

**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, 2020**

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, 2020, and have issued our report thereon dated December 22, 2020.

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, 2020 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
December 22, 2020

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 was one student enrolled on a tuition basis in the 2019-20 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 (CONT'D)

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.

Audit procedures revealed that salary withholdings were not always 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, 2020 for proper classification of orders as reserve for encumbrances or accounts payable.

District personnel performed an analysis of outstanding purchase orders at June 30, 2020, which appeared to properly 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. There was a prior year adjustment to resolve the prior year finding, related to the reporting of prior encumbrances and accounts payable.

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.

The results of our tests did not reveal any miscoded expenditures against the budget.

A. General Classification Findings with NJAC 6A:23A-16.2(f).

None

B. Administrative Classification Findings

None

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (CONT'D)

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.

Finding 2020-1 (CAFR Finding 2020-1)

As a result of previous years issues with identifying and recording interfund receivables, involving the general and food service funds, a prior year adjustment was reported in the financial statements, as determined by the business office. Procedures to record interfund transactions and maintain open orders have been revised with the conversion to a new accounting software package.

Recommendation

Internal control procedures to identify, record and clear various interfund transactions should be reviewed and revised, in order to assure that transactions are reflected in the proper fund and provide timely clearance of interfund balance.

Finding 2020-2 (CAFR Finding 2020-1)

Several open purchase orders were inaccurately recorded in the previous year, requiring a prior year adjustment that was recorded by the business office to properly reflect current year disbursements.

Recommendation

Procedures to record expenditures in the expenditure accounting system should be reviewed and revised, in order to properly reflect expenditures paid, as well as open orders.

Treasurer's Records

The Treasurer 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.

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.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (CONT'D)

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, 2020.

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 2018-19.

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.

In as much 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.

SCHOOL PURCHASING PROGRAM (CONT'D)

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

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 Food Service

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. No exceptions noted.

Cash receipts and bank records were reviewed for timely deposit. No exceptions noted.

The district/charter school/renaissance school project 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 or Fixed Price contract/addendum were reviewed and audited. The FSMC contract does not include an operating results provision. All vendor discounts, rebates, and credits from vendors and/or the FSMC were 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. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used. No exceptions noted.

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. No exceptions noted.

Net cash resources did not exceed three months average expenditures.

Time sheets were reviewed, and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education/board of trustees. No exceptions were noted.

School Food Service (Cont'd)

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 submitted/certified in a timely manner. No exceptions noted.

During the 2019-20 year, the District participated in the Community Eligibility Program (CEP), which allowed the School to offer breakfast and lunch free of charge to on-roll students. Although all children in a CEP school are eligible for receipt of a free meal, the CEP school is still required to maintain equivalent meal count records as those schools that are not participating in CEP. The equivalent meal count records were reviewed for completeness and accuracy. The number of meals claimed was compared to the number of valid household surveys on file and/or to the list of directly certified students, times the number of operating days, on a school by school basis. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required procedures for household surveys were completed and available for review. No exceptions were noted.

USDA Food Distribution Program (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

The Statement of Revenues, Expenses, and Changes in Fund Net Position (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.

COVID – 19 EMERGENCY

In accordance with the Governor's Declaration of Emergency pertaining to the COVID 19 Virus all Public, Charter, Non-Public schools were ordered to close effective as of March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, School Food Authorities (SFA) were required to institute alternate procedures to provide meals to Free and Reduced Price eligible students during the period of school closures.

Therefore, 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 Free and Reduced Price meal eligible students.

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 free and reduced price meal eligible students during the emergency.

We also inquired of management about the emergency COVID-19 procedures/practices that the SFA instituted to provide meals to eligible 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.

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 15, 2019 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers without exception.

The 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 2019-2020 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 compared to and agreed with the District's DRTRS summary report. 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.

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.

The Fixed Asset records were updated as of June 30, 2020 through contracting with an outside vendor.

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.

