

FAIRFIELD BOARD OF EDUCATION
COUNTY OF ESSEX
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2016

FAIRFIELD BOARD OF EDUCATION
COUNTY OF ESSEX
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2016
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October 7, 2016

The Honorable President and Members
of the Board of Education
Fairfield Board of Education
County of Essex, New Jersey

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 financial statements of the Board of Education of the Fairfield Township School District in the County of Essex for the fiscal year ended June 30, 2016, and have issued our report thereon dated October 7, 2016.

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 letter does not affect our report dated October 7, 2016, on the financial statements of the Board.

We will review the status of the comments during our next audit engagement. We have already discussed these comments, recommendations and suggestions with various management personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended for the information of the Fairfield Township 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.

NISIVOCCIA LLP

John J. Mooney
Licensed Public School Accountant #2602
Certified Public Accountant

FAIRFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2016

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

Multi-peril insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the District's CAFR.

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Daniel Saragnese	Interim Business Administrator/ Board Secretary	\$ 175,000
J. John McCluskey	Treasurer of School Monies	\$ 175,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The Board made a proper adjustment to the billings to sending districts for the decrease in per pupil costs in accordance with N.J.A.C.6A:23A-3.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

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

Finding:

During the course of our audit testing, we noted several instances where purchases were made prior to the preparation/approval of purchase orders.

Recommendation:

It is recommended that purchase orders are prepared/approved prior to the purchase of goods or services to ensure the availability of funds.

Management's Response:

The District will ensure all purchase order are prepared/approved prior to the purchase of goods or services to ensure the availability of funds.

FAIRFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Payroll Account and Position Control Register

The net salaries of 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 certified by the President of the Board and the School Business Administrator, and the Chief School Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits due to the General Fund.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendent, and business administrator) to the NJ Department of Treasury was filed in a timely manner.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made on a test basis as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A: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 testing procedures. In addition to randomly selecting as a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. As a result of the procedures performed, there were transaction errors noted and additional procedures were deemed necessary to test the propriety of expenditure classification.

Finding:

During our review of employee reimbursements, it was noted that travel expenses are being charged to non-travel line items and not to the appropriate functions.

Recommendation:

It is recommended that all employee travel reimbursements are charged to travel line items and to the appropriate function.

Management's Response:

The District will ensure that all employee travel reimbursements are charged to travel line items and to the appropriate function.

Finding:

During our testing of expenditures, we noted several instances in which purchases were being charged to the wrong accounts established within the 2015-16 budget.

FAIRFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Classification of Expenditures (Cont'd)

Recommendation:

It is recommended that all expenditures are correctly charged to appropriate budget line items.

Management's Response:

The District will ensure that all expenditures are charged to the appropriate function.

Board Secretary's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Board Secretary's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have several findings as noted below.

Finding:

During the course of our audit, we noted that the Board Secretary's Reports were not always prepared and submitted to the Board for approval and filed with the County Office in a timely manner.

Recommendation:

It is recommended that the Board Secretary's Reports are prepared and submitted to the Board for approval on a regular monthly basis and are filed with the County Office in a timely manner.

Management's Response:

The District will ensure that the Board Secretary's Reports are prepared and submitted to the Board for approval on a regular monthly basis and are filed with the County Office in a timely manner.

Finding:

As of year end, there were large receivable balances in both the Capital Projects Fund and the Special Revenue Fund. As a result of these fund not being received, cash deficits have been created in the General Fund.

Recommendation:

It is recommended that the District file for grant reimbursements in a timely manner for all grants which are on a reimbursement basis.

FAIRFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2016
 (Continued)

Board Secretary's Records (Cont'd)

Management's Response:

The District has already begun to file the necessary documents, in order to collect the receivables which are due from various state agencies.

Treasurer's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Treasurer's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted herein.

Finding:

During the course of our audit, we noted that the Treasurer's Reports were not always prepared and submitted to the Board for approval on a regular monthly basis and filed with the County Office in a timely manner.

Recommendation:

It is recommended that the Treasurer's Reports are prepared and submitted to the Board for approval on a regular monthly basis and are filed with the County Office in a timely manner.

Management's Response:

The District will ensure that the Treasurer's Reports are prepared and submitted to the Board for approval on a regular monthly basis and are filed with the County Office in a timely manner.

