

**BOARD OF EDUCATION
TOWNSHIP OF FAIRFIELD SCHOOL DISTRICT
COUNTY OF CUMBERLAND
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS-
FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED
JUNE 30, 2018**

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
Township of Fairfield School District
County of Cumberland, 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 Township of Fairfield School District in the County of Cumberland for the year ended June 30, 2018, and have issued our report thereon dated January 24, 2019.

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 with the Comprehensive Annual Financial Report of the Board of Education of the Township of Fairfield School District, for the fiscal year ended June 30, 2018 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, PA



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant

No. 915

January 24, 2019

ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE

Scope of Audit

The audit covered the financial transactions of the School Business Administrator/Board Secretary and District personnel entrusted with duties formally under the auspices of the Treasurer of School Monies, 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 CAFR.

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

There is a Public Employees' Faithful Performance Blanket Position Bond covering all other employees with multiple coverage of \$500,000.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were different than estimated costs. The Board made a proper adjustment to the billings and invoices to sending districts for the decreases and increases in per pupil costs in accordance with N.J.A.C. 6A:23-17.1(f)3. There were no students enrolled on a tuition basis in the 2017-18 school year.

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.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (Continued)

Payroll Account and Position Control Roster

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, and the Chief School Administrator.

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

Payrolls were delivered to the secretary of the board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

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, 2018 for proper classification of orders as reserve for encumbrances or accounts payable.

District personnel performed an analysis of outstanding purchase orders at June 30, 2018 and properly prepared the separate listings of purchase orders, comprising the balance sheet account balances for accounts payable and reserve for encumbrances. No blanket orders were noted in our test.

Obligations of Federal Grant Awards and Requests for Reimbursement of Expenditures Against Those Federal Grants Award - No exceptions were noted.

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 transaction error rate of 4% was noted and additional procedures were deemed necessary to test the propriety of expenditure classification.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (Continued)

Classification of Expenditures (Continued)

A. General Classification Findings

Finding 2018-1

During our test of transactions, it was noted that the district misclassified one expenditure, as such, adjustments were necessary and reflected in the financial statements.

Recommendation

Districts should reference *The Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2008 Edition* and other available reference materials, such as the Budget Guidelines for the proper classifications required to be in compliance with NJAC 6A:23A-16.2(f).

B. Administrative Classification Findings

None

Board Secretary's Records

Acknowledgement of the Board's receipt of the Board Secretary's and Treasurer's monthly financial reports was included in the minutes. Monthly financial certifications of the Board Secretary and Board of Education for positive line item account status (N.J.A.C. 6:2-2.13) were performed. Budgetary line item account transfers were generally approved monthly to cover any anticipated deficits, with the exception of the following:

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 not filed by the March 15 due date.

Treasurer's Records – Board Secretary's Office

Board Secretary personnel prepared cash reconciliations for the general operating account, payroll account and payroll agency account per N.J.S.A.18A:17-9.

All cash receipts were promptly deposited. (N.J.S.A.18A:17-34, 18A:17-9.1) and the Treasury records were in agreement with the records of the Board Secretary.

The 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 CAFR. This section of the CAFR documents the financial position pertaining to the projects under Titles I, II-A, IV, and V 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 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. The business office is in the process of analyzing various accounts receivable and deferred revenue balances reflected as of June 30, 2018.

Finding 2018-2

The General Ledger in the Special Revenue Fund was not sufficiently analyzed with regard to adjusting accounts receivable. This includes amounts inaccurately being closed into unearned revenue.

Recommendation:

As part of the year end close out procedures, an additional review of the Special Revenue Fund accounts receivable should be conducted, in order to provide complete and accurate balances for reporting in the District's financial statements.

T.P.A.F. Reimbursement

Our audit procedures included a test of bi-weekly 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 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 60 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 PROGRAM

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.

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

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 \$19,000 for 2017-18.

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, amended.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal that School Supplies were properly purchased from vendors through approved state contracts.

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 PURCHASING PROGRAM

School Food Service

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 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.

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

Exhibits reflecting Child Nutrition Program operations are included in the CAFR section entitled Enterprise Funds, Section G.

Student Body Activities

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

Receipts appeared to be deposited promptly in the bank and Cash receipts and disbursements records were maintained in satisfactory condition.

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

Application for State School Aid

Our audit procedures included a test of information reported in the October 14, 2017 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 with the exception of one student being counted as special education before their IEP implementation date and one student was left off the list of LEP students. 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 as updated during the audit. The district's 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 2017-2018 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS eligibility summary report with the exception of one student not found on the attendance register. The County Summary was compared to and agreed with the District's DRTRS summary report. The results of our procedures are presented in the Schedule of Audited Enrollments.

Pupil Transportation (Continued)

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

Facilities and Capital Assets

Our procedures included a review of the grant agreements with the New Jersey School Construction Corp. (NJSCC) and SDA for consistency with recording, revenue, transfer of local funds from the general fund or from the capital reserve account, and awarding of contracts for eligible facilities construction.