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 MEAL COUNT ACTIVITY
FAIRFIELD TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS/MILKS SERVED AND (OVER)/UNDERCLAIM-FEDERAL
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE	(OVER) UNDER CLAIM (b)
National School Lunch (Severe Need Rate)	Paid				-	0.34	-
	Reduced				-	3.03	-
	Free	64,789	64,789	64,789	-	3.43	-
	TOTAL	64,789	64,789	64,789	-		-
National School Lunch	HHFKA - PB						
	Lunch Only	64,789	64,789	64,789	-	0.07	-
School Breakfast (Severe Need Rate)	Paid				-	0.31	-
	Reduced				-	1.9	-
	Free	50,376	50,376	50,376	-	2.04	-
	TOTAL	50,376	50,376	50,376	-		-
After School Snack Program		10,746	10,746	10,746	-	0.94	-
Total Net Overclaim							-

SCHEDULE OF MEAL COUNT ACTIVITY

FAIRFIELD TOWNSHIP SCHOOL DISTRICT

FOOD SERVICE FUND

NUMBER OF MEALS/MILKS SERVED AND (OVER)/UNDERCLAIM-STATE

ENTERPRISE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE	(OVER) UNDER CLAIM
State Reimbursement - National School Lunch (Regular Rate)	Paid					0.040	
	Reduced					0.055	
	Free	64,789	64,789	64,789	-	0.055	-
	TOTAL	<u>64,789</u>	<u>64,789</u>	<u>64,789</u>	<u>-</u>		

