

**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, 2021**

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

TABLE OF CONTENTS

	<u>Page No.</u>
Report of Independent Auditors	1
Scope of Audit	2
Administrative Practices and Procedures	
Insurance	2
Officials Bonds	2
Tuition Charges	2
District Internal Control Policies	2
Financial Planning, Accounting and Reporting	
Examination of Claims	2
Payroll Account and Position Control Roster	2-3
Reserve for Encumbrances and Accounts Payable	3
Obligations of Federal Grant Awards and Requests for Reimbursement of Expenditures Against those Federal Grants Awards	4
Classification of Expenditures	
General Classifications	4
Administrative Classifications	4
Board Secretary's Records	4
Treasurer's Records	5
Elementary and Secondary Education Act as amended by the Every Student Succeeds Act (ESSA)	5
Other Special Federal and/or State Projects	5
T.P.A.F. Reimbursement	5
TPAF Reimbursement to the State for Federal Salary Expenditures	5
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids	6
School Food Service	7-8
Student Body Activities	9
Application for State School Aid	9
Pupil Transportation	9
Facilities and Capital Assets	9-10
Testing for Lead of all Drinking Water in Edu. Facilities	10
Follow-up on Prior Year Findings	10
Acknowledgment	10
Net Cash Resource Schedule	11
Schedule of Meal Count Activity	12-13
Schedule of Audited Enrollments	14-16
Excess Surplus Calculation	17-18
Audit Recommendations Summary	19-20

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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, 2021, and have issued our report thereon dated February 2, 2022.

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, 2021 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
February 2, 2022

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.

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.

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.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (CONT'D)

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

Finding 2021-1

Payroll timesheets were not always approved by an administrator.

Recommendation

All time sheets should be approved by an appropriate administrator in the future, for internal control purposes.

Audit procedures revealed that salary withholdings were not always promptly remitted to the proper agencies, including health benefits withholding due to the general fund.

Finding 2021-2 (CAFR Finding 2021-1)

A detailed list of balances was not available in the Payroll Agency fund that reconciled to the bank statement. This includes the Flexible Spending account.

Recommendation

Procedures to record and reconcile the Payroll Agency records should be reviewed and revised, in order to provide a list of agency balances that reconciles to the bank statement.

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, 2021 for proper classification of orders as reserve for encumbrances or accounts payable.

District personnel performed an analysis of outstanding purchase orders at June 30, 2021, 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.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (CONT'D)

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

Finding 2021-3

Amounts reflected as receivable on various federal grants were not readily agreed to subsequent receipts.

Recommendation

Procedures to request reimbursements of federal grant funds should be reviewed and revised, in order to more easily agree the requests to amounts recorded as receivable per grant.

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

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 2021-4

The District's bank accounts were overdrawn by a total of \$242,361.

Recommendation

The District should consider acquiring temporary loans prior to issuing checks for the payment of open orders to avoid overdrawing any bank account in the future.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (CONT'D)

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.

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, 2021.

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 \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively.

The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$19,600 for 2020-2021.

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.

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

PUBLIC HEALTH EMERGENCY

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

During SY 2020-2021 the public health emergency was still applicable. As a result, School Food Authorities (SFAs) were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO) or the Summer Food Service Program (SFSP) option.

SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A.18A:18A-7. The SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all students during the emergency.

The 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 Fixed Price or Non-Competitive Emergency Procurement 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. No exceptions noted.

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.

School Food Service (CONT'D)

The SFA recorded and maintained separate supporting documentation for additional costs (food, supplies, transportation, etc.) applicable to the implementation of the COVID-19 meal service under SSO or SFSP program requirements. No exceptions noted.

The FSMC did not apply for and receive a loan in accordance with the Payroll Protection Plan.

Finding 2021-5

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

Recommendation

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

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.

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 2020-2021 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.

Non-program foods were not purchased, prepared, sold, or offered for sale. 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 15, 2020 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 2020-2021 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.

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, 2021 through contracting with an outside vendor.

Facilities and Capital Assets (CONT'D)

Finding 2021-6 (CAFR 2021-2)

Building additions in the capital projects fund were not included in the fixed asset accounting report prepared by an outside vendor and adjustments were required to be reflected, as part of the audit.

Recommendation

Procedures to update the fixed asset records need to be reviewed and revised, in order to assure that all additions and deletions are reflected in the report supporting the financial statements.

