	\$190,000.00

There is a blanket dishonestly bond covering all other employees, including faithful performance for elected officials, in the amount of \$500,000 per loss.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls tested were certified by the President of the Board, the Board Secretary/School Business Administrator and the Chief School Administrator.

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

The Board has implemented and maintains a personnel tracking and accounting (position control) system.

Administrative Findings – Financial, Compliance and Performance

Financial Planning, Accounting and Reporting (Continued)

Reserve for 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 reserves for 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 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, a transaction error rate of 1.90% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

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

The prescribed contractual order system was followed.

Bids received were summarized in the minutes (*N.J.S.A. 18A:18A-21*).

Treasurer's Records

The Treasurer did perform cash reconciliations for all accounts.

All cash receipts were promptly deposited.

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

Elementary and Secondary Education Act (E.S.E.A.)/Improving America's Schools Act (IASA) as reauthorized by the No Child Left Behind Act of 2001

The E.S.E.A./NCLB 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 and IIA of the Elementary and Secondary Education Act as amended and reauthorized.

Administrative Findings – Financial, Compliance and Performance

Financial Planning, Accounting and Reporting (Continued)

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 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.

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.

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 (as of June 2007) is available on the website: <http://www.state.nj.us/dca/divisions/dlgs/programs/lpcl.html>.

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

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

Effective July 1, 2010 and thereafter, 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.

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.

Administrative Findings – Financial, Compliance and Performance

School Purchasing Programs (Continued)

Based on the results of my examination, I 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*, amended.

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 eligible students during the period of school closures.

During SY 2020-2021 the public health emergency was still applicable. 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) or the Summer Food Service Program (SFSP) option.

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

Administrative Findings – Financial, Compliance and Performance

School Food Service (Continued)

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records were reviewed on a test-check basis. The District utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17- 34, and 19-1 through 19-4.1. Provisions of the FSMC Cost Reimbursable Fixed Price or NonCompetitive Emergency Procurement contract/addendum were reviewed and audited.

All vendor discounts, rebates, and credits from vendors and/or the FSMC were June 30, 2021 tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually. Expenditures should be separately recorded as food, labor and other costs. Vendor invoices were reviewed, and costs verified. The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. The SFA recorded and maintained separate supporting documentation for additional costs (food, supplies, transportation, etc.) applicable to the implementation of the COVID-19 meal service under SSO or SFSP program requirements. Net cash resources did not exceed three months average expenditures. The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were certified in a timely manner. Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. No exceptions were noted.

Student Body Activities

During our review of the student activity funds, there were no items noted.

Enrollment Counts and Submissions to the Department

Our audit procedures included a test of enrollment information reported on October 15, 2024 and the last day of school for on-roll, special education, bilingual and low-income.

Follow-up on Prior Year Findings

Not Applicable

Acknowledgment

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

School Food Service

SCHEDULE OF MEAL COUNT ACTIVITY

FRANKFORD TOWNSHIP BOARD OF EDUCATION

FOOD SERVICE FUND

NUMBER FOR MEALS SERVED AND (OVER) UNDERCLAIM - FEDERAL

ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Program	Meal Category	Meals Claimed	Meals Tested	Meals Verified	Difference	Rate	(Over) Under Claim
National School Lunch (Regular Rate)	Paid	24,751	16,336	16,336	-	0.33	\$ -
	Reduced	1,438	949	949	-	3.11	-
	Free	5,963	3,936	3,936	-	3.51	-
	TOTAL	32,152	21,220	21,220	-		-
School Breakfast (Regular Rate)	Paid	-	-	-	-	0.32	\$ -
	Reduced	-	-	-	-	1.59	-
	Free	-	-	-	-	1.89	-
	TOTAL	-	-	-	-		\$ -
Seamless Summer Option (SOS) Breakfast Lunch	Free	-	-	-	-	1.89	\$ -
	Free	-	-	-	-	3.51	-
	TOTAL	-	-	-	-		
TOTAL NET OVERCLAIM							\$ -

School Food Service

SCHEDULE OF MEAL COUNT ACTIVITY

FRANKFORD TOWNSHIP BOARD OF EDUCATION

FOOD SERVICE FUND

NUMBER FOR MEALS SERVED AND (OVER) UNDERCLAIM - STATE

ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over) Under Claim</u>
State Reimbursement - National School Lunch (Regular Rate)	Paid	24,751	16,336	16,336	-	0.050	\$ -
	Reduced	1,438	949	949	-	0.055	-
	Free	5,963	3,936	3,936	-	0.055	-
	TOTAL	32,152	21,220	21,220	-		-
Seamless Summer Option (SOS) Lunch	Free	-	-	-	-	0.055	\$ -
	TOTAL						
TOTAL NET OVERCLAIM							<u>\$ -</u>

SCHEDULE OF AUDITED ENROLLMENTS

FRANKFORD TOWNSHIP BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT COUNT AS OF OCTOBER 15, 2024