Total Net Overclaim

-

SCHEDULE OF AUDITED ENROLLMENTS

**FAIRFIELD TOWNSHIP SCHOOL DISTRICT
APPLICATION OR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2019**

	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	17	17		11	11								One	23	23		14	14		2	2		1	1		Two	18	18		11	11								Three	16	16		10	10		1	1		1	1		Four	22	22		14	14		3	3		1	1		Five	20	20		12	12								Six	18	18		11	11		1	1		1	1		Seven	17	17		11	11								Eight	20	20		12	12								Nine													Ten													Eleven													Twelve													Subtotal	171	171	0	106	106	0	7	7	0	4	4	0	Special Ed - Elementary	16	16		10	10		2	2		1	1		Special Ed - Middle	3	3		2	2		1	1		1	1		Special Ed - High													Subtotal	19	19	0	12	12	0	3	3	0	2	2	0	Co. Voc. - Regular													Co. Voc. Ft. Post Sec.													Totals	190	190	0	118	118	0	10	10	0	6	6	0	Percentage Error			0.00%			0.00%			0.00%		
Full Day Preschool 4 Year Olds													Full Day Kindergarten	17	17		11	11								One	23	23		14	14		2	2		1	1		Two	18	18		11	11								Three	16	16		10	10		1	1		1	1		Four	22	22		14	14		3	3		1	1		Five	20	20		12	12								Six	18	18		11	11		1	1		1	1		Seven	17	17		11	11								Eight	20	20		12	12								Nine													Ten													Eleven													Twelve													Subtotal	171	171	0	106	106	0	7	7	0	4	4	0	Special Ed - Elementary	16	16		10	10		2	2		1	1		Special Ed - Middle	3	3		2	2		1	1		1	1		Special Ed - High													Subtotal	19	19	0	12	12	0	3	3	0	2	2	0	Co. Voc. - Regular													Co. Voc. Ft. Post Sec.													Totals	190	190	0	118	118	0	10	10	0	6	6	0	Percentage Error			0.00%			0.00%			0.00%			0.00%													
Full Day Kindergarten	17	17		11	11								One	23	23		14	14		2	2		1	1		Two	18	18		11	11								Three	16	16		10	10		1	1		1	1		Four	22	22		14	14		3	3		1	1		Five	20	20		12	12								Six	18	18		11	11		1	1		1	1		Seven	17	17		11	11								Eight	20	20		12	12								Nine													Ten													Eleven													Twelve													Subtotal	171	171	0	106	106	0	7	7	0	4	4	0	Special Ed - Elementary	16	16		10	10		2	2		1	1		Special Ed - Middle	3	3		2	2		1	1		1	1		Special Ed - High													Subtotal	19	19	0	12	12	0	3	3	0	2	2	0	Co. Voc. - Regular													Co. Voc. Ft. Post Sec.													Totals	190	190	0	118	118	0	10	10	0	6	6	0	Percentage Error			0.00%			0.00%			0.00%			0.00%																										
One	23	23		14	14		2	2		1	1		Two	18	18		11	11								Three	16	16		10	10		1	1		1	1		Four	22	22		14	14		3	3		1	1		Five	20	20		12	12								Six	18	18		11	11		1	1		1	1		Seven	17	17		11	11								Eight	20	20		12	12								Nine													Ten													Eleven													Twelve													Subtotal	171	171	0	106	106	0	7	7	0	4	4	0	Special Ed - Elementary	16	16		10	10		2	2		1	1		Special Ed - Middle	3	3		2	2		1	1		1	1		Special Ed - High													Subtotal	19	19	0	12	12	0	3	3	0	2	2	0	Co. Voc. - Regular													Co. Voc. Ft. Post Sec.													Totals	190	190	0	118	118	0	10	10	0	6	6	0	Percentage Error			0.00%			0.00%			0.00%			0.00%																																							
Two	18	18		11	11								Three	16	16		10	10		1	1		1	1		Four	22	22		14	14		3	3		1	1		Five	20	20		12	12								Six	18	18		11	11		1	1		1	1		Seven	17	17		11	11								Eight	20	20		12	12								Nine													Ten													Eleven													Twelve													Subtotal	171	171	0	106	106	0	7	7	0	4	4	0	Special Ed - Elementary	16	16		10	10		2	2		1	1		Special Ed - Middle	3	3		2	2		1	1		1	1		Special Ed - High													Subtotal	19	19	0	12	12	0	3	3	0	2	2	0	Co. Voc. - Regular													Co. Voc. Ft. Post Sec.													Totals	190	190	0	118	118	0	10	10	0	6	6	0	Percentage Error			0.00%			0.00%			0.00%			0.00%																																																				
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Seven	17	17		11	11								Eight	20	20		12	12								Nine													Ten													Eleven													Twelve													Subtotal	171	171	0	106	106	0	7	7	0	4	4	0	Special Ed - Elementary	16	16		10	10		2	2		1	1		Special Ed - Middle	3	3		2	2		1	1		1	1		Special Ed - High													Subtotal	19	19	0	12	12	0	3	3	0	2	2	0	Co. Voc. - Regular													Co. Voc. Ft. Post Sec.													Totals	190	190	0	118	118	0	10	10	0	6	6	0	Percentage Error			0.00%			0.00%			0.00%			0.00%																																																																																																																					
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Ten													Eleven													Twelve													Subtotal	171	171	0	106	106	0	7	7	0	4	4	0	Special Ed - Elementary	16	16		10	10		2	2		1	1		Special Ed - Middle	3	3		2	2		1	1		1	1		Special Ed - High													Subtotal	19	19	0	12	12	0	3	3	0	2	2	0	Co. Voc. - Regular													Co. Voc. Ft. Post Sec.													Totals	190	190	0	118	118	0	10	10	0	6	6	0	Percentage Error			0.00%			0.00%			0.00%			0.00%																																																																																																																																																												
Eleven													Twelve													Subtotal	171	171	0	106	106	0	7	7	0	4	4	0	Special Ed - Elementary	16	16		10	10		2	2		1	1		Special Ed - Middle	3	3		2	2		1	1		1	1		Special Ed - High													Subtotal	19	19	0	12	12	0	3	3	0	2	2	0	Co. Voc. - Regular													Co. Voc. Ft. Post Sec.													Totals	190	190	0	118	118	0	10	10	0	6	6	0	Percentage Error			0.00%			0.00%			0.00%			0.00%																																																																																																																																																																									
Twelve													Subtotal	171	171	0	106	106	0	7	7	0	4	4	0	Special Ed - Elementary	16	16		10	10		2	2		1	1		Special Ed - Middle	3	3		2	2		1	1		1	1		Special Ed - High													Subtotal	19	19	0	12	12	0	3	3	0	2	2	0	Co. Voc. - Regular													Co. Voc. Ft. Post Sec.													Totals	190	190	0	118	118	0	10	10	0	6	6	0	Percentage Error			0.00%			0.00%			0.00%			0.00%																																																																																																																																																																																						
Subtotal	171	171	0	106	106	0	7	7	0	4	4	0	Special Ed - Elementary	16	16		10	10		2	2		1	1		Special Ed - Middle	3	3		2	2		1	1		1	1		Special Ed - High													Subtotal	19	19	0	12	12	0	3	3	0	2	2	0	Co. Voc. - Regular													Co. Voc. Ft. Post Sec.													Totals	190	190	0	118	118	0	10	10	0	6	6	0	Percentage Error			0.00%			0.00%			0.00%			0.00%																																																																																																																																																																																																			
Special Ed - Elementary	16	16		10	10		2	2		1	1		Special Ed - Middle	3	3		2	2		1	1		1	1		Special Ed - High													Subtotal	19	19	0	12	12	0	3	3	0	2	2	0	Co. Voc. - Regular													Co. Voc. Ft. Post Sec.													Totals	190	190	0	118	118	0	10	10	0	6	6	0	Percentage Error			0.00%			0.00%			0.00%			0.00%																																																																																																																																																																																																																
Special Ed - Middle	3	3		2	2		1	1		1	1		Special Ed - High													Subtotal	19	19	0	12	12	0	3	3	0	2	2	0	Co. Voc. - Regular													Co. Voc. Ft. Post Sec.													Totals	190	190	0	118	118	0	10	10	0	6	6	0	Percentage Error			0.00%			0.00%			0.00%			0.00%																																																																																																																																																																																																																													
Special Ed - High													Subtotal	19	19	0	12	12	0	3	3	0	2	2	0	Co. Voc. - Regular													Co. Voc. Ft. Post Sec.													Totals	190	190	0	118	118	0	10	10	0	6	6	0	Percentage Error			0.00%			0.00%			0.00%			0.00%																																																																																																																																																																																																																																										
Subtotal	19	19	0	12	12	0	3	3	0	2	2	0	Co. Voc. - Regular													Co. Voc. Ft. Post Sec.													Totals	190	190	0	118	118	0	10	10	0	6	6	0	Percentage Error			0.00%			0.00%			0.00%			0.00%																																																																																																																																																																																																																																																							
Co. Voc. - Regular													Co. Voc. Ft. Post Sec.													Totals	190	190	0	118	118	0	10	10	0	6	6	0	Percentage Error			0.00%			0.00%			0.00%			0.00%																																																																																																																																																																																																																																																																				
Co. Voc. Ft. Post Sec.													Totals	190	190	0	118	118	0	10	10	0	6	6	0	Percentage Error			0.00%			0.00%			0.00%			0.00%																																																																																																																																																																																																																																																																																	
Totals	190	190	0	118	118	0	10	10	0	6	6	0	Percentage Error			0.00%			0.00%			0.00%			0.00%																																																																																																																																																																																																																																																																																														
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TRANSPORTATION

	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors	Mileage	
							Reported	Re-Calculated
Reg. - Public Schools	220	220		114	114	0	Avg. Mileage - Regular Including Grade PK students	4.7
Reg. - Special Ed.	30	30		16	16	0	Avg. Mileage - Regular Excluding Grade PK students	4.8
ALL-Non Public	6	6		3	3	0	Avg. Mileage - Special Ed with Special Needs	6.6
Transported - Non-Public								
Special Needs - Public	11	11		6	6			
Totals	267	267	0	139	139	0		
Percentage Error						0.00%		

SCHEDULE OF AUDITED ENROLLMENTS

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
APPLICATION OR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2019

	<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	1	1		2	2	
Two	3	3		2	2	
Three	3	3		1	1	
Four	1	1		1	1	
Five	1	1		2	2	
Six	1	1		1	1	
Seven	2	2		2	2	
Eight						
Subtotal	13	13	0	12	12	0
Special Ed - Elementary	4	4		3	3	
Special Ed - Middle						
Special Ed - High						
Subtotal	4	4	0	3	3	0
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	17	17	0	15	15	0
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION

SECTION 1

A. 2% Calculation of Excess Surplus

2019-20 Total General Fund Expenditures per the CAFR, Ex C-1		\$	<u>8,634,770</u>		(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:					
On-Behalf TPAF Pension & Social Security			<u>1,381,193</u>		(B2a)
Assets Acquired Under Capital Leases					(B2b)
 Adjusted 2019-20 General Fund Expenditures [(B)+(B1s)-(B2s)]			 <u><u>7,253,577</u></u>		 (B3)
 2% of Adjusted 2019-20 General Fund Expenditures					
[(B3) times .02]			<u>145,072</u>		(B4)
Enter Greater of (B4) or \$250,000			<u>250,000</u>		(B5)
Increased by: Allowable Adjustment*			<u>-</u>		(K)
 Maximum Unassigned/Undesignated-Unreserved Fund Balance[(B5)+(K)]					 \$ <u><u>250,000</u></u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-20 (Per CAFR Budgetary Comparison Schedule C-1)		\$	<u>59,905</u>		(C)
Decreased by:					
Year-end Encumbrances			<u>44,022</u>		(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures			<u>10,105</u>		(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**			<u>-</u>		(C3)
Other Restricted Fund Balances****			<u>-</u>		(C4)
Assigned Fund balance Unreserved - Designated for Subsequent Year's Expenditures			<u>-</u>		(C5)
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]					 \$ <u><u>5,778</u></u> (U1)

SECTION 3

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

Recapitulation of Excess Surplus as of June 30, 2020

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures**			-		(C3)
Reserved Excess Surplus ***[(E)]					(E)
 Total Excess Surplus [(C3) + (E)]					 \$ <u><u>-</u></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, 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.

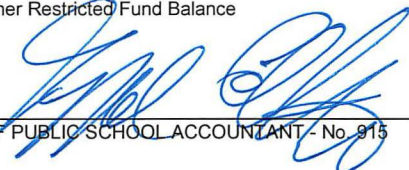
Detail of Allowable Adjustments

Impact Aid	\$ _____	(H)
Sale & Lease-Back	_____	(I)
Extraordinary Aid	_____	(J1)
Additional Nonpublic School Transportation Aid	_____	(J2)
Current Year School Bus Advertising Revenue Recognized	_____	(J3)
Family Crisis Transportation Aid	_____	(J4)
Total Adjustments [(H) + (I) + (J1) + (J2) + (J3) + (J4)]	\$ _____	(K)

- ** This amount represents the June 30, 2020 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line **90031**.
- *** Amounts must agree to the June 30, 2020 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.

Detail of Other Restricted Fund Balance

Statutory restrictions:		
Approved unspent separate proposal	\$ _____	
Sale/lease-back reserve	_____	
Capital reserve	_____	
Maintenance reserve	_____	
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	\$ _____	(C4)



 SIGNATURE OF PUBLIC SCHOOL ACCOUNTANT - No. 915

AUDIT RECOMMENDATIONS SUMMARY

For the Fiscal Year Ended June 30, 2020

FAIRFIELD TOWNSHIP SCHOOL DISTRICT

Recommendations:

1. Administrative Practices and Procedures – None

2. Financial Planning, Accounting and Reporting -

Board Secretary's Records -

Finding 2020-1

Recommendation

Internal control procedures to identify, record and clear various interfund transactions should be reviewed and revised, in order to assure that transactions are reflected in the proper fund and provide timely clearance of interfund balance.

Finding 2020-2

Recommendation –

Procedures to record expenditures in the expenditure accounting system should be reviewed and revised, in order to properly reflect expenditures paid, as well as open orders.

3. Elementary and Secondary Education Act as amended by the Every Student Succeeds Act (ESSA) – None

4. School Purchasing Programs - None

5. School Food Service - None

6. Student Body Activities - None

7. Application for State School Aid - None

8. Charter School Enrollment System(CHE) (Applicable to audits of charter schools) - None

9. Pupil Transportation – None

AUDIT RECOMMENDATIONS SUMMARY

For the Fiscal Year Ended June 30, 2020

FAIRFIELD TOWNSHIP SCHOOL DISTRICT

(Continued)

10. Facilities and Capital Assets – None

Miscellaneous - None

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.