No Child Left Behind (N.C.L.B.)

The N.C.L.B. financial exhibits are contained within the Special Revenue Section of the District's CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I and II of the No Child Left Behind Act.

The study of compliance for the N.C.L.B. did not indicate any area of noncompliance.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for district employees who are members of the Teachers' Pension and Annuity Fund. No exceptions were noted.

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The T.P.A.F. Reimbursement to the State for Federal Salary Expenditures was remitted to the State of New Jersey prior to the required deadline of October 1, 2016. The reimbursement form was reviewed and no exceptions were noted.

FAIRFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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 CAFR.

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 CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 states:

a. "When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefore, except that the Board of Education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c. 198 the Board of Education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Commencing in the fifth year after the year in which P.L.1999, c. 440 takes effect and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school Districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made"

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the Board of Education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law"

Effective July 1, 2015 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (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 \$18,800.

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 Attorney's opinion should be sought before a commitment is made.

FAIRFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2016
 (Continued)

School Purchasing Programs (Cont'd)

Contracts and Agreements Requiring Advertisement for Bids (Cont'd)

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. General compliance was noted.

The results of our examination indicated that no 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.

School Food Service

The District does not operate a school food service program and participate in the Child Nutrition Program or receive related federal or state awards.

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the records of the Student Activities Fund for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted below.

Finding:

During the course of our audit, we noted that cash receipts for the Stevenson student activities account were not deposited in a timely manner.

Recommendation:

It is recommended that all cash receipts be deposited in a timely manner for the Stevenson student activities account.

Management's Response:

The District will ensure that cash receipts are deposited in a timely manner for the Stevenson student activities account.

FAIRFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

Application for State School Aid

Our audit procedures included a test of enrollments and related services reported in the October 15, 2015 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, bilingual 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 with minor exceptions. The information that was included on the workpapers was verified on a test basis without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed State forms or their equivalent.

The District has adequate written procedures for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2015-16 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal policy and procedure pertaining to travel and expense reimbursement for its employees and board members. The regulations require the District to establish a maximum travel for the year and to ensure that the maximum is not exceeded. The regulations also require that all travel be preapproved by the Board of Education and that the approval must be itemized by event, event total cost, and individuals attending.

Facilities and Capital Assets

Our procedures included a review of the SDA grant agreements for consistency with recording SDA revenue, transfer of local funds from the general fund and awarding of contracts for eligible facilities construction. No exceptions were noted except as noted herein.

Finding:

At June 30, 2016, the District has outstanding grants receivable from 2010 and 2012 in the amount of \$217,819 from Schools Development Authority.

Recommendation:

It is recommended that the District review the status of grant expenditures and submit all of the required project cost documentation to the Schools Development Authority for reimbursement.

FAIRFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

Facilities and Capital Assets (Cont'd)

Management's Response:

The District will review the status of grant expenditures and will submit all of the required project cost documentation to the Schools Development Authority for reimbursement.

Management Suggestions

Cyber Security

Cyber-crime has become much more prevalent in the last few years. Websites and internal networks, including personally identifiable information ("PII"), have been hacked and resulted in significant losses to organizations, both financial and reputational. We suggest that the District consider options to test and protect the District from cyber-crime.

Deferred Compensation Plans

The District has a fiduciary responsibility to its employees related to the deferred compensation plans offered by the District. The District should consider a periodic review of the benefits, features, costs, and performance of its deferred compensation plans and make that information available to employees to assist employees in making suitable choices for investing their retirement funds while fulfilling the District's fiduciary responsibilities.

Independent Contractors vs. Employees

The District should consider reviewing the status of "Independent Contractors" utilized by the District with Internal Revenue Service guidelines for determination of employment status. The IRS has been reviewing employers, including governments, to determine compliance. A proactive approach may help to minimize or eliminate potential penalties related to incorrect employment status determination.

Miscellaneous

Governmental Accounting Standards Board Statements

The next Governmental Accounting Standards Board ("GASB") statement which will have a significant impact on the District will be GASB#75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, will be effective for the fiscal year ending June 30, 2018. This standard replaces GASB#45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. It is similar to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* GASB#68 in that successful implementation of this standard will require the provision of certain key financial and non-financial information from the New Jersey Division of Pensions.