Grades	Submission to DOE Reported on Roll	Sample												Errors	Percentage
		Reported on Workpapers	Verified Signed Registration Forms	Errors	Verified # Days Enrolled	Errors	Special Ed/ Bilingual	Verified Documentation	Errors	Verified # of Days Service Provided	Errors	Low Income	Verified Documentation	Errors	
Kindergarten	54	54	54		54		12	12		12		3	3		
One	57	57	57		57		7	7		7		10	10		
Two	45	45	45		45		8	8		8		7	7		
Three	57	57	57		57		11	11		11		4	4		
Four	52	52	52		52		5	5		5		6	6		
Five	57	57	57		57		5	5		5		7	7		
Six	48	48	48		48		3	3		3		6	6		
Seven	54	54	54		54		4	4		4		4	4		
Eight	56	56	56		56		7	7		7		7	7		
Totals	480	480	480	-	480	-	62	62	-	62	-	54	54	-	
Percentage				0.00%		0.00%			0.00%		0.00%				0.00%

SCHEDULE OF AUDITED ENROLLMENTS

FRANKFORD TOWNSHIP BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT COUNT AS OF LAST DAY OF SCHOOL YEAR 2025

Grades	Submission to DOE Reported on Roll	Sample												Errors	Verified Documentation	Low Income	Errors	Verified Documentation	Errors
		Reported on Workpapers	Verified Signed Registration Forms	Errors	Verified # Days Enrolled	Errors	Special Ed/ Bilingual	Verified Documentation	Errors	Verified # of Days Service Provided	Errors	Low Income	Verified Documentation						
Kindergarten	54	54	54		54		12	12		12		3	3					3	
One	57	57	57		57		7	7		7		10	10					10	
Two	45	45	45		45		8	8		8		7	7					7	
Three	57	57	57		57		11	11		11		4	4					4	
Four	52	52	52		52		5	5		5		6	6					6	
Five	57	57	57		57		5	5		5		7	7					7	
Six	48	48	48		48		3	3		3		6	6					6	
Seven	54	54	54		54		4	4		4		4	4					4	
Eight	56	56	56		56		7	7		7		7	7					7	
Totals	480	480	480	-	480	-	62	62	-	62	-	54	54	-	54	-	54	54	-
Percentage				0.00%		0.00%			0.00%		0.00%			0.00%			0.00%		0.00%

EXCESS SURPLUS CALCULATION

FRANKFORD TOWNSHIP BOARD OF EDUCATION

SECTION 1

A. 2% Calculation of Excess Surplus

2024-25 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ 14,453,114 (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	\$ (2,801,932) (B2a)
Assets Acquired Under Capital Leases	- (B2b)
Adjusted 2024-25 General Fund Expenditures	<u>11,651,182 (B3)</u>
2% of Adjusted 2024-25 General Fund Expenditures	<u>233,024 (B4)</u>
Enter Greater of (B4) or \$250,000	250,000 (B5)
Increased by: Allowable Adjustment *	<u>258,446 (K)</u>
Maximum Unassigned Fund Balance/Undesignated-Unreserved Fund Balance	<u>\$ 508,446 (M)</u>

SECTION 2

Total General Fund - Fund Balance @ 6/30/2025 (Per ACFR Budgetary Comparison Schedule C-1)	\$ 1,733,307 (C)
Decrease by:	
Year-end Encumbrances	(249,144) (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	- (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	(90,000) (C3)
Other Restricted Fund Balances ****	(815,717) (C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	- (C5)
Total Unassigned Fund Balance	<u>578,446 (U1)</u>

SECTION 3

Restricted Fund Balance - Excess Surplus ***	<u>\$ 70,000 (E)</u>
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Recapitulation of Excess Surplus as of June 30, 2025

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 90,000 (C3)
Reserved Excess Surplus ***	<u>70,000 (E)</u>
Total Excess Surplus	<u><u>160,000 (D)</u></u>

EXCESS SURPLUS CALCULATION

FRANKFORD TOWNSHIP BOARD OF EDUCATION

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 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 Transportation Aid.

(J5) Supplemental Stabilization Aid received April 2023 & Maintenance of Equity Aid and State Military Impact Aid received July 2023

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		247,724	(J1)
Additional Nonpublic School Transportation Aid		10,722	(J2)
Current Year School Bus Advertising Revenue Recognized		-	(J3)
Family Crisis Transportation Aid		-	(J4)
Supplemental Stabilization Aid received April 2023 & Maintenance of Equity Impact Aid received July 2023		-	(J5)
Total Adjustments	\$	258,446	(K)

** This amount represents the June 30, 2025 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amounts must agree to the June 30, 2025 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	(476,269)
Maintenance reserve	(185,087)
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	(154,361)
[Other Restricted Fund Balance not noted above] ****	-
Total Other Restricted Fund Balance	\$ (815,717) (C4)

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
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

None

3. School Purchasing Programs

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid/District Enrollment System/District Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

None

10. Status of Prior Year Audit Findings/Recommendations

None