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

A review was performed on the prior year recommendations and corrective action was taken on all 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

NET CASH RESOURCE SCHEDULE

**Net cash resources did exceed three months of expenditures
Proprietary Funds - Food Service
FYE 2021
Fairfield Township Board of Education**

<u>Net Cash Resources:</u>	Food Service B - 4/5	
CAFR	*	Current Assets
B-4		Cash & Cash Equiv. \$ (2,107)
B-4		Due from Other Gov'ts 119,602
B-4		Accounts Receivable 2,161
B-4		Investments
CAFR		Current Liabilities
B-4		Less Accounts Payable (4,828)
B-4		Less Accruals
B-4		Less Due to Other Funds
B-4		Less Deferred Revenue <u>(4,274)</u>
		Net Cash Resources <u>\$ 110,554.00</u> (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	241,416	
B-5	Less Depreciation	<u>(18,682)</u>	
	Adj. Tot. Oper. Exp.	<u>\$ 222,734.00</u>	(B)

Average Monthly Operating Expense:

B / 10	<u>\$ 22,273.40</u>	(C)
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Three times monthly Average:

3 X C	<u>\$ 66,820.20</u>	(D)
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TOTAL IN BOX A	\$	110,554.00	
LESS TOTAL IN BOX D	\$	66,820.20	
NET	\$	<u>43,733.80</u>	
From above:			
A is greater than D, cash exceeds 3 X average monthly operating expenses.			
D is greater than A, cash does not exceed 3 X average monthly operating expenses.			

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

SOURCE - USDA resource management comprehensive review form

SCHEDULE OF MEAL COUNT ACTIVITY
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, 2021

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE	(OVER) UNDER CLAIM (b)
National School Lunch (Severe Need Rate)	Paid						
	Reduced						
	Free	51,479	51,479	51,479		\$ 3.53	
	TOTAL	51,479	51,479	51,479			
National School Lunch	HHFKA - PB						
	Lunch Only	51,479	51,479	51,479		0.07	
School Breakfast (Severe Need Rate)	Paid						
	Reduced						
	Free	49,621	49,621	49,621		2.26	
	TOTAL	49,621	49,621	49,621			
After School Snack Program		10,746	10,746	10,746		0.96	
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, 2021

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE	(OVER) UNDER CLAIM
State Reimbursement -National School Lunch (Regular Rate)	Paid						
	Reduced						
	Free	6,268	6,268	6,268		0.055	
	Free	43,353	43,353	43,353		0.255	
	TOTAL	<u>49,621</u>	<u>49,621</u>	<u>49,621</u>			

Total Net Overclaim

\$

SCHEDULE OF AUDITED ENROLLMENTS

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
APPLICATION OR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2020

	2021-2022						SAMPLE FOR VERIFICATION						PRIVATE SCHOOLS FOR HANDICAPPED			
	APPLICATION FOR STATE SCHOOL AID															
	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	9		9					4		4						
Full Day Preschool 4 Year Olds	35		35					14		14						
Full Day Kindergarten	34		34					14		14						
One	34		34					14		14						
Two	41		41					17		17						
Three	42		42					17		17						
Four	38		38					15		15						
Five	48		48					20		20						
Six	39		39					16		16						
Seven	46		46					19		19						
Eight	48		48					20		20						
Nine																
Ten																
Eleven																
Twelve																
Subtotal	414	0	414		0	0		170		170		0				
Special Ed - Elementary	27		27					11		11						
Special Ed - Middle	42		42					17		17						
Special Ed - High																
Subtotal	69	0	69		0			28		28		0	0	0	0	0
Totals	483	0	483		0	0		198		198		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 15, 2020**

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	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	16	16		9	9							
One	27	27		15	15							
Two	30	30		17	17		2	2		1	1	
Three	24	24		14	14							
Four	25	25		14	14		1	1				
Five	31	31		18	18		3	3		1	1	
Six	26	26		15	15							
Seven	22	22		13	13		1	1				
Eight	33	33		19	19							
Nine												
Ten												
Eleven												
Twelve												
Subtotal	234	234	0	134	134	0	7	7	0	2	2	0
Special Ed - Elementary	10	10		6	6							
Special Ed - Middle	6	6		3	3		3	3		1	1	
Special Ed - High												
Subtotal	16	16	0	9	9	0	3	3	0	1	1	0
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	250	250	0	143	143	0	10	10	0	3	3	0
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

TRANSPORTATION

	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors	Reported	Re-Calculated
Reg. - Public Schools	198	198		103	103		4.3	
Reg. - Special Ed.	56	56		29	29		4.4	
AIL-Non Public	4	4		2	2		7.7	
Transported - Non-Public								
Special Needs - Public	2	2		1	1			
Totals	260	260	0	135	135	0		
Percentage Error					<u>0.00%</u>			