Status of Prior Year's Findings/Recommendations

Prior year recommendations relating to payroll and benefits have been corrected and are not included in this audit. All other recommendations have not been corrected, and are included in this report.

FAIRFIELD BOARD OF EDUCATION
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2015

	2016-2017 Application for State School Aid						Sample for Verification					
	Reported on ASSA On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool 4 Years Old	10		10					10		10		
Full Day Kindergarten	93		93					93		93		
Grade One	63		63					63		63		
Grade Two	55		58		(3)			58		58		
Grade Three	76		74		2			74		74		
Grade Four	83		85		(2)			85		85		
Grade Five	77		80		(3)			80		80		
Grade Six	87		87					87		87		
Subtotal	544		550		(6)			550		550		
Special Education:												
Elementary	72		72					7		7		
Middle	10		10					1		1		
Subtotal	82		82					8		8		
Totals	626	- 0 -	632	- 0 -	(6)	- 0 -		558	- 0 -	558	- 0 -	- 0 -
Percentage Error					(0.95%)	0.00%					0.00%	0.00%

FAIRFIELD BOARD OF EDUCATION
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2015

	Private Schools for Disabled					Resident Low Income						
	Reported on ASSA as Private Schools	Reported on Workpapers as Private Schools	Sample for Verification	Sample Verified	Sample Errors	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	
Full Day Kindergarten						2	2		1	1		
Grade One						1	1					
Grade Two						2	2		1	1		
Grade Three						1	1					
Grade Four						2	2		1	1		
Grade Five						2	2		1	1		
Grade Six						1	1					
Subtotal						11	11		4	4		
Special Education:												
Elementary School	3	3	1	1		2	2		1	1		
Middle School						1	1		1	1		
Subtotal	3	3	1	1		3	3		2	2		
Totals	3	3	- 0 -	1	1	- 0 -	14	14	- 0 -	6	6	- 0 -
Percentage Error			0.00%			0.00%			0.00%			0.00%

FAIRFIELD BOARD OF EDUCATION
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2015

	Resident LEP Low Income					
	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Errors
Grade Six	1	1		1	1	
Subtotal	1	1		1	1	
Totals	1	1	- 0 -	1	1	- 0 -
Percentage Error			0.00%			0.00%

FAIRFIELD BOARD OF EDUCATION
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2015

	Resident LEP Not Low Income					
	Reported on ASSA as LEP Not Low Income	Reported on Workpapers as LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Grade One	2	2		1	1	
Grade Two	1	2	1	1	1	
Grade Four	4	4		2	2	
Grade Five	1	1				
Subtotal	<u>8</u>	<u>9</u>	<u>1</u>	<u>4</u>	<u>4</u>	
Special Education:						
Middle School	<u>1</u>	<u>1</u>		<u>1</u>	<u>1</u>	
Subtotal	<u>1</u>	<u>1</u>		<u>1</u>	<u>1</u>	
Totals	<u>9</u>	<u>10</u>	<u>1</u>	<u>5</u>	<u>5</u>	<u>- 0 -</u>
Percentage Error			<u>11.11%</u>			<u>0.00%</u>

FAIRFIELD BOARD OF EDUCATION
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2015

	<u>Transportation</u>					
	<u>Reported on DRTRS by DOE</u>	<u>Reported on DRTRS by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>
Regular - Public Schools	149	149		15	15	
Regular - Special Education	2	2		1	1	
Special Needs - Public	18	18		7	7	
Special Needs - Private	<u>4</u>	<u>4</u>		<u>2</u>	<u>2</u>	
Totals	<u><u>173</u></u>	<u><u>173</u></u>	<u><u>- 0 -</u></u>	<u><u>25</u></u>	<u><u>25</u></u>	<u><u>- 0 -</u></u>
Percentage Error			<u><u>0.00%</u></u>			<u><u>0.00%</u></u>

	<u>Reported</u>	<u>Recalculated</u>
Average Mileage - Regular Including Grade PK Students	2.9	2.9
Average Mileage - Regular Excluding Grade PK Students	2.9	2.9
Average Mileage - Special Education with Special Needs	3.8	3.8