On December 8, 2009, the voters of the district approved a referendum for the construction of an addition and renovations to the elementary school, which included a grant award received from NJSDA in the amount of \$1,984,772. The local share of the project was made up by \$2,000,000 in serial bonds issued.

Included in the conversion to the GASB 34 reporting format is the requirement that the fixed assets be recorded in accordance with GAAP along with depreciation expense.

Fixed asset records were updated as of June 30, 2018 through contracting with an outside vendor. Our audit procedures revealed several instances of misclassified items within the asset report that have been reported in the classification of expenditures section of the Management Report.

Testing for Lead of all Drinking Water in Educational Facilities

The school district adhered 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 test results were posted 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 prior year findings with the exception of the following:

Finding: 2017-1

Resolved

Finding: 2017-2

During our test of transactions, it was noted that the district misclassified expenditures, as such, adjustments were necessary and reflected in the financial statements. See Finding 2018-2.

Finding: 2017-3

Resolved

Finding: 2017-4

Resolved

Finding: 2017-5

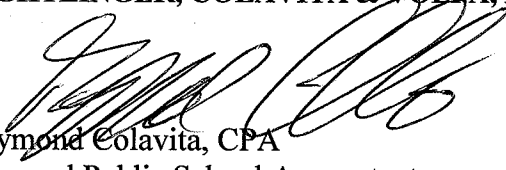
Resolved

Acknowledgment

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

SCHEDULE OF AUDITED ENROLLMENTS

**FAIRFIELD TOWNSHIP SCHOOL DISTRICT
APPLICATION OR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017**

	2018-2019 APPLICATION FOR STATE SCHOOL AID						SAMPLE FOR VERIFICATION						PRIVATE SCHOOLS FOR HANDICAPPED			
	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			
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Private Schools	Sample for Verification	Sample Verified	Sample Errors
Full Day Preschool 3 Year Olds	43.0		45.0		(2)			15		15						
Full Day Preschool 4 Year Olds	50.0		48.0		2			17		17						
Full Day Kindergarten	48.0		48.0					16		16						
One	53.0		53.0					18		18						
Two	61.0		60.0		1			21		21						
Three	48.0		48.0					16		16						
Four	38.0		38.0					13		13						
Five	48.0		48.0					16		16						
Six	52.0		52.0					18		18						
Seven	25.0		25.0					9		9						
Eight	36.0		36.0					12		12						
Nine																
Ten																
Eleven																
Twelve																
Subtotal	502.0	0.0	501.0		1	0		171		171		0				
Special Ed - Elementary	47.0		48.0		(1)			16		16						
Special Ed - Middle	27.0		26.0		1			9		9						
Special Ed - High																
Subtotal	74.0	0.0	74.0		0			25		25		0	0	0	0	0
Totals	576.0	0.0	575.0		1	0		196		196		0	0	0	0	0
Percentage Error					0.00%	0.00%				0.00%	0.00%					0.00%

SCHEDULE OF AUDITED ENROLLMENTS

**FAIRFIELD TOWNSHIP SCHOOL DISTRICT
APPLICATION OR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported On A.S.S.A. as Low Income	Reported On Workpapers as Low Income	Errors	Sample Selected From Workpapers	Verified per Registers On Roll	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 per Registers On Roll	Sample Errors
Full Day Preschool 3 Year Olds												
Full Day Preschool 4 Year Olds												
Full Day Kindergarten	29	29		15	15		1	1		1	1	
One	28	28		15	15		5	5		4	4	
Two	34	34		18	18		5	5		4	4	
Three	24	24		12	12		2	2		2	2	
Four	25	25		13	13		2	2		2	2	
Five	28	28		15	15		2	2		2	2	
Six	23	23		12	12							
Seven	11	11		6	6							
Eight	15	15		8	8							
Nine												
Ten												
Eleven												
Twelve												
Subtotal	217	217	0	114	114	0	17	17	0	15	15	0
Special Ed - Elementary	22	22		11	11							
Special Ed - Middle	14	14		9	9							
Special Ed - High												
Subtotal	36	36	0	20	20	0	0	0	0	0	0	0
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	253	253	0	134	134	0	17	17	0	15	15	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	275	275		143	143			
Reg. - Special Ed.	4	4		2	2		5.2	
AIL-Non Public	15	15		8	8		5.4	
Transported - Non-Public							9.9	
Special Needs - Public	4	4		2	2			
Totals	298	298	0	155	155	0		
Percentage Error						0.00%		

SCHEDULE OF AUDITED ENROLLMENTS

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
APPLICATION OR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Report On A.S.S.A. as NOT Low Income</u>	<u>Report On Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected From Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Full Day Preschool 3 Year Olds						
Full Day Preschool 4 Year Olds						
Full Day Kindergarten	1	1		1	1	
One						
Two						
Three						
Four						
Five						
Six	1	1		1	1	
Seven						
Eight						
Subtotal	2	2	0	2	2	0
Special Ed - Elementary	3	3		3	3	
Special Ed - Middle						
Special Ed - High						
Subtotal	3	3	0	3	3	0
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	5	5	0	5	5	0