SCHEDULE OF AUDITED ENROLLMENTS

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
APPLICATION OR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2020

	<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						
One						
Two	1	1				
Three	3	3		1	1	
Four						
Five	1	1				
Six	2	2		1	1	
Seven	2	2		1	1	
Eight	2	2		1	1	
Subtotal	11	11	0	4	4	0
Special Ed - Elementary	4	4		1	1	
Special Ed - Middle						
Special Ed - High						
Subtotal	4	4	0	1	1	0
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	15	15	0	5	5	0

Percentage Error

0.00%

0.00%

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION

SECTION 1

A. 4% Calculation of Excess Surplus

2020-2021 Total General Fund Expenditures per the CAFR, Ex C-1		\$	<u>8,517,986</u>		
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>1,586,382</u>		(B2a)
Assets Acquired Under Capital Leases					(B2b)
 Adjusted 2020-2021 General Fund Expenditures [(B)+(B1s)-(B2s)]			 <u><u>6,931,604</u></u>		 (B3)
 4% of Adjusted 2020-2021 General Fund Expenditures [(B3) times .04]			 <u>277,264</u>		 (B4)
Enter Greater of (B4) or \$250,000			<u>277,264</u>		(B5)
Increased by: Allowable Adjustment*			<u>25,502</u>		(K)
 Maximum Unassigned/Undesignated-Unreserved Fund Balance[(B5)+(K)]					 \$ <u><u>302,766</u></u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-21 (Per CAFR Budgetary Comparison Schedule C-1)		\$	<u>279,963</u>		
Decreased by:					
Year-end Encumbrances			<u>7,458</u>		(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures					(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**					(C3)
Other Restricted Fund Balances****			<u>4,756</u>		(C4)
Assigned Fund balance Unreserved - Designated for Subsequent Year's Expenditures					(C5)
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]					 \$ <u>267,749</u> (U1)

SECTION 3

Restricted Fund Balance- Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0-		\$	<u> </u>		(E)
<u>Recapitulation of Excess Surplus as of June 30, 2021</u>					
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	24,342	(J2)
Current Year School Bus Advertising Revenue Recognized	1,160	(J3)
Family Crisis Transportation Aid	_____	(J4)
Total Adjustments [(H) + (I) + (J1) + (J2) + (J3) + (J4)]	\$ 25,502	(K)

** This amount represents the June 30, 2021 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amounts must agree to the June 30, 2021 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	4,756
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	_____
Reserve for Unemployment Fund	_____
[Other Restricted Fund Balance not noted above] ****	_____
Total Other Restricted Fund Balance	\$ 4,756 (C4)

SIGNATURE OF PUBLIC SCHOOL ACCOUNTANT - No. 915

AUDIT RECOMMENDATIONS SUMMARY

For the Fiscal Year Ended June 30, 2021

FAIRFIELD TOWNSHIP SCHOOL DISTRICT

Recommendations:

1. Administrative Practices and Procedures – None
2. Financial Planning, Accounting and Reporting – Board Secretary's Records -

Finding 2021-1

Recommendation

All time sheets should be approved by an appropriate administrator in the future, for internal control purposes.

Finding 2021-2 (CAFR 2021-1)

Recommendation

Procedures to record and reconcile the Payroll Agency records should be reviewed and revised, in order to provide a list of agency balances that reconciles to the bank statement.

Finding 2021-3

Recommendation

Procedures to request reimbursements of federal grant funds should be reviewed and revised, in order to more easily agree the requests to amounts recorded as receivable per grant

Finding 2021-4

Recommendation

The District should consider acquiring temporary loans prior to issuing checks for the payment of open orders to avoid overdrawing any bank account in the future.

3. Elementary and Secondary Education Act as amended by the Every Student Succeeds Act (ESSA) – None
4. School Purchasing Programs - None

AUDIT RECOMMENDATIONS SUMMARY

For the Fiscal Year Ended June 30, 2021

FAIRFIELD TOWNSHIP SCHOOL DISTRICT

(Continued)

5. School Food Service

Finding 2021-5

Recommendation

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

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

10. Facilities and Capital Assets

Finding 2021-6 (CAFR 2021-2)

Recommendation

Procedures to update the fixed asset records need to be reviewed and revised, in order to assure that all additions and deletions are reflected in the report supporting the financial statements.

11. Miscellaneous - None

12. Status of Prior Year Audit Findings/Recommendations

A review was performed on the prior year recommendations and corrective action was taken on all prior year findings.