FAIRFIELD BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2016

Regular District**Section 1****2% Calculation of Excess Surplus**

2015-16 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ 12,313,241 (B)	
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$ -0- (B1a)	
Transfer from Capital Reserve to Capital Projects Fund	\$ -0- (B1b)	
Decreased by:		
On-Behalf TPAF Pension and Social Security	\$ 1,229,366 (B2a)	
Assets Acquired Under Capital Leases	\$ -0- (B2b)	
Adjusted 2015-16 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 11,083,875 (B3)</u>	
2% of Adjusted 2015-16 General Fund Expenditures [(B3) times .02]	\$ 221,678 (B4)	
Enter Greater of (B4) or \$250,000	\$ 250,000 (B5)	
Increased by: Allowable Adjustment	\$ -0- (K)	
Maximum Unassigned Fund Balance [(B5)+(K)]		<u>\$ 250,000 (M)</u>

Section 2

Total General Fund - Fund Balances @ 6/30/16 (Per CAFR Budgetary Comparison Schedule/Statement)	\$ 775,901 (C)	
Decreased by:		
Year-end Encumbrances	\$ 47,521 (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ -0- (C2)	
Legally Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 34,431 (C3)	
Other Restricted Fund Balances	\$ 391,262 (C4)	
Assigned - Designated for Subsequent Year's Expenditures	\$ -0- (C5)	
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		<u>\$ 302,687 (U)</u>

Section 3

Restricted Fund Balance-Excess Surplus [(U)-(M)] IF NEGATIVE, ENTER -0-	<u>\$ 52,687 (E)</u>
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FAIRFIELD BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2016

Recapitulation of Excess Surplus as of June 30, 2016

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 34,431 (C3)
Restricted Excess Surplus [(E)]	<u>\$ 52,687 (E)</u>
Total [(C3)+(E)]	<u><u>\$ 87,118 (D)</u></u>

Detail of Allowable Adjustments

Impact Aid	<u>\$ -0- (H)</u>
Sale & Lease-back	<u>\$ -0- (I)</u>
Extraordinary Aid	<u>\$ -0- (J1)</u>
Additional Nonpublic School Transportation Aid	<u>\$ -0- (J2)</u>
Total Adjustments (H)+(I)+(J1)+(J2)+(J3)	<u><u>\$ -0- (K)</u></u>

Detail of Other Restricted Fund Balances

Statutory Restrictions:

Approved Unspent Separate Proposal	<u>\$ -0-</u>
Sale/Lease-back Reserve	<u>\$ -0-</u>
Capital Reserve (N-1)	<u>\$ 391,262</u>
Maintenance Reserve (N-2)	<u>\$ -0-</u>
Tuition Reserve (N-3)	<u>\$ -0-</u>
Emergency Reserve (N-4)	<u>\$ -0-</u>
Other Restricted Fund Balance not Noted Above	<u>\$ -0-</u>
Total Other Restricted Fund Balance	<u><u>\$ 391,262 (C-4)</u></u>

FAIRFIELD BOARD OF EDUCATION
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2016

It is recommended that:

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
 - a. Purchase orders are prepared/approved prior to the purchase of goods or services to ensure the availability of funds.
 - b. All employee travel reimbursements are charged to travel line items and to the appropriate function.
 - c. The Board Secretary's Reports are prepared and submitted to the Board for approval on a regular monthly basis and are filed with the County Office in a timely manner.
 - d. The District file for grant reimbursements in a timely manner for all grants which are on a reimbursement basis.
 - e. The Treasurer's Reports are prepared and submitted to the Board for approval on a regular monthly basis and are filed with the County Office in a timely manner.
3. School Purchasing Program
None
4. School Food Service
None
5. Student Body Activities
All cash receipts be deposited in a timely manner for the Stevenson student activities account.
6. Application for State School Aid
None
7. Pupil Transportation
None
8. Facilities and Capital Assets
The District review the status of grant expenditures and submit all of the required project cost documentation to the Schools Development Authority for reimbursement.

FAIRFIELD BOARD OF EDUCATION
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

9. Status of Prior Year's Findings/Recommendations

Prior year recommendations relating to payroll and benefits have been corrected and are not included in this audit. All other recommendations have not been corrected, and are included in this report.