Percentage Error

0.00%

0.00%

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION

SECTION 1

A. 2% Calculation of Excess Surplus

2017-18 Total General Fund Expenditures per the CAFR	\$ <u>8,129,537</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	<u> </u> (B1a)
Transfer from Capital Reserve to Capital Projects Fund	<u> </u> (B1b)
Transfer from General Fund to SRF for PreK-Regular	<u> </u> (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	<u> </u> (B1d)
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>1,083,340</u> (B2a)
Assets Acquired Under Capital Leases	<u> </u> (B2b)
 Adjusted 2017-18 General Fund Expenditures [(B)+(B1s)-(B2s)]	 <u>7,046,197</u> (B3)
 2% of Adjusted 2017-18 General Fund Expenditures [(B3) times .02]	 <u>140,924</u> (B4)
Enter Greater of (B4) or \$250,000	<u>250,000</u> (B5)
Increased by: Allowable Adjustment*	<u>18,055</u> (K)
 Maximum Unassigned/Undesignated-Unreserved Fund Balance[(B5)+(K)]	 \$ <u>268,055</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-18 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>724,727</u> (C)
Decreased by:	
Year-end Encumbrances	<u> </u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u> </u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	<u>137,741</u> (C3)
Other Restricted Fund Balances****	<u>40,548</u> (C4)
Assigned Fund balance Unreserved - Designated for Subsequent Year's Expenditures	<u>15,199</u> (C5)
Additional Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures July 1, 2018 - August - 1, 2018	<u> </u> (C6) *****
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	 \$ <u>531,239</u> (U1)

SECTION 3

Restricted Fund Balance- Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0- \$ 263,184 (E)

Recapitulation of Excess Surplus as of June 30, 2018

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures**	137,741 (C3)
Reserved Excess Surplus ***[(E)]	<u>263,184</u> (E)
 Total Excess Surplus [(C3) + (E)]	 \$ <u>400,925</u> (D)

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION

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, effective for the year ending June 30, 2016 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.

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	_____	(J1)
Additional Nonpublic School Transportation Aid	13,705	(J2)
Current Year School Bus Advertising Revenue Recognized	4,350	(J3)
Family Crisis Transportation Aid	_____	(J4)
Total Adjustments [(H) + (I) + (J1) + (J2) + (J3) + (J4)]	\$ 18,055	(K)

- ** This amount represents the June 30, 2018 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.
- *** Amounts must agree to the June 30, 2018 CAFR 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.
- ***** Increase in Assigned Fund Balance - Unreserved - Designated for Subsequent Year's expenditures July 1, 2018 to August 1, 2018 resulting from decrease in state aid after adoption of 2018-19 district budget. Refer to Commissioner's Broadcast of July 13, 2018 at the NJDOE Broadcast webpage <https://homerroom5.doe.state.nj.us/broadcasts> and to page 1-4.2 of this Audit Program.

Detail of Other Restricted Fund Balance

Statutory restrictions:		
Approved unspent separate proposal	\$ _____	
Sale/lease-back reserve	_____	
Capital reserve	30,498	
Maintenance reserve	10,050	
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 8007 and 8008)	_____	
Impact Aid General Fund Reserve (Sections 8002 and 8003)	_____	
Other state/government mandated reserve	_____	
[Other Restricted Fund Balance not noted above] ****	_____	
Total Other Restricted Fund Balance	\$ 40,548	(C4)

SIGNATURE OF PUBLIC SCHOOL ACCOUNTANT - No. 915

AUDIT RECOMMENDATIONS SUMMARY

For the Fiscal Year Ended June 30, 2018

FAIRFIELD TOWNSHIP SCHOOL DISTRICT

Recommendations:

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

Classification of Expenditures -

Finding 2018-1

Recommendation - Districts should reference *The Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2008 Edition* and other available reference materials, such as the Budget Guidelines for the proper classifications required to be in compliance with NJAC 6A:23A-16.2(f).

Other Special Federal and/or State Projects -

Finding 2018-2

Recommendation - As part of the year end close out procedures, an additional review of the Special Revenue Fund accounts receivable should be conducted, in order to provide complete and accurate balances for reporting in the District's financial statements.

T.P.A.F Reimbursement - None

TPAF Reimbursement to the State for Federal Salary Expenditures - None

3. School Purchasing Programs - None
4. School Food Service - None
5. Student Body Activities - None
6. Application for State School Aid - None
7. Charter School Enrollment System(CHE) (Applicable to audits of charter schools) - None
8. Pupil Transportation - None
9. Facilities and Capital Assets - None
10. Miscellaneous - None

AUDIT RECOMMENDATIONS SUMMARY

For the Fiscal Year Ended June 30, 2018

FAIRFIELD TOWNSHIP SCHOOL DISTRICT

(Continued)

11. 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: 2017-2

During our test of transactions, it was noted that the district misclassified one expenditure, as such; adjustments were necessary and reflected in the financial statements. See Finding 2